

# 新華人壽保險股份有限公司

## NEW CHINA LIFE INSURANCE COMPANY LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 01336

# 2024

## Interim Report



 **NCI 新华保险**

关 爱 人 生 每 一 天



## IMPORTANT INFORMATION

1. The Board of Directors, the Board of Supervisors and directors, supervisors and members of senior management of the Company guarantee the correctness, accuracy and completeness of the contents of this report, and that there is no false representation, misleading statement or material omission in this report, and are legally liable for this report jointly and severally.
2. The Interim Report 2024 of the Company was considered and approved at the 24th meeting of the eighth session of the Board on 29 August 2024, which 11 directors were required to attend and 11 of them attended in person.
3. The 2024 interim condensed consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards 17 – Insurance Contracts and International Financial Reporting Standards 9 – Financial Instruments, etc. issued by International Accounting Standards Board, and unaudited.
4. The Company plans to distribute 2024 interim cash dividend of RMB0.54 (tax included) per share to all shareholders, approximately RMB1,685 million in total. The above dividend distribution plan is subject to the approval of shareholders' general meeting.
5. Mr. YANG Yucheng, the Chairman of the Company, Mr. ZHANG Hong, the President of the Company, Mr. GONG Xingfeng, the Temporary Financial Principal<sup>(1)</sup> and the Chief Actuary of the Company and Mr. ZHANG Tao, the Officer in charge of Accounting Department of the Company, guarantee the correctness, accuracy and completeness of the interim condensed consolidated financial information in the Interim Report 2024.
6. In addition to the facts stated herein, this report includes some forward-looking statements and analysis, which may differ from the actual results of the Company in the future. The Company does not make any warranty or undertaking upon its future performance. Investors are advised to exercise caution.
7. No non-operating funds were misappropriated by the controlling shareholder or its related parties for the Company.
8. No external guarantee provided by the Company violated the decision-making procedures of the Company.
9. No more than half of directors of the Company could not guarantee the correctness, accuracy and completeness of this report.
10. The major risks of the Company include market risk, credit risk, insurance risk, operational risk, reputation risk, strategic risk, liquidity risk, etc. The Company has taken various measures to effectively manage and control all sorts of risks. Please refer to the Section 3 Management Discussion and Analysis of this report for details.

Note:

1. The 21st meeting of the eighth session of the Board held on 24 May 2024 considered and approved *Proposal on the Appointment of Chief Financial Officer (Financial Principal) of the Company*, and agreed to appoint Mr. GONG Xingfeng as chief financial officer (financial principal) of the Company. His qualification is still subject to the ratification of regulatory authority.

# DEFINITIONS

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

<b>the Company, New China Life, NCI</b>	The general term of New China Life Insurance Company Ltd., its subsidiaries and its consolidated structured entities
<b>Asset Management Company</b>	New China Asset Management Co., Ltd., a subsidiary of the Company
<b>Asset Management Company (Hong Kong)</b>	New China Asset Management (Hong Kong) Limited, a subsidiary of Asset Management Company
<b>New China Pension</b>	New China Pension Co., Ltd., a subsidiary of the Company
<b>Foundation</b>	New China Life Foundation
<b>Huijin</b>	Central Huijin Investment Ltd.
<b>China Baowu</b>	China Baowu Steel Group Corporation Limited
<b>CBIRC</b>	Former China Banking and Insurance Regulatory Commission
<b>NFRA</b>	National Financial Regulatory Administration
<b>SSE</b>	Shanghai Stock Exchange
<b>Hong Kong Stock Exchange, HKSE</b>	The Stock Exchange of Hong Kong Limited
<b>RMB</b>	Renminbi
<b>pt</b>	Percentage point(s)
<b>P.R.C., China</b>	People's Republic of China, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan
<b>P.R.C. GAAP</b>	China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the P.R.C., and its application guide, interpretation and other related regulations issued thereafter
<b>IFRS</b>	International Financial Reporting Standards as promulgated by the International Accounting Standards Board
<b>IFRS 4, old accounting standards for insurance contracts</b>	International Financial Reporting Standards 4 – Insurance Contracts
<b>IAS 39, old accounting standards for financial instruments</b>	International Accounting Standards 39 – Financial Instruments: Recognition and Measurement
<b>IFRS 17, new accounting standards for insurance contracts</b>	International Financial Reporting Standards 17 – Insurance Contracts
<b>IFRS 9, new accounting standards for financial instruments</b>	International Financial Reporting Standards 9 – Financial Instruments
<b>Articles of Association</b>	Articles of Association of New China Life Insurance Company Ltd.
<b>Hong Kong Listing Rules</b>	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>Model Code</b>	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
<b>Corporate Governance Code</b>	Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
<b>SFO</b>	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>Board, Board of Directors</b>	The board of directors of the Company
<b>Board of Supervisors</b>	The board of supervisors of the Company

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## SECTION 1

# CORPORATE INFORMATION

### BASIC INFORMATION

Legal Name in Chinese	新華人壽保險股份有限公司(簡稱「新華保險」)
Legal Name in English	NEW CHINA LIFE INSURANCE COMPANY LTD. ("NCI")
Legal Representative	YANG Yucheng
Registered Office	No.16, East Hunan Road, Yanqing District, Beijing, P.R.C. (Zhongguancun Yanqing Park)
Historic Change of Registered Office	The Company changed its registered office from No.1, East Hunan Road, Yanqing District, Beijing, P.R.C. to current address in November 2019.
Postal Code	102100
Place of Business	NCI Tower, A12 Jianguomenwai Avenue, Chaoyang District, Beijing, P.R.C.
Postal Code	100022
Place of Business in Hong Kong	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Website	<a href="http://www.newchinalife.com">http://www.newchinalife.com</a>
Email	<a href="mailto:ir@newchinalife.com">ir@newchinalife.com</a>
Customer Service and Complaint Hotline	95567

### CONTACT INFORMATION

Board Secretary/Joint Company Secretary	GONG Xingfeng
Securities Representative	XU Xiu
Telephone	86-10-85213233
Fax	86-10-85213219
Email	<a href="mailto:ir@newchinalife.com">ir@newchinalife.com</a>
Address	NCI Tower, A12 Jianguomenwai Avenue, Chaoyang District, Beijing, P.R.C.
Joint Company Secretary	NG Sau Mei
Telephone	852-35898647
Fax	852-35898359
Email	<a href="mailto:Jojo.Ng@tmf-group.com">Jojo.Ng@tmf-group.com</a>
Address	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

### INFORMATION DISCLOSURE AND PLACE FOR OBTAINING THE REPORT

Newspapers and Websites for Publishing Interim Report (A Share)	China Securities Journal, <a href="http://epaper.cs.com.cn">http://epaper.cs.com.cn</a> Shanghai Securities News, <a href="https://www.cnstock.com">https://www.cnstock.com</a>
Websites of Stock Exchange for Publishing Interim Report	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a> (A Share) <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a> (H Share)
Place Where Copies of Interim Report are Kept	Board of Directors Office of the Company

### STOCK INFORMATION

Stock Type	Stock Exchange	Stock Name	Stock Code
A Share	The Shanghai Stock Exchange	新華保險	601336
H Share	The Stock Exchange of Hong Kong Limited	NCI	01336

### OTHER RELEVANT INFORMATION

A Share Registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch
Address	No.188 South Yanggao Road, Pudong New Area, Shanghai, China
H Share Registrar	Computershare Hong Kong Investor Services Limited
Address	Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Domestic Auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Address	30/F, 222 East Yan'an Road, Huangpu District, Shanghai, China
Signing Certified Public Accountants	MA Qianlu and YANG Li
International Auditor	Deloitte Touche Tohmatsu
Address	35/F, One Pacific Place, 88 Queensway, Hong Kong SAR, China
Domestic Legal Advisor	Commerce & Finance Law Offices
Address	China World Office 2, No. 1 Jianguomenwai Avenue, Beijing, China
Hong Kong Legal Advisor	Clifford Chance LLP
Address	27/F, Jardine House, 1 Connaught Place, Central, Hong Kong

## SECTION 2

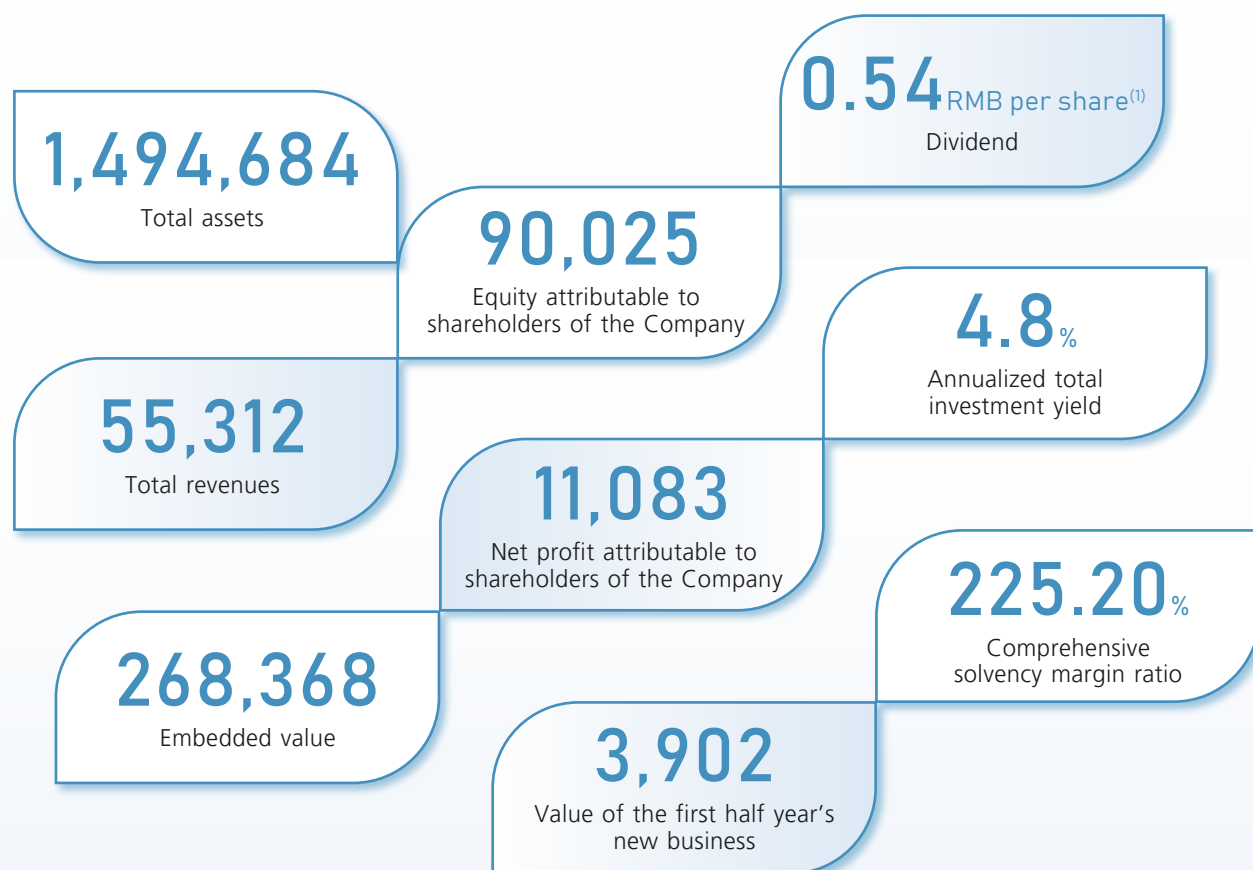
# BUSINESS OVERVIEW



Founded in September 1996, New China Life is a large and nationwide life insurance company with its headquarters in Beijing. New China Life has always been committed to forging “China’s best financial service group with comprehensive life insurance business” as its core, and provided customers with protection and wealth planning products and services that cover their whole life. The Company has promoted the development of old-age care and healthcare industries and strived to make assets management business bigger and stronger to greatly support the development of life insurance business.

New China Life has established nationwide marketing and service networks and offered life insurance products and services to individual customers and institutional customers, manages and deploys insurance funds through its subsidiaries, including Asset Management Company and Asset Management Company (Hong Kong). New China Life was simultaneously listed on the SSE and the HKSE in 2011.

Unit: RMB in millions



Note:

1. Subject to approval of shareholders' general meeting.

## LIFE INSURANCE

In the first half of 2024, the Company insisted on returning to the essence of insurance, firmly followed the path of high-quality development, and continued to deepen the supply-side reform to serve the real economy and ensure people's wellbeing. The Company advanced the customer-centered transformation and built a multi-level product system and customer service ecosystem to meet customers' needs. Meanwhile, the Company further optimized systems and mechanisms and took multiple measures to enhance its core competitiveness. As of 30 June 2024, the Company achieved gross written premiums ("GWP") of RMB98,832 million. Embedded value reached RMB268,368 million, increasing by 7.1% compared with the end of last year. The value of the first half year's new business ("VNB") amounted to RMB3,902 million, increasing by 57.7% compared with the same period last year. The value of new business margin ("VNB Margin") based on first year premiums was 18.8%, increasing by 12 percentage points compared with the same period last year.





## SECTION 2 BUSINESS OVERVIEW

### INVESTMENT BUSINESS

As of 30 June 2024, the investment assets of the Company reached RMB1,438,991 million, representing an increase of 7.0% compared with the end of last year. In the first half of 2024, the Company actively and accurately grasped the opportunities in the stock market and interest rate market, focused on value-oriented and long-term investment and recorded robust investment returns. The income of major investment assets outperformed the market. The annualized total investment yield was 4.8%, and the annualized comprehensive investment yield was 6.5%. The Company managed entrusted assets of over RMB550 billion from the third-party business.

### OLD-AGE CARE & HEALTHCARE INDUSTRIES

After years of efforts, the Company has developed a comprehensive healthcare and old-age care service system of “old-age care and healthcare community + nursing and medical care community + leisure and tourism community + health management center”. In the first half of 2024, the Company clarified its layout of old-age care and healthcare industries in the new era. The Company moves faster to deploy new projects based on the current situation to further expand the service coverage of old-age care and healthcare communities and offer customers more excellent, diversified and convenient medical care, leisure and tourism and health management services. In June, the Company signed a cooperation agreement with a third party to land the first batch of high-quality cooperative communities in Shanghai and Hangzhou, marking the solid first step in the implementation of asset-light old-age care and healthcare projects.

### SERVICE ECOSYSTEM

The Company conscientiously implemented a customer-centered service philosophy, advanced the construction of an ecosystem that encompassed ten major sectors – medical care, healthcare, elderly care, financial services, taxation, legal affairs, commerce, education, entertainment and culture – integrating various service brands to help create a happy and fulfilling life for customers. Among these initiatives, the “Xinhua Zun” (新華尊) high-net-worth client service system was launched in January 2024 to offer personalized services for customers and their family, such as health management, tax and legal planning, business travel and quality life. The “Xinhua An” (新華安) home-based elderly care service system was introduced in June 2024 to address issues like disease treatment, mobility challenges, and daily care for the elderly through five key service categories: health management, safety monitoring, elderly-friendly home modifications, daily life services, and home care, thereby embodying the warmth of NCI service brand. Currently, the Company is advancing the development of the “Xinhua Rui” (新華瑞) mid-to-high-end customer service system and the “Xinhua Yue” (新華悦) series of health and elderly care service systems to accelerate the overall construction of customer service ecosystem.

In 2024, New China Life continues to drive the upgrades of smart customer service cluster, represented by AI-powered customer service platform “Zhiduoxin” (智多新), the convenient service cloud platform “Suixintong” (隨信通) and the new-generation “Smart Teller Machine” (智慧櫃員機), enabling customers to easily access intelligent services such as business processing, information inquiries, and document downloads anytime, anywhere, through various channels including the internet, the 95567 customer service hotline, short message services, and physical service counters. In the first half of the year, the smart customer service cluster served a total of 10.74 million visitors.

## TEAM DEVELOPMENT

On 7 July 2024, the Company held the “XIN Plan, Heartfelt Service, New Experience” 2024 public awareness day. The “XIN Generation” (XIN一代) initiative represents a comprehensive, systematic and transformative renewal from concept to practice. This initiative is to build a new ecosystem for marketing team development by implementing a brand-new system and mechanism, an all-around training system, better product system, more intelligent digital service platform, diversified special events and a supportive work environment. The goal is to explore new models for team transformation and development, and strive to cultivate 10,000 IDA agents.

## TECHNOLOGY EMPOWERMENT

The Company puts in place the concept of “digital finance” and boosts business innovation through digital transformation. By integrating technological capabilities such as cloud computing, big data and artificial intelligence (“AI”) into key development areas such as marketing model transformation, customer management, operation services, business management, and risk control, the Company intensifies efforts to create digital environments that support business operations and enhance management capabilities.

The Company continues to provide convenient and efficient online services. Leveraging the “Application + WeChat” platforms, the Company integrates internal and external resources to deepen the supply of high-quality insurance services and offer customers an one-stop convenient online service. In the first half of 2024, the online customer service platform, “Zhangshang NCI” (掌上新華) application gained 1.6 million new users, bringing the total number of users to over 6 million. The “New China Life” WeChat public account now has 7.21 million users, with a total of 76.18 million visits. The Company strengthens the digital empowerment for the high-quality development of sales team by applying digital technology throughout the entire career development process – from selecting new agent to nurturing them into high-performing elites – thus providing an efficient digital support chain for the sales team’s growth.

With data as the foundation, the Company deepens the application of big data and AI. By focusing on the extraction and application of data, the Company is applying precise data-driven approaches in multiple areas of business management through model building, digital journey and data analysis. Meanwhile, the Company is actively exploring and deploying large-scale model technologies in insurance-related scenarios.

The Company is committed to building a controllable, secure and efficient financial technology infrastructure. Based on a “multi-core cloud” computing platform, the Company is accelerating the implementation of a “cross-city + same-city” multi-site cloud data center architecture. At the same time, the Company continues to optimize network and data security protection technology application, enhances security and control capabilities to provide an efficient, sound and reliable basic digital environment for business development.

## SECTION 2 BUSINESS OVERVIEW

### SERVING NATIONAL STRATEGIES & FULFILLING SOCIAL RESPONSIBILITIES

The Company facilitated scientific and technological innovation and the development of modern industrial system. The total investment was RMB41,877 million as of 30 June 2024, representing a year-on-year increase of 41.1%. The Company invested RMB170,790 million to promote coordinated regional development, representing a year-on-year increase of 9.8%, and put RMB19,851 million to support green industries, representing a year-on-year increase of 6.2%.

The Company actively promoted policy-oriented medical insurance projects. In the first half of 2024, the Company undertook 11 such projects, covering nearly 12 million insured people. Since 2021, the Company has participated in 46 insurance projects, with a cumulative sum insured of more than RMB10 trillion and covering more than 46 million people.

The Company continuously supported rural revitalization with assistance funds of RMB10.4 million and put in place 21 targeted assistance projects.

In the first half of 2024, the Company continued to carry out the “Public Welfare Activity for Sanitation Workers” nationwide through the Foundation. More than 940,000 sanitation workers in nearly 186 cities across China were provided accident insurance of RMB100,000 per person. The project has benefited more than 5.054 million sanitation workers and settled 428 claims with the total payment of RMB38.23 million since its launch in August 2017.

### CLAIM SETTLEMENT

The Company has always adhered to the brand characteristics of “fast claims, excellent services”. As of 30 June 2024, a total of 2.36 million claim cases were settled with compensation amount of RMB7.3 billion. The number of daily claims reached 13,100 with compensation amount over RMB41 million. The average time from application to settlement for each claim was 0.71 day. The 5-day settlement rate of small claims within RMB5,000 exceeded 99%, and over 80% of claims were settled and given the real-time payment on the same day.

### BRAND VALUE

Assessment Institution	Honors & Awards
Fortune	Ranking 262 in Fortune China 500 in 2024
Fitch Ratings	Insurance Financial Strength (IFS) Rating at “A” (Strong)
Moody’s Ratings	Insurance Financial Strength Rating (IFSR) at “A2” Basic Credit Assessment (BCA) Rating at “A3”
World Brand Lab (WBL)	Ranking 83 in China’s 500 Most Valuable Brands in 2024
Brand Finance	Ranking 34 in the World’s 100 Most Valuable Insurance Brands in 2024 Ranking 84 in China’s 500 Most Valuable Brands in 2024
People’s Bank of China	FinTech Development Award
Insurance Association of China	2024 “Typical Cases of Inclusive Insurance”
China Banking and Insurance News	“Jinnuo • Annual Social Welfare Project of Financial Brands” Award

### Analysis of Core Competitiveness

During the reporting period, there has been no significant change to the core competitiveness of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS



## I. FINANCIAL ANALYSIS

## (I) Major accounting data and financial indicators

## 1. Key accounting data

Unit: RMB in millions

For the six months ended 30 June	2024	2023	Change
Total revenues	<b>55,312</b>	48,951	13.0%
Profit before income tax	<b>11,928</b>	10,716	11.3%
Net profit attributable to shareholders of the Company	<b>11,083</b>	9,978	11.1%
Net cash flows from operating activities	<b>61,107</b>	65,508	-6.7%

	As at 30 June 2024	As at 31 December 2023	Change
Total assets	<b>1,494,684</b>	1,403,257	6.5%
Total liabilities	<b>1,404,632</b>	1,298,165	8.2%
Equity attributable to shareholders of the Company	<b>90,025</b>	105,067	-14.3%

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Key financial indicators

For the six months ended 30 June	2024	2023	Change
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	3.55	3.20	10.9%
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	3.55	3.20	10.9%
Weighted average return on equity attributable to shareholders of the Company	11.21%	8.68%	2.53pt
Weighted average net cash flows from operating activities per share (RMB)	19.59	21.00	-6.7%

	As at 30 June 2024	As at 31 December 2023	Change
Net assets per share attributable to shareholders of the Company (RMB)	28.85	33.68	-14.3%

### (II) Other key financial and regulatory indicators

Unit: RMB in millions

Indicators	For the six months ended 30 June 2024/ As at 30 June 2024	For the six months ended 30 June 2023/ As at 31 December 2023	Change
	Reinsurance contracts assets	10,095	
Insurance contract liabilities	1,267,077	1,146,497	10.5%
Insurance revenue	23,421	26,593	-11.9%
Insurance service expenses	(15,165)	(17,590)	-13.8%
Net expenses from reinsurance contracts held	(157)	(377)	-58.4%
Finance expenses from insurance contracts issued	(25,278)	(17,717)	42.7%
Finance income from reinsurance contracts held	129	133	-3.0%
Surrender rate <sup>(1)</sup>	0.9%	1.1%	-0.2pt

Note:

- Surrender rate = surrenders / (balance of life insurance and long-term health insurance contract liabilities at the beginning of the period + premium income of long-term insurance contracts). The indicator is calculated on the basis of IFRS 4.

**(III) The discrepancy between the P.R.C. GAAP and the IFRS**

There is no difference between the consolidated net profit of the Company for the six months ended 30 June 2024 and the consolidated equity of the Company as at 30 June 2024 as stated in the interim condensed consolidated financial statements prepared in accordance with the IFRS and the interim consolidated financial statements prepared in accordance with the P.R.C. GAAP.

**(IV) The items and reasons for the change beyond 30% in the consolidated financial statements**

Unit: RMB in millions

Balance sheet	As at 30 June 2024	As at 31 December 2023	Change	Reason(s) for change
Investments in associates and joint ventures	<b>16,287</b>	5,174	214.8%	New investments in joint ventures
Equity investments designated at fair value through other comprehensive income	<b>16,844</b>	5,370	213.7%	Increased investments in stocks
Financial assets purchased under agreements to resell	<b>8,487</b>	5,265	61.2%	The allocation of investment assets and the requirement of liquidity management
Deferred tax assets	<b>17,825</b>	10,709	66.4%	Increase of deductible temporary difference
Other assets	<b>5,770</b>	14,385	-59.9%	Decrease of investment clearing account receivables
Borrowings	<b>30,272</b>	20,262	49.4%	Issuance of capital supplementary bonds
Financial liabilities at fair value through profit or loss	<b>9,876</b>	3,592	174.9%	Increase in payables to third party investors of controlled structured entities classified as equity investment
Reserves	<b>(12,852)</b>	9,823	N/A	Increase of finance expenses from insurance contracts issued included in other comprehensive income

## SECTION 3

### MANAGEMENT DISCUSSION AND ANALYSIS

Unit: RMB in millions

Income statement	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Change	Reason(s) for change
Other investment income	<b>15,563</b>	5,991	159.8%	Changes in fair value of trading financial assets due to capital market volatility
Net expenses from reinsurance contracts held	<b>(157)</b>	(377)	-58.4%	Affected by the uneven distribution of expected claims over the insurance period and the different proportions of investment component
Finance expenses from insurance contracts issued	<b>(25,278)</b>	(17,717)	42.7%	Increase in the amount of investment income of the underlying items of insurance contracts measured with variable fee model
Net impairment losses on financial assets	<b>(289)</b>	49	N/A	Increase in expected credit losses on debt investment assets
Share of profits and losses of associates and joint ventures	<b>284</b>	9	3,055.6%	Increase in investment income from joint ventures
Other finance costs	<b>(1,231)</b>	(779)	58.0%	Increase of interest expense of financial assets sold under agreements to repurchase
Total other comprehensive income for the period, net of tax	<b>(23,469)</b>	(8,642)	171.6%	Increase of finance expenses from insurance contracts issued included in other comprehensive income
Total comprehensive income for the period	<b>(12,384)</b>	1,338	N/A	Decrease of other comprehensive income, net of tax

## II. BUSINESS ANALYSIS

### (I) Insurance business

In the first half of 2024, in the face of new circumstances and challenges of the macro economy and the life insurance industry, the Company thoroughly implemented the major decisions and arrangements of the CPC Central Committee and the State Council, and unswervingly followed the path of financial development with Chinese characteristics. The Company adhered to the essence of insurance, focused on the customer-centered development philosophy to deepen the specialized and market-oriented reform, and bolstered transformation and development. Long-term regular premium business registered a strong momentum and renewal premiums constituted a solid foundation. The business quality improved steadily.

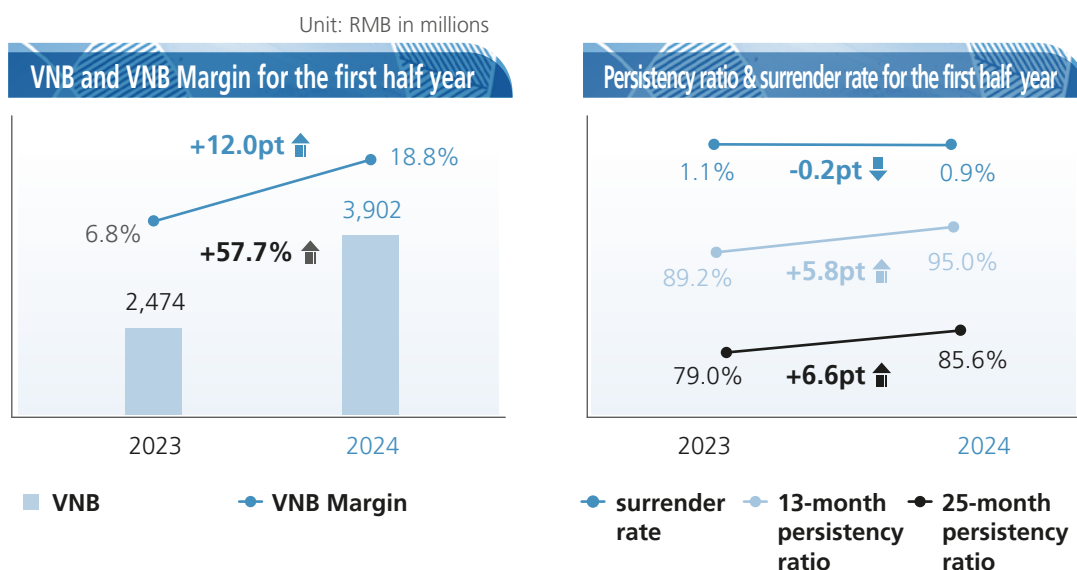
## SECTION 3

### MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, the Company realized GWP of RMB98,832 million. The first year premiums from long-term insurance business totaled RMB18,590 million. First year regular premiums with payment periods of ten years or more totaled RMB2,042 million, representing a year-on-year increase of 16.3%. The business structure continued to be optimized. Renewal premiums amounted to RMB77,671 million, representing a year-on-year increase of 8.6%, and being a solid contributor to premium volume.

As of 30 June 2024, the embedded value of the Company reached RMB268,368 million, increasing by 7.1% compared with the end of last year. The Company realized the value of the first half year's new business of RMB3,902 million, increasing by 57.7% year on year.

In the first half of 2024, the business quality of the Company improved significantly. 13-month persistency ratio of individual life insurance business was 95.0%, representing a year-on-year increase of 5.8 percentage points. 25-month persistency ratio of individual life insurance business was 85.6%, representing a year-on-year increase of 6.6 percentage points. From January to June 2024, the surrender rate reached 0.9%, representing a decrease of 0.2 percentage point compared with the same period of last year.



For the six months ended 30 June	2024	2023	Change
<b>GWP</b>	<b>98,832</b>	107,851	-8.4%
First year premiums from long-term insurance business	<b>18,590</b>	33,859	-45.1%
Regular premiums	<b>15,481</b>	17,482	-11.4%
Regular premiums with payment periods of ten years or more	<b>2,042</b>	1,756	16.3%
Single premiums	<b>3,109</b>	16,377	-81.0%
Renewal premiums	<b>77,671</b>	71,552	8.6%
Premiums from short-term insurance business	<b>2,571</b>	2,440	5.4%

Notes:

- Numbers may not be additive due to rounding.
- The premiums mentioned above are calculated pursuant to IFRS 4. Similarly hereinafter.



## SECTION 3

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Analysis by distribution channels

Unit: RMB in millions

For the six months ended 30 June	2024	2023	Change
<b>Individual insurance channel</b>			
First year premiums from long-term insurance business	<b>8,491</b>	8,338	1.8%
Regular premiums	<b>8,262</b>	7,940	4.1%
Single premiums	<b>229</b>	398	-42.5%
Renewal premiums	<b>59,604</b>	60,127	-0.9%
Premiums from short-term insurance business	<b>625</b>	746	-16.2%
<b>Total</b>	<b>68,720</b>	69,211	-0.7%
<b>Bancassurance channel</b>			
First year premiums from long-term insurance business	<b>9,964</b>	25,440	-60.8%
Regular premiums	<b>7,144</b>	9,511	-24.9%
Single premiums	<b>2,820</b>	15,929	-82.3%
Renewal premiums	<b>18,000</b>	11,383	58.1%
Premiums from short-term insurance business	<b>7</b>	7	-
<b>Total</b>	<b>27,971</b>	36,830	-24.1%
<b>Group insurance</b>			
First year premiums from long-term insurance business	<b>135</b>	81	66.7%
Renewal premiums	<b>67</b>	42	59.5%
Premiums from short-term insurance business	<b>1,939</b>	1,687	14.9%
<b>Total</b>	<b>2,141</b>	1,810	18.3%
<b>GWP</b>	<b>98,832</b>	107,851	-8.4%

Note:

Numbers may not be additive due to rounding.

(1) Individual life insurance business

① Individual insurance channel

In the first half of 2024, the individual insurance channel focused on value achievement and maintained the growth of regular premium business, vigorously promoted the development of long-term insurance business and practiced the concept of high-quality development. The Company pushed forward the building of high-performing team, introduced the new basic law, and integrated the superior resources to recruit potential agents. The Company also launched the special team building project called the "XIN Generation" (XIN一代), comprehensively strengthened the basic management and promoted the steady growth of core business.

In the first half of 2024, individual insurance channel realized first year premiums from long-term insurance business of RMB8,491 million, representing a year-on-year increase of 1.8%. The first year regular premiums from long-term insurance business amounted to RMB8,262 million, representing an increase of 4.1% year on year. The agent headcounts in individual insurance channel totaled 139,000. The monthly average number of qualified agents<sup>(1)</sup> was 27,000 and monthly average qualified rate<sup>(2)</sup> was 18.2%. The monthly average number of high-performing agents<sup>(1)</sup> reached 18,500, remaining basically flat compared with the same period last year. The monthly average high-performing rate<sup>(2)</sup> was 12.5%, up by 2.3 percentage points compared with the same period last year. The monthly average number of agents with first year commission (FYC) over RMB10,000<sup>(1)</sup> totaled 4,700, increasing by 19.0% year on year. The number of agents with FYC over RMB10,000<sup>(2)</sup> accounted for 3.2% of monthly average agent headcounts, rising by 1.0 percentage point year on year. The monthly average comprehensive productivity per capita<sup>(3)</sup> was RMB10,400, representing a year-on-year increase of 28.3%.

② Bancassurance channel

In the first half of 2024, the bancassurance channel pushed forward cooperation with core, important and potential banks to fully cover the bank headquarters and improve the branch layout. The Company strengthened the building of high-performing team and promoted the sustainable growth of high-performing team, actively explored customer management model and bolstered the management of medium and high-end customers. The Company focused on the development of traditional insurance business, and continued to enrich the supply of diversified products and deepen business transformation towards long-term regular insurance business.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, bancassurance channel realized first year regular premiums from long-term insurance business of RMB7,144 million, accounting for 71.7% of first year premiums from long-term insurance business, representing an increase of 34.3 percentage points over the corresponding period of last year. Renewal premiums totaled RMB18,000 million, representing a year-on-year increase of 58.1%.

Notes:

1. Monthly average number of qualified agents =  $(\sum \text{number of qualified agents in a month}) / \text{the number of months in the reporting period}$ . The calculation formulas for monthly average number of high-performing agents and monthly average number of agents with FYC over RMB10,000 are the same, where monthly number of qualified agents (high-performing agents, agents with FYC over RMB10,000) refers to the number of agents who have issued one insurance policy or more (including card-type short-term accident insurance policy) which are not cancelled by policy holders in a month and whose FYC in the month is equal to or greater than RMB800 (RMB3,000, RMB10,000).
2. Monthly average qualified rate =  $\text{monthly average number of qualified agents} / \text{monthly average number of agents} * 100\%$ . The calculation formulas for monthly average high-performing rate and the proportion of monthly average agents with FYC over RMB10,000 are the same, where monthly average number of agents =  $(\sum [(\text{number of agents at start of the month} + \text{number of agents at end of the month}) / 2]) / \text{the number of months in the reporting period}$ .
3. Monthly average comprehensive productivity per capita =  $\text{monthly average first year regular premiums} / \text{monthly average number of agents}$ .

### (2) Group insurance business

In the first half of 2024, the group insurance deepened transformation and development in all fronts, and focused on the three key tasks of “improving customer structure, establishing profit model and serving the national strategy”. The Company built core competitiveness with customers as the center, and stepped up efforts to cooperate with large and medium-sized enterprise and state-owned enterprise. The Company actively served the national strategy, met the requirements of developing “five priorities”, namely technology finance, green finance, inclusive finance, pension finance and digital finance, and contributed to enterprise development in key areas. The Company also improved the professional operation capabilities in group insurance to improve performance. The Company also implemented national requirements on developing the commercial pension insurance as the third pillar, enhanced the promotion of policy-oriented insurance business and helped build a multi-level medical security system.

In the first half of 2024, group insurance realized premiums of RMB2,141 million, representing a year-on-year increase of 18.3%. Among them, first year premiums from long-term insurance business amounted to RMB135 million, representing a year-on-year increase of 66.7%. In the first half of 2024, the Company underwrote 25 insurance projects, benefiting over 16 million people. The Company realized premiums of RMB904 million from policy-oriented health insurance, representing an increase of 48.2% year-on-year. The policy-oriented health insurance covered nearly 12 million customers.

**2. Analysis by types of insurance products**

Unit: RMB in millions

For the six months ended 30 June	2024	2023	Change
<b>GWP</b>	<b>98,832</b>	107,851	-8.4%
<b>Traditional insurance</b>	<b>54,550</b>	61,250	-10.9%
First year premiums from long-term insurance business	<b>17,873</b>	32,955	-45.8%
Renewal premiums	<b>36,629</b>	28,245	29.7%
Premiums from short-term insurance business	<b>48</b>	50	-4.0%
<b>Participating insurance<sup>(1)</sup></b>	<b>14,631</b>	16,012	-8.6%
First year premiums from long-term insurance business	<b>2</b>	1	100%
Renewal premiums	<b>14,629</b>	16,011	-8.6%
Premiums from short-term insurance business	-	-	-
<b>Universal insurance<sup>(1)</sup></b>	<b>28</b>	27	3.7%
First year premiums from long-term insurance business	-	-	-
Renewal premiums	<b>28</b>	27	3.7%
Premiums from short-term insurance business	-	-	-
<b>Health insurance</b>	<b>29,183</b>	30,040	-2.9%
First year premiums from long-term insurance business	<b>715</b>	903	-20.8%
Renewal premiums	<b>26,385</b>	27,269	-3.2%
Premiums from short-term insurance business	<b>2,083</b>	1,868	11.5%
<b>Accident insurance</b>	<b>440</b>	522	-15.7%
First year premiums from long-term insurance business	-	-	-
Renewal premiums	-	-	-
Premiums from short-term insurance business	<b>440</b>	522	-15.7%

Note:

- Participating health insurance is included in the participating insurance. Universal health insurance is included in the universal insurance.

In the first half of 2024, the Company realized GWP of RMB98,832 million, decreasing by 8.4% year on year. The premium changes of the insurance products mentioned above are the results of adjustment to product structure of the Company.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### 3. Analysis by branches

Unit: RMB in millions

For the six months ended 30 June	2024	2023	Change
<b>GWP</b>	<b>98,832</b>	107,851	-8.4%
Shandong Branch	<b>9,813</b>	10,223	-4.0%
Henan Branch	<b>6,908</b>	7,284	-5.2%
Beijing Branch	<b>6,572</b>	7,530	-12.7%
Zhejiang Branch	<b>5,900</b>	6,192	-4.7%
Shaanxi Branch	<b>5,197</b>	5,693	-8.7%
Guangdong Branch	<b>5,164</b>	6,176	-16.4%
Hubei Branch	<b>4,726</b>	5,031	-6.1%
Jiangsu Branch	<b>4,534</b>	4,978	-8.9%
Inner Mongolia Branch	<b>3,885</b>	4,265	-8.9%
Hunan Branch	<b>3,526</b>	3,878	-9.1%
Other Branches	<b>42,607</b>	46,601	-8.6%

In the first half of 2024, about 56.9% of GWP of the Company were derived from ten branches in populous areas or developed regions such as Shandong, Henan and Beijing.

### 4. Business quality

For the six months ended 30 June	2024	2023	Change
Persistency ratio of individual life insurance business			
13-month persistency ratio <sup>(1)</sup>	<b>95.0%</b>	89.2%	5.8pt
25-month persistency ratio <sup>(2)</sup>	<b>85.6%</b>	79.0%	6.6pt

Notes:

- 13-month persistency ratio = premiums under in-force regular premium life insurance policies 13 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.
- 25-month persistency ratio = premiums under in-force regular premium life insurance policies 25 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.

5. *Analysis of insurance revenue and insurance service expenses*

Unit: RMB in millions

For the six months ended 30 June	2024	2023	Change
<b>Insurance revenue</b>			
Contracts measured with premium allocation approach	1,704	1,959	-13.0%
Contracts not measured with premium allocation approach	21,717	24,634	-11.8%
<b>Total</b>	<b>23,421</b>	26,593	-11.9%
<b>Insurance service expenses</b>			
Contracts measured with premium allocation approach	2,189	2,197	-0.4%
Contracts not measured with premium allocation approach	12,976	15,393	-15.7%
<b>Total</b>	<b>15,165</b>	17,590	-13.8%
<b>Insurance service result</b>	<b>8,256</b>	9,003	-8.3%

In the first half of 2024, insurance service result of insurance contracts decreased by 8.3% compared with the same period of last year. The insurance revenue decreased by 11.9% compared with the same period of last year mainly due to the reduction in the amortization of contract service margin. The insurance service expenses decreased by 13.8% compared with the same period of last year, due to the joint effect of reduction in losses on onerous groups of contracts and reversal of such losses, the reduction in adjustment to the liability for incurred claims, and the reduction in incurred claims and other incurred insurance service expenses compared with the same period of last year.

6. *Analysis on insurance contract liabilities*

Unit: RMB in millions

Component	As at 30 June 2024	As at 31 December 2023	Change
Liabilities for remaining coverage	1,253,141	1,132,990	10.6%
Liabilities for incurred claims	13,936	13,507	3.2%
<b>Insurance contract liabilities in total</b>	<b>1,267,077</b>	1,146,497	10.5%
Insurance contracts not measured with premium allocation approach	1,264,139	1,144,021	10.5%
Insurance contracts measured with general model	630,746	532,445	18.5%
Insurance contracts measured with variable fee model	633,393	611,576	3.6%
Insurance contracts measured with premium allocation approach	2,938	2,476	18.7%
<b>Insurance contract liabilities in total</b>	<b>1,267,077</b>	1,146,497	10.5%
Including: Contractual service margin for issued insurance contracts	171,829	169,004	1.7%

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June	2024	2023	Change
Contractual service margin for insurance contracts issued on initial recognition in the period	<b>5,651</b>	3,790	49.1%

In the first half of 2024, insurance contract liabilities increased by 10.5% compared with the end of the previous year, of which liabilities for remaining coverage increased by 10.6% compared with the end of last year.

### 7. *Analysis on reinsurance contract assets*

Unit: RMB in millions

Component	As at 30 June 2024	As at 31 December 2023	Change
Reinsurance contract for remaining coverage	<b>9,240</b>	8,805	4.9%
Reinsurance contract for incurred claims	<b>855</b>	997	-14.2%
<b>Reinsurance contract assets</b>	<b>10,095</b>	9,802	3.0%
Contracts not measured with premium allocation approach	<b>9,956</b>	9,706	2.6%
Contracts measured with premium allocation approach	<b>139</b>	96	44.8%
<b>Reinsurance contract assets</b>	<b>10,095</b>	9,802	3.0%

In the first half of 2024, reinsurance contract assets increased by 3.0% compared with the end of the previous year.

## (II) **Asset management business**

In the first half of 2024, China's gross domestic product grew by 5.0% on a year-on-year basis. Overall economic operation and recovery were steady and boosted. However, the factors affecting economic growth were more complex as effective demand was still insufficient, and the foundation for economic recovery still needed to be consolidated.

As of the end of June 2024, the investment assets of the Company amounted to RMB1,438,991 million, representing an increase of 7.0% compared with the end of last year.

The Company has always followed the fundamental principle of prudent investment, long-term investment and value-oriented investment in the utilization of insurance funds. In terms of strategic asset allocation, the Company takes fixed-income assets with long duration and stable cash flow as the ballast stone to meet the requirements of asset-liability matching, supplemented by balanced equity asset allocation to improve long-term investment returns. In terms of tactical asset allocation, the Company has dynamically adjusted the structure according to the movements in the equity and interest rate markets since the beginning of the year, actively grasped the trading opportunities of stocks, bonds and other assets, and achieved certain results.

By the end of June 2024, Asset Management Company managed entrusted assets of over RMB550 billion from the third-party business.

## SECTION 3

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Investment portfolio

Unit: RMB in millions

	As at 30 June 2024		As at 31 December 2023 <sup>(1)</sup>		Amount change
	Amount	Proportion	Amount	Proportion	
<b>Investment assets</b>	<b>1,438,991</b>	<b>100%</b>	1,345,475	100%	7.0%
<b>Classified by investment type</b>					
Cash and cash equivalents <sup>(2)</sup>	25,991	1.8%	21,788	1.6%	19.3%
Term deposits <sup>(2)</sup>	268,043	18.6%	255,984	19.0%	4.7%
Financial investments					
Bonds	706,149	49.2%	673,656	50.2%	4.8%
Trust products	30,609	2.1%	40,765	3.0%	-24.9%
Debt investment plans <sup>(3)</sup>	31,733	2.2%	39,174	2.9%	-19.0%
Stocks <sup>(4)</sup>	144,298	10.0%	106,211	7.9%	35.9%
Funds	116,311	8.1%	84,632	6.3%	37.4%
Other financial investments <sup>(5)</sup>	79,146	5.5%	101,581	7.5%	-22.1%
Investments in associates and joint ventures	16,287	1.1%	5,174	0.4%	214.8%
Investment properties	9,246	0.6%	9,383	0.7%	-1.5%
Other investment assets <sup>(6)</sup>	11,178	0.8%	7,127	0.5%	56.8%
<b>Classified by accounting methods</b>					
Financial assets at fair value through profit or loss	475,807	33.1%	380,239	28.3%	25.1%
Financial assets at fair value through other comprehensive income <sup>(7)</sup>	331,594	23.1%	352,632	26.2%	-6.0%
Financial assets measured at amortised cost <sup>(8)</sup>	606,057	42.1%	598,047	44.4%	1.3%
Investment properties	9,246	0.6%	9,383	0.7%	-1.5%
Investments in associates and joint ventures	16,287	1.1%	5,174	0.4%	214.8%

Notes:

- Investment assets at 31 December 2023 were restated according to the new regulatory requirements.
- Term deposits exclude those with maturity of three months or less, and cash and cash equivalents include term deposits with maturity of three months or less.
- Debt investment plans mainly consist of infrastructure and real estate funding projects.
- Stocks include common stocks and preferred stocks.
- Other financial investments include asset management plans, private equity, equity investment plans, unlisted equity investments, perpetual bonds, certificates of deposit, etc.
- Other investment assets mainly include statutory deposits, financial assets purchased under agreements to resell, dividend receivables and interest receivables, etc.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

7. Financial assets at fair value through other comprehensive income are debt investments at fair value through other comprehensive income and equity investments designated at fair value through other comprehensive income.
8. Financial assets measured at amortised cost are debt investments at amortised cost, term deposits, cash and cash equivalents, etc.

### 2. Investment income

Unit: RMB in millions

For the six months ended 30 June	2024	2023 <sup>(6)</sup>	Change
Interest income from cash and cash equivalents	139	114	21.9%
Interest income from term deposits	4,267	4,063	5.0%
Interest and dividend income from financial investments	16,849	15,734	7.1%
Rental income from investment properties	167	160	4.4%
Interest income from other investment assets <sup>(1)</sup>	65	136	-52.2%
<b>Net investment income<sup>(2)</sup></b>	<b>21,487</b>	20,207	6.3%
Realized gains/(losses) on investment assets	(4,844)	(5,517)	-12.2%
Fair value gains or losses	14,967	7,311	104.7%
Impairment losses on financial assets	(281)	49	N/A
Share of results of associates and joint ventures under equity method	284	9	3,055.6%
<b>Total investment income<sup>(3)</sup></b>	<b>31,613</b>	22,059	43.3%
<b>Comprehensive investment income<sup>(4)</sup></b>	<b>42,600</b>	28,058	51.8%
Annualized net investment yield <sup>(5)</sup>	3.2%	3.4%	-0.2pt
Annualized total investment yield <sup>(5)</sup>	4.8%	3.7%	1.1pt
Annualized comprehensive investment yield <sup>(5)</sup>	6.5%	4.7%	1.8pt

Notes:

1. Interest income from other investment assets includes interest income from statutory deposits and financial assets purchased under agreements to resell, etc.
2. Net investment income includes interest and dividend income from cash and cash equivalents, term deposits, and financial investments, rental income from investment properties.
3. Total investment income = net investment income + realized (losses) / gains on investment assets + fair value gains or losses + impairment losses on investment assets + share of results of associates and joint ventures under equity method.
4. Comprehensive investment income = total investment income + net fair value of other debt investments at fair value through other comprehensive income and other equity investments designated at fair value through other comprehensive income for the reporting period.
5. Annualized investment yield = (investment income – interest expenses of financial assets sold under agreements to repurchase)/(monthly average investment assets – monthly average financial assets sold under agreements to repurchase – monthly average interest receivables)\*2.
6. Investment incomes for the six months ended 30 June 2023 were restated according to the new regulatory requirements.

**Average investment yield for the previous three years**

For the six months ended 30 June	2024	2023	2022	Average
Annualized net investment yield	<b>3.2%</b>	3.4%	4.6%	3.7%
Annualized total investment yield	<b>4.8%</b>	3.7%	4.2%	4.2%
Annualized comprehensive investment yield	<b>6.5%</b>	4.7%	1.8%	4.3%

Note:

The data for the six months ended 30 June 2022 is on the basis of IFRS 17 and IAS 39. The data for the six months ended 30 June 2023 and 2024 is calculated pursuant to IFRS 17 and IFRS 9.

**3. Investment in non-standard assets**

The overall credit risks of non-standard assets that the Company currently holds are within control with most of the underlying assets being loans in institutional financing of non-banking sectors, infrastructure financing and commercial real estate financing. The enterprises involved are industrial giants, large financial institutions, central enterprises and important state-owned enterprises in the first and second tier cities. As at 30 June 2024, the non-standard assets amounted to RMB128,502 million, decreasing by RMB28,446 million compared with the end of last year, accounting for 8.9% of total investment assets, reducing by 2.8 percentage points compared with the end of last year. The non-standard assets that the Company held have good credit enhancement measures. Apart from financing entities which are exempted from credit enhancement requirements by regulatory authorities, most of non-standard assets take the following credit enhancement measures, such as mortgage and pledge, joint guarantee and repurchase agreement, so the non-standard assets are with high quality and low risk.

(1) Ratings

Excluding non-fixed income financial products and portfolio products issued by insurance asset management companies not requiring external ratings, the existing non-standard assets of the Company are basically with AAA ratings as at 30 June 2024. The overall credit risk was limited.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (2) Investment portfolio

Unit: RMB in millions

As at 30 June 2024	Amount	Proportion	Proportion change compared with the end of last year	Amount change compared with the end of last year
<b>Non-standard financial assets</b>				
– Trust products	<b>30,609</b>	23.8%	-2.2pt	-10,156
– Debt investment plans	<b>31,733</b>	24.7%	-0.3pt	-7,441
– Asset management plans	<b>24,115</b>	18.8%	-4.8pt	-12,992
– Unlisted equity investments	<b>7,363</b>	5.7%	0.8pt	-285
– Others	<b>34,682</b>	27.0%	6.5pt	2,428
<b>Total</b>	<b>128,502</b>	100%		-28,446

Note:

Others include private equity, equity investment plans, wealth investment products, etc.

### (3) Major management institutions

Unit: RMB in millions

As at 30 June 2024	Paid amount	Proportion
New China Asset Management Co., Ltd.	<b>56,132</b>	43.7%
Taikang Asset Management Co., Ltd.	<b>8,470</b>	6.6%
China Insurance Investment Co., Ltd.	<b>6,999</b>	5.4%
Cigna & CMB Asset Management Company Limited	<b>6,362</b>	5.0%
Zhongrong International Trust Co., Ltd.	<b>5,599</b>	4.4%
CICC Capital Management Co., Ltd.	<b>4,377</b>	3.4%
Bridge Trust Co., Ltd.	<b>4,021</b>	3.1%
Dongguan Trust Co., Ltd.	<b>3,948</b>	3.1%
Everbright Xinglong Trust Co., Ltd.	<b>3,244</b>	2.5%
PICC Capital Insurance Asset Management Co., Ltd.	<b>3,094</b>	2.4%
<b>Total</b>	<b>102,246</b>	79.6%

(III) Analysis on profit sources

Unit: RMB in millions

For the six months ended 30 June	2024	2023	Change
<b>Insurance service result and others</b>	<b>6,695</b>	7,020	-4.6%
Including: Insurance revenue	<b>23,421</b>	26,593	-11.9%
Insurance service expenses	<b>(15,165)</b>	(17,590)	-13.8%
<b>Investment performance</b>	<b>5,233</b>	3,696	41.6%
Including: Total net investment income <sup>(1)</sup>	<b>30,382</b>	21,280	42.8%
Net insurance finance expenses for insurance contracts issued <sup>(2)</sup>	<b>(25,149)</b>	(17,584)	43.0%
<b>Profit before income tax</b>	<b>11,928</b>	10,716	11.3%
<b>Income tax</b>	<b>(843)</b>	(736)	14.5%
<b>Net profit</b>	<b>11,085</b>	9,980	11.1%

Notes:

- Total net investment income = total investment income – interest expenses.
- Net insurance finance expenses for insurance contracts issued include finance expenses from insurance contracts issued and finance income from reinsurance contracts held.

III. ANALYSIS BY COMPONENT

(I) Solvency

New China Life Insurance Company Ltd. calculated and disclosed core capital, actual capital, minimum capital, core solvency margin ratio and comprehensive solvency margin ratio according to the *Solvency Regulatory Rules II for Insurance Companies*. As required by the NFRA, solvency margin ratios of a domestic insurance company in the PRC must meet the prescribed thresholds.

Unit: RMB in millions

	As at 30 June 2024	As at 31 December 2023	Reason(s) for change
Core capital	<b>144,045</b>	145,069	Movements in discount rate and fair value of financial assets and growth in insurance business
Actual capital	<b>264,650</b>	257,252	The reasons mentioned above and the issuance of capital supplementary bonds of RMB10,000 million by the Company
Minimum capital	<b>117,520</b>	92,393	Growth and structural changes in insurance and investment businesses
<b>Core solvency margin ratio<sup>(1)</sup></b>	<b>122.57%</b>	157.01%	
<b>Comprehensive solvency margin ratio<sup>(1)</sup></b>	<b>225.20%</b>	278.43%	

Note:

- Core solvency margin ratio = core capital / minimum capital, comprehensive solvency margin ratio = actual capital / minimum capital.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Liquidity

#### 1. Gearing ratio

	As at 30 June 2024	As at 31 December 2023
Gearing ratio	94.0%	92.5%

Note:

Gearing ratio = total liabilities / total assets.

#### 2. Statement of cash flows

Unit: RMB in millions

For the six months ended 30 June	2024	2023	Change
Net cash flows from operating activities	61,107	65,508	-6.7%
Net cash flows from investing activities	(32,019)	(76,696)	-58.3%
Net cash flows from financing activities	(24,961)	12,140	N/A

The net cash inflows from operating activities in the first half of 2024 decreased by 6.7% compared with the same period of last year, mainly due to the decrease of cash received from insurance premiums.

The net cash outflows from investing activities in the first half of 2024 decreased by 58.3% compared with the same period of last year, mainly due to the decrease of cash paid for investments.

The net cash flows from financing activities in the first half of 2024 have turned from net inflow in the first half of last year to net outflow in the first half of this year, mainly because cash generated from financial assets sold under agreements to repurchase have turned from net inflow in the first half of last year to net outflow in the first half of this year.

**3. Source and use of liquidity**

The principal cash inflows of the Company comprise insurance premiums, proceeds from disposals and maturity of investment assets and investment income. The liquidity risks with respect to these cash inflows primarily arise from surrenders of policyholders and contract holders, defaults by debtors, fluctuation of interest rate and other market fluctuations. The Company closely monitors and manages these risks.

The cash and bank deposits of the Company provided liquidity resources to satisfy the requirements of cash outflows. Substantially all of the Company's term deposits were available for utilization subject to interest losses. As of the end of the reporting period, cash and cash equivalents amounted to RMB25,991 million and term deposits amounted to RMB268,043 million. Moreover, the investment portfolio of the Company also provided liquidity resources to satisfy the requirements of unexpected cash outflows. As of the end of the reporting period, the book value of financial assets such as bonds, stocks and funds reached RMB1,108,246 million.

The principal cash outflows of the Company comprise compensation and surrender payment associated with various life insurance, annuity insurance, accident insurance and health insurance products, distribution of dividends and interest payments of insurance contracts, operating expenses, income taxes and dividends declared and payable to shareholders.

The sources of liquidity are sufficient to meet the Company's current cash requirements.

**(III) Insurance security fund**

For the basis and amount provided for the insurance security fund, please refer to Note 20 to the interim condensed consolidated financial statements of this report.

**(IV) Reinsurance business**

The Company's reinsurance business currently includes business ceded through quota share, surplus and catastrophe reinsurance contracts. The current reinsurance contracts cover almost all products with risks and obligations. The Company reasonably determines the retention limit and reinsurance ratio based on relevant regulations, its business development and risk management. The Company carefully selects reinsurers to ensure the safety of reinsurance business and obtains high-quality protection and services. The selection criteria for reinsurers includes factors such as financial strength, credit rating, price, technical strength, consistency of underwriting and claim policies, and services on the premise of meeting regulatory requirements. Reinsurers of the Company mainly include Swiss Reinsurance Company Ltd. Beijing Branch, China Life Reinsurance Company Ltd., General Reinsurance AG Shanghai Branch, SCOR SE Beijing Branch, and Munich Reinsurance Company Beijing Branch, etc.

## **IV. FUTURE PROSPECTS**

### **(I) Market environment and operation plan**

In 2024, the insurance industry is ushering in a new era of long-term development. The ongoing reforms and advancements in key areas such as industrial upgrading, digital economy, rural revitalization, green development, inclusive finance, and silver economy will inject long-term momentum to the insurance industry's development. As insurance institutions follow market-based competition, they also promote strategic upgrades and build momentum for transformation, ensuring that the commitment to serve the "five priorities", namely technology finance, green finance, inclusive finance, pension finance, and digital finance, is integrated into their operations to boost high-quality development.

In the second half of the year, the Company will firmly adhere to its strategic direction, continue to focus on the customer-centered development philosophy to deepen specialized and market-oriented reform in all fronts. The Company will persist in system management, strengthen systematic and meticulous management, and accelerate the transformation and implementation of core achievements. Particularly, efforts will be intensified in improving product competitiveness, cultivating sales teams, enhancing technology empowerment, expanding brand influence, and diversifying service ecosystem to comprehensively enhance the Company's core competitiveness. At the same time, the Company will further strengthen the construction of a "learning-oriented organization" and a "service-empowered organization". The Company will optimize the training system, enrich learning resources, and continuously improve the professionalism and specialized skills of internal staff and external agent to build a "NCI Professional Iron Army". The Company will comprehensively upgrade its capabilities in marketing, products, customer service, operation, healthcare and old-age care, technology, asset management, risk control and compliance. By constructing a highly efficient, coordinated and empowering service system, the Company aims to forge a service-empowered organization "where the headquarters serve branches, middle and back offices support front-line operations, internal staff supports agents, and agents serve customers". With these efforts, the Company is determined to write a new chapter in the high-quality development.

### **(II) Possible risks and measures to be taken**

#### **1. Possible risks**

The current social and economic situation is steadily improving, market demands are gradually recovering and positive factors are mounting. However, the international environment is still complex and severe and the complexity of the internal and external environment still exists. The economic environment, demographic structure and customer needs in the society have undergone great changes in recent years, the industry is still in deep adjustment and transformation, and risk prevention and control in key areas still need continuous attention. Meanwhile, the uncertainty in the global financial market still exists, and in the medium to long term, China may maintain a low interest rate environment, which puts pressure on the safety and investment returns of insurance funds.

#### **2. Measures to be taken**

The Company will, in accordance with the requirements and standards of regulatory authorities of the industry, optimize comprehensive risk management system, further consolidate the foundation of risk management, improve tools, mechanism and system for risk management, and strengthen risk monitoring in key areas to make sure the effective operation of the system.

## INDEPENDENT ACTUARY'S REPORT ON REVIEW OF EMBEDDED VALUE INFORMATION

To the Directors of New China Life Insurance Company Ltd.,

We have reviewed embedded value results ("EV Results") of New China Life Insurance Company Ltd. ("NCI" or "the company") as of 30 Jun 2024. Our review about EV results includes: embedded value and first half year's new business as of 30 Jun 2024, sensitivity analysis, and the analysis of change of the embedded value.

The methodology NCI used to calculate the embedded value and the first half year's new business complies to "CAA Standards of Actuarial Practice: Appraisal of Embedded Value" ("Appraisal of Embedded Value") issued by the China Association of Actuaries ("CAA") in November 2016. As independent actuaries, it is our responsibility to review the EV results according to the review process as confirmed in the Letter of Engagement and to evaluate whether the methodology and assumptions used for calculating EV results are consistent with the requirement of Appraisal of Embedded Value and market information.

### Scope of work

Our scope of work covered:

- A review of whether methodology and assumptions used for calculating the embedded value and the value of first half year's new business as of 30 June 2024 are consistent with the requirement of Appraisal of Embedded Value and market information;
- A review of the embedded value and the value of first half year's new business as of 30 Jun 2024;
- A review of the sensitivity tests of the value of in-force business and value of first half year's new business as of 30 Jun 2024; and
- A review of the analysis of change of the embedded value from 31 December 2023 to 30 Jun 2024.

In carrying out our review, we have relied on the accuracy of audited and unaudited data and information provided by NCI.

The calculation of embedded value relies greatly on predictions and assumptions, which include many economic/ noneconomic assumptions and assumptions on financial position that company has no control of. Therefore, the actual experience and results may differ from prediction.





## SECTION 4 EMBEDDED VALUE

### Opinion

Based on the scope of work and data reliance, we have concluded that:

- Based on our review, the embedded value methodology and assumptions used by NCI are consistent with the requirements of the “Appraisal of Embedded Value” and available market information;
- The embedded value results of all significant aspects are consistent with the methodology and assumptions shown in the Embedded Value section of 2024 interim report.

We confirm that the results shown in the Embedded Value section of 2024 interim report are consistent with those reviewed by us.

This report has been prepared pursuant to an engagement contract between PricewaterhouseCoopers Consulting (Shenzhen) Ltd., Beijing Branch and New China Life Insurance Company Ltd. This report is solely for the purpose set forth in the first and second paragraphs of this report and is for the use of board of directors of NCI only and is not to be used for any other purpose or to be distributed to any other parties. We expressly disclaim any liability or duty to any other party for the contents of this report and howsoever arising in connection with it.

Our work does not constitute an audit or other assurance engagement in accordance with applicable professional standards. Accordingly, we provide no audit opinion, attestation or other form of assurance with respect to our work or the information upon which our work was based.

**Grace Jiang, FSA**

**Ben Cheng, FIA**

PricewaterhouseCoopers Consultants (Shenzhen) Ltd., Beijing Branch

29 August 2024

## 1. BACKGROUND

In order to provide investors with an additional tool to understand our economic value and business results, we have prepared the Company's Embedded Value as of 30 Jun 2024 and have disclosed the relevant information in this section.

Embedded Value (EV) is an actuarially determined estimate of the economic value of the life insurance business of an insurance company based on a series of assumptions about future experience. But it does not incorporate the contribution of economic value from future new business. Value of New Business (VNB) represents an actuarially determined estimate of the economic value arising from new life insurance business issued during a certain period of time. Hence, the embedded value method can provide an alternative measure of the value and profitability of a life insurance company.

The reporting of embedded value and value of new business provides useful information to investors in two respects. First, Value of In-Force business (VIF) represents the total amount of after-tax shareholder distributable profits in present value terms, which can be expected to emerge over time, based on the assumptions used. Second, Value of New Business provides a metric to measure the value created for investors from new business activities and hence the potential growth of the company. However, the information on embedded value and value of new business should not be viewed as a substitute of financial measures under other relevant financial bases. Investors should not make investment decisions based solely on embedded value and value of new business information.

As standards for the disclosure of embedded value continue to develop internationally and in the PRC, the form and content of our presentation of embedded value may change. Hence, differences in definition, methodology, assumptions, accounting basis and disclosures may cause inconsistency when the results of different companies are compared. Also, embedded value calculations involve substantial technical complexity and estimates of value can vary materially as key assumptions are changed.

In November 2016, China Association of Actuaries (CAA) issued CAA [2016] No. 36 "CAA Standards of Actuarial Practice: Appraisal of Embedded Value" (hereafter referred to as "Appraisal of Embedded Value" standard). The embedded value and value of new business in this section are prepared by us in accordance with the "Appraisal of Embedded Value" standard. PricewaterhouseCoopers Consultants (Shenzhen) Ltd. performed a review of our embedded value. The review statement from PricewaterhouseCoopers Consultants (Shenzhen) Ltd is contained in the "Independent Actuary's Report on Review of Embedded Value Information" section.



## SECTION 4 EMBEDDED VALUE

### 2. DEFINITIONS OF EMBEDDED VALUE

Embedded value is the sum of the adjusted net worth and the value of in-force business allowing for the cost of required capital held by the company.

“Adjusted Net Worth” (ANW) is equal to the sum of:

Net assets, defined as assets less corresponding policy liabilities and other liabilities valued; and

Net-of-tax adjustments for relevant differences between the market value and the book value of assets, together with relevant net-of-tax adjustments to certain liabilities.

The market value of assets can fluctuate significantly over time due to the impact of the prevailing market environment. Hence, the adjusted net worth can fluctuate significantly between valuation dates.

The “value of in-force business” is the discounted value of the projected stream of future after-tax shareholder distributable profits for existing in-force business at the valuation date. The “value of first half year’s new business” is the discounted value of the projected stream of future after-tax shareholder distributable profits for sales in the 6 months immediately preceding the valuation date. Shareholder distributable profits are determined based on policy liabilities, required capital in excess of policy liabilities, and minimum capital requirement quantification standards prescribed by the National Administration of Financial Regulation (“former CBIRC”).

The value of in-force business and the value of first half year’s new business have been determined using a traditional deterministic discounted cash flow methodology. This methodology is consistent with the “Appraisal of Embedded Value” standard and is also commonly-used in determining EVs of life insurance companies in China at the current time. This methodology makes implicit allowance for all sources of risks, including the cost of investment guarantees and policyholder options, asset/liability mismatch risk, credit risk, the deviation of the actual experience from the projected and the economic cost of capital, through the use of a risk-adjusted discount rate.

### 3. KEY ASSUMPTIONS

In determining the value of in-force business and the value of first half year’s new business as of 30 Jun 2024, we have assumed that the Company continues to operate as a going concern under the current economic and regulatory environment, and the relevant regulations for determining policy liabilities and required capital remain unchanged. The operational assumptions are mainly based on the results of experience analyses of the Company, together with reference to the overall experience of the Chinese life insurance industry, as well as with regard to expected future operating experience. As such, these assumptions represent our best estimates of the future based on information currently available at the valuation date.

#### (1) Risk Discount Rate

The risk discount rate used to calculate the value of in-force business and value of first half year’s new business is 9.0% p.a.

**(2) Investment Returns**

For non-investment-linked insurance funds, the future investment return is assumed to be 4.5%. For investment-linked funds, the future investment return is assumed to be 6.0%. These assumptions are based on the current capital market conditions, the Company's current and expected future asset allocations and investment returns for major asset classes.

**(3) Mortality**

Mortality assumptions have been developed based on the Company's past mortality experience, expectations of current and future experience. Mortality assumptions are expressed as a percentage of the standard industry mortality tables: "China Life Tables (2010 to 2013)".

**(4) Morbidity**

Morbidity assumptions have been developed based on the Company's past morbidity experience, expectations of current and future experience, and taking into consideration future morbidity deterioration trend. Morbidity assumptions are expressed as a percentage of "China Life Insurance Experienced Critical Illness Table (2020)".

**(5) Invalidation Rate and Surrender Rate**

Assumptions have been developed based on the Company's experience of invalidation and lapse, expectations of current and future experience, and overall knowledge of the Chinese life insurance market. Assumptions vary by product type and premium payment mode.

**(6) Expenses**

Unit cost assumptions have been developed based on the Company's past actual expense experience, expectations of current and future experience. Future inflation of 2.0% p.a. has been assumed in respect of per policy expenses.

**(7) Commission and Handling Fees**

The assumed level of commission and commission override, as well as handling fees, have been set based on the levels currently being paid.

**(8) Policyholder Bonuses and Dividends**

The assumptions regarding policyholder dividends have been derived in accordance with our current policyholder bonus and dividend policy, whereby 70% of surplus arising from participating business is paid to policyholders.

## SECTION 4 EMBEDDED VALUE

### (9) Tax

Tax has been assumed to be payable at 25% p.a. of profits with allowance for the exemption of certain investment income, including Chinese government bonds, and dividend income from equities and equity investment funds. In addition, taxes and surcharges for short-term health and accident business are based on related tax regulation.

### (10) Cost of Required Capital

It is assumed that the requirements under Solvency II Phase I is applied throughout the course of projection and 100% of the minimum capital requirement prescribed by the National Administration of Financial Regulation ("former CBIRC") is to be held by the Company in the calculation of the value of in-force business and the value of first half year's new business.

### (11) Other Assumptions

The current methods for calculating surrender values are in line with the requirements of National Administration of Financial Regulation ("former CBIRC") and have been assumed unaltered throughout the course of projection.

Our current reinsurance arrangements have been assumed to remain unaltered.

## 4. EMBEDDED VALUE RESULTS

The table below shows our embedded value and value of first half year's new business as of 30 Jun 2024 and their corresponding results as of prior valuation date.

### Embedded Value

Unit: RMB in millions

Valuation Date	30 Jun 2024	31 Dec 2023
<b>Adjusted Net Worth</b>	<b>177,446</b>	162,783
Value of In-Force Business Before Cost of Required Capital Held	<b>120,764</b>	116,257
Cost of Required Capital Held	<b>(29,842)</b>	(28,529)
<b>Value of In-Force Business After Cost of Required Capital Held</b>	<b>90,922</b>	87,727
<b>Embedded Value</b>	<b>268,368</b>	250,510

Notes:

1. The impact of major reinsurance contracts has been reflected in the embedded value.
2. Numbers may not be additive due to rounding.

**Value of First Half Year's New Business**

Unit: RMB in millions

Valuation Date	30 Jun 2024	30 Jun 2023
Value of First Half Year's New Business Before Cost of Required Capital Held	<b>5,307</b>	4,724
Cost of Required Capital Held	<b>(1,406)</b>	(2,250)
<b>Value of First Half Year's New Business After Cost of Required Capital Held</b>	<b>3,902</b>	2,474

Notes:

1. The first year premiums used to calculate the value of first half year's new business as of 30 Jun 2024 and 30 Jun 2023 were RMB20,749 million and RMB36,133 million respectively.
2. The impact of major reinsurance contracts has been reflected in the value of first half year's new business.
3. Numbers may not be additive due to rounding.

**Value of First Half Year's New Business by Channel**

Unit: RMB in millions

Valuation Date	30 Jun 2024	30 Jun 2023
Individual insurance channel	<b>2,780</b>	1,993
Bancassurance channel	<b>1,378</b>	699
Group insurance channel	<b>(256)</b>	(218)
<b>Total</b>	<b>3,902</b>	2,474

Notes:

1. The first year premiums used to calculate the value of first half year's new business as of 30 Jun 2024 and 30 Jun 2023 were RMB20,749 million and RMB36,133 million respectively.
2. The impact of major reinsurance contracts has been reflected in the value of first half year's new business.
3. Numbers may not be additive due to rounding.

## SECTION 4 EMBEDDED VALUE

### 5. ANALYSIS OF CHANGE

The analysis of change in Embedded Value from 31 December 2023 to 30 June 2024 is shown below.

Unit: RMB in millions

Analysis of Change in EV from 31 December 2023 to 30 June 2024		
<b>1.</b>	<b>EV at the beginning of period</b>	<b>250,510</b>
2.	Impact of Value of New Business	3,902
3.	Expected Return	8,329
4.	Operating Experience Variances	4,407
5.	Economic Experience Variances	2,759
6.	Operating Assumption Changes	–
7.	Economic Assumption Changes	–
8.	Capital Injection/Shareholder Dividend Payment	(2,652)
9.	Others	701
10.	Value Change Other Than Life Insurance Business	412
<b>11.</b>	<b>EV at the end of period</b>	<b>268,368</b>

Note: Numbers may not be additive due to rounding.

Items 2 to 10 are explained below:

- Value of new business as measured at the point of issuing.
- Expected return on adjusted net worth and value of in-force business during the relevant period.
- Reflects the difference between the actual operating experience in the period (including mortality, morbidity, discontinuance rates, expenses, taxes and etc.) and the assumed at the beginning of the period.
- Reflects the difference between actual and expected investment returns and market value adjustment in the period, etc.
- Reflects the change in operating assumptions between valuation dates.
- Reflects the change in economic assumptions between valuation dates.
- Capital injection and other dividend payment to shareholders.
- Other miscellaneous items.
- Value change other than those arising from the life insurance business.

## 6. SENSITIVITY TESTS

Sensitivity tests are performed under a range of alternative assumptions. In each of the sensitivity tests, only the assumption referred to is changed, with all other assumptions unchanged. The results are summarized below.

Unit: RMB in millions

VIF and Value of First Half Year's New Business Sensitivity Results as of 30 Jun 2024	VIF after Cost of Required Capital Held	Value of First Half Year's New Business after Cost of Required Capital Held
<b>Scenarios</b>		
<b>Base Scenario</b>	<b>90,922</b>	<b>3,902</b>
Risk Discount Rate at 9.5%	85,558	3,670
Risk Discount Rate at 8.5%	96,715	4,156
Investment Return 50bps higher	122,320	5,463
Investment Return 50bps lower	59,400	2,333
Expenses 10% higher (110% of Base)	88,917	3,305
Expenses 10% lower (90% of Base)	92,927	4,499
Discontinuance Rates 10% higher (110% of Base)	91,104	3,690
Discontinuance Rates 10% lower (90% of Base)	90,703	4,128
Mortality 10% higher (110% of Base)	89,956	3,838
Mortality 10% lower (90% of Base)	91,894	3,967
Morbidity and Loss Ratio 10% higher (110% of Base)	85,423	3,724
Morbidity and Loss Ratio 10% lower (90% of Base)	96,464	4,080
Profit Sharing between Participating Policyholders and Shareholders is assumed to be 75%/25% instead of 70%/30%	86,402	3,902



# CORPORATE GOVERNANCE

## I. CORPORATE GOVERNANCE

During the reporting period, the Company held two shareholders' general meetings, eight meetings of the Board and five meetings of the Board of Supervisors in total. Announcements on resolutions of relevant meetings and meeting documents have been published on the websites of the SSE, the HKSE, and the Company as well as other relevant information disclosure media according to regulatory requirements. The shareholders' general meeting, the Board, the Board of Supervisors and senior management all operated legally and independently in accordance with the *Articles of Association* and relevant rules and procedures of the Company, and effectively performed their respective duties.

### Shareholders' General Meeting

During the reporting period, the Company held 2 shareholders' general meetings in total as follows:

Session	Date	Date of publication of resolutions	Proposals
The First Extraordinary General Meeting of 2024	2024-2-27	2024-2-27	Considered and approved the <i>Proposal on the Application of Pilot Investment Fund</i>
The Annual General Meeting of 2023	2024-6-28	2024-6-28	Considered and approved the <i>Proposal on the Report of the Board for the Year 2023, Proposal on the Report of the Board of Supervisors for the Year 2023, etc.</i>

### Compliance with the Model Code

The Company has formulated the *Administrative Measures for Shareholding and Changes Thereof of Directors, Supervisors and Senior Management of New China Life Insurance Company Ltd.* (《新華人壽保險股份有限公司董事、監事和高級管理人員所持公司股份及其變動管理辦法》) to regulate the security transactions of directors, supervisors and senior management of the Company, the terms of which are no less exacting than that of the *Model Code*. After specific enquiries with all directors, supervisors and senior management, the Company confirmed that all directors, supervisors and senior management have complied with the code of conduct specified in the *Model Code* and *Administrative Measures for Shareholding and Changes Thereof of Directors, Supervisors and Senior Management of New China Life Insurance Company Ltd.* during the reporting period.

## II. IMPLEMENTATION OF PROFIT DISTRIBUTION PLAN DURING THE REPORTING PERIOD

According to the *Proposal on the Profit Distribution Plan for the Year 2023* approved by the Annual General Meeting of 2023, with the appropriation to its discretionary surplus reserve of RMB798 million (10% of the net profit recorded in the financial statements of the parent company for 2023), the Company distributed a cash dividend of RMB0.85 (including tax) per share to all shareholders of the Company and completed the distribution of annual dividends on 9 August 2024.

According to the *Proposal on 2024 Interim Profit Distribution Plan* considered and approved by the 24th meeting of the eighth session of the Board on 29 August 2024, the Company plans to distribute 2024 interim cash dividend of RMB0.54 (tax included) per share to all shareholders, approximately RMB1,685 million in total. The above dividend distribution plan is subject to the approval of shareholders' general meeting and will be completed within two months after the approval of shareholders' general meeting.

### III. COMPOSITION AND CHANGES IN DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

#### (I) Directors

1. *Members of the Board of Directors*

As of the date of the disclosure of this report, the Board is comprised of 11 directors. The chairman and executive director of the Company is YANG Yucheng, the executive director of the Company is ZHANG Hong, the non-executive directors are YANG Yi, HE Xingda, YANG Xue, HU Aimin and LI Qiqiang, and the independent non-executive directors are MA Yiu Tim, LAI Guanrong, XU Xu and GUO Yongqing.

2. *Changes of Directors*

Mr. HU Aimin, the director of the Company, has been appointed as the chairman of Sinosteel Futures Co., LTD. since March 2024.

#### (II) Supervisors

1. *Members of the Board of Supervisors*

As of the date of the disclosure of this report, the Board of Supervisors consisted of 4 supervisors, including chairman of the Board of Supervisors, shareholder representative supervisor LIU Debin, shareholder representative supervisor YU Jiannan, employee representative supervisors LIU Chongsong and WANG Zhongzhu.

2. *Changes of Supervisors*

None.

#### (III) Members of Senior Management

1. *Members of Senior Management*

As of the date of the disclosure of this report, executive committee of the Company consisted of 8 members, including YANG Yucheng, ZHANG Hong, GONG Xingfeng, QIN Hongbo, WANG Lianwen, LI Wenfeng, LIU Chen and LIU Zhiyong.



## SECTION 5 CORPORATE GOVERNANCE

### 2. *Changes of Members of Senior Management*

- (1) On 25 January 2024, the 15th meeting of the eighth session of the Board agreed to appoint Ms. LIU Chen and Mr. LIU Zhiyong as assistants to the president of the Company. On 19 March 2024, the NFRA approved the qualifications of Ms. LIU Chen and Mr. LIU Zhiyong as assistants to the president of the Company.
- (2) On 1 March 2024, Mr. YANG Zheng resigned from his positions as vice president, chief financial officer (financial principal) and all other positions in the Company due to work adjustment.
- (3) On 24 May 2024, the 21st meeting of the eighth session of the Board considered and approved *Proposal on the Appointment of Chief Risk Officer of the Company*, and agreed to appoint Mr. ZHANG Hong as the chief risk officer of the Company. Mr. QIN Hongbo ceased to be the chief risk officer of the Company. The 21st meeting of the eighth session of the Board also considered and approved *Proposal on the Appointment of Chief Financial Officer (Financial Principal) of the Company*, and agreed to appoint Mr. GONG Xingfeng as chief financial officer (financial principal) of the Company. His qualification is still subject to the ratification of regulatory authority.
- (4) Mr. LI Wenfeng has served as the chairman of New China Pension since July 2024. He has ceased to be the director of China Reinsurance (Group) Corporation since May 2024.

## IV. SHAREHOLDING OF DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

### (I) **Shareholding of the Company's A shares by directors, supervisors and members of senior management**

No directors, supervisors or members of senior management currently in office or resigned during the reporting period held any of the Company's A shares directly or indirectly.

### (II) **Interests and short positions of directors, supervisors and chief executive under Hong Kong laws, regulations and rules**

Please refer to Section 8 Changes in Share Capital and Shareholders Profile of this report.

## V. REMUNERATION POLICIES AND TRAINING PLAN FOR EMPLOYEES

As at 30 June 2024, there are a total of 30,221 employees who entered into employment contracts with the Company (including life insurance headquarters, 35 branches and major subsidiaries<sup>(1)</sup>).

In accordance with characteristics of business and talent competition in the market, the Company provides employees with competitive remuneration with reference to the level of its counterparts in the industry. As required by the P.R.C. government, the Company provides employees with various social security and housing provident fund. At the same time, the Company provided a variety of benefit treatments for its employees, including corporate annuities to meet the diverse needs of different employee groups.

In 2024, in terms of training for cadres and employees, the Company makes efforts to build a learning-oriented and service-empowered organization to comprehensively improve its market competitiveness. The Company carries out various training programs including basic theories of the Party and Party spirit education, leadership, general ability, professional ability improvement, as a way to cultivate a professional, specialized and high-quality financial talent team.

In the first half of 2024, the Company organized nearly 10,000 training courses for individual insurance channel, with more than 600,000 participants and an average learning time of 46 hours per capita, representing a year-on-year increase of 37%. There were 760,000 participants in the intelligent system training, with a total training time over 1.67 million hours.

Note:

1. Major subsidiaries refer to subsidiaries whose 50% or more of the shares are being held by the Company.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## I. ENVIRONMENT INFORMATION

The Company has always adhered to a low-carbon and environmental-friendly operation model, actively responded to climate change and promoted the construction of ecological civilization. When managing office decoration, the Company follows the principle of reasonable configuration, environmental protection and energy saving, and achieves the design goals of energy saving, high efficiency and low consumption through optimizing design plan, strictly controlling engineering technologies and materials. In daily office work, the Company actively advocates green office, green procurement and green travel. The Company has taken a number of measures to save energy and reduce emissions, used scientific and technological methods to make more online underwriting, information updating, claims settlement and other business links, effectively reduced carbon emissions in the process of business development and promoted the sustainable development of the Company.

During the reporting period, the Company has not been subject to administrative penalty for environmental issues.

## II. SOCIAL RESPONSIBILITY

### (I) Serve national strategy

**Serve the real economy.** The Company facilitated the self-reliance and strength in science and technology, supported the development of strategically emerging industries such as new information technology, artificial intelligence, biotechnology, new energy, new materials, as well as helped enterprises that use specialized and sophisticated technologies with an investment balance of RMB41,877 million as of 30 June 2024. The Company assisted micro, small and medium-sized enterprises in solving the problem of difficult and expensive fundraising with an investment balance of RMB6,948 million. The Company invested RMB170,790 million to promote coordinated regional development and put RMB19,851 million to support energy conservation and carbon reduction of traditional industries, to support green and low-carbon industries, improve ESG investment and to help achieve “carbon peaking and carbon neutrality” and accelerate the green transformation of development methods.

**Develop pension finance.** The Company carried out the investment management business of corporate annuity, and the investment scale of corporate annuity increased steadily. The Company actively participated in the construction of commercial pension insurance as the “third pillar”. As of June 2024, the Company has launched three products that support the individual pension business. The Company continued to optimize the old-age care and healthcare service system and ecosystem, deployed elderly care institutions in the downtown, asset-light cooperative elderly care, and home-based elderly care to provide old-age care and healthcare, medical care, leisure and tourism and health management services that cover customers’ whole life cycle.

**Serve healthy China construction.** In the first half of 2024, the Company undertook 11 policy-oriented medical insurance projects, covering nearly 12 million insured people, of which 8.54 million people were covered by critical illness insurance and 2.32 million by long-term care insurance. Since 2021, the Company underwrote 46 valid insurance projects benefiting 46 million people. The equity and debt investments of the Company amount reached RMB3,619 million.

**(II) Help rural revitalization**

In the first half of 2024, the Company allocated RMB9.4 million to Shibing County, Guizhou Province, RMB1 million to Chayouzhong Banner, Ulanqab, Inner Mongolia, and supported the effective implementation of 21 targeted assistance projects. From January to June, a total of more than RMB8.47 million of agricultural products were purchased from areas that have been lifted from poverty as a way to help those areas increase income. In June 2024, the Company was awarded the “2024 GoldenBee CSR · China Honor Roll – ESG Competitiveness · Rural Vitalization”.

**(III) Fulfill other social responsibilities**

1. The Company continued to carry out the “Public Welfare Activity for Sanitation Workers” nationwide through the Foundation. As of 30 June 2024, more than 940,000 sanitation workers in nearly 186 cities across China were provided accident insurance of RMB100,000 per person. The project has benefited 5.054 million sanitation workers in total and settled 428 claims with the total payment of RMB38.23 million since its launch in August 2017.
2. In response to the national strategy of Healthy China, the Company relied on the Foundation to carry out the public welfare project of first-aid capacity building. As of 30 June 2024, 50 emergency first-aid machines were donated to densely populated public places in Jinan, Hangzhou and other cities. In addition, more than 30 public training sessions on first-aid were carried out for the surrounding masses in the areas where first-aid equipment was donated. The project was awarded the “Jinnuo Financial Brand Social Welfare Project of the Year”.
3. In the first half of 2024, in order to cultivate the self-rescue and mutual rescue ability of teenagers in the new era, the Company launched the “First Aid Teenager” (少年急救官) public welfare project through the Foundation, and carried out 33 activities in 18 large and medium-sized cities such as Beijing, Chongqing and Dalian, attracting a total of more than 1,000 teenager participants.
4. In the first half of 2024, the total number of volunteers of the Company reached 34,709. The volunteer union organized 2,113 activities such as “Caring for Sanitation”, “Emergency Care”, “Rural Revitalization”, “Contributing to Carbon Peaking and Carbon Neutrality”, “Respecting the Aged and Cherishing the Young”, with total service time of 46,288.5 hours.

# SIGNIFICANT EVENTS

## I. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

The Annual General Meeting of 2023 of the Company held on 28 June 2024 considered and approved the *Proposal on the Reappointment of Accounting Firms for the Year 2024*, and resolved to reappoint Deloitte Touche Tohmatsu Certified Public Accountants LLP as domestic auditor for the year 2024, and reappoint Deloitte Touche Tohmatsu as international auditor for the year 2024. For details, please refer to *Overseas Regulatory Announcement – Announcement in relation to Proposed Reappointment of Accounting Firms* (《海外監管公告—建議續聘2024年度會計師事務所的公告》) on 27 March 2024, and the *Poll Results of the Annual General Meeting of 2023 and Distribution of 2023 Annual Dividend* published on 28 June 2024 by the Company, respectively.

## II. CHARGE OF ASSETS

During the reporting period, the Company had no charge of assets.

## III. MAJOR INVESTMENT

1. To increase the investment in long-duration assets in line with the Company's investment strategy, optimize the asset-liability matching of insurance funds and improve the utilisation efficiency of funds, the Company and China Life Insurance Company Limited ("**China Life**") made a joint investment for the formation of the private security investment fund, named Honghu Zhiyuan (Shanghai) Private Investment Fund Co., Ltd. (鴻鵠志遠(上海)私募投資基金有限公司), with each party intending to contribute RMB25 billion. And Asset Management Company, a subsidiary of the Company, and China Life Asset Management Company Limited ("**China Life Asset**"), a subsidiary of China Life, jointly initiated the formation of the fund management company, named Guofeng Xinghua (Beijing) Private Fund Management Co., Ltd. (國豐興華(北京)私募基金管理有限公司), with each party contributing RMB5 million, serving as the manager of the aforementioned private investment fund company.

For more details, please refer to the *Major Transaction-Formation of the Fund and the Fund Management Company through Joint Venture* on 29 November 2023, the *Major Transaction-Further Announcement on Formation of the Fund and the Fund Management Company through Joint Venture* on 25 January 2024, the circular and notice of the First Extraordinary General Meeting of 2024 on 6 February 2024, and the announcement on the poll results of the First Extraordinary General Meeting of 2024 on 27 February 2024 published by the Company on the website of the HKSE, respectively.

Up to now, the fund management company, Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. has made investment in accordance with the articles of association of the fund, the entrustment management agreement and the requirements of laws and regulations. The fund has operated smoothly.

2. The 14th meeting of the eighth session of the Board held on 31 December 2023 considered and approved the *Proposal on Authorizing Senior Management to Make Decisions on Investment in Special Funds*. On the same day, the Company entered into the Limited Partnership Agreement with CICC Capital Management Co., Ltd. ("**CICC Capital**") for the joint formation of the fund. The size of the fund is RMB10,000 million, with New China Life subscribed for RMB9,999 million and CICC Capital subscribed for RMB1 million.

For details, please refer to the *Discloseable Transaction – Formation of the Fund* of the Company dated 1 January 2024 published on the website of the HKSE.

At present, CICC Capital, the fund manager, has carried out relevant investments in accordance with the requirements of the Limited Partnership Agreement.

Save as disclosed above, the Company and its subsidiaries did not have any other significant investments.

#### IV. DISPOSAL AND ACQUISITION OF MAJOR ASSETS

During the reporting period, the Company has no disposal and acquisition of major assets.

#### V. EXCHANGE RATE RISK AND HEDGING

Please refer to Note 4 to the interim condensed consolidated financial statements of this report for the details of exchange rate risk of the Company during the reporting period.

#### VI. CONTINGENT LIABILITIES

So far as known to the Board of Directors, as at 30 June 2024, there had been no litigation, arbitration or claim of material importance in which the Company or its subsidiaries was engaged or pending or which as threatened against the Company or its subsidiaries.

#### VII. FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company and its subsidiaries did not have any other future plans for material investments or capital assets as at 30 June 2024. However, the Company will closely follow industry opportunities to broaden its revenue base and profit potential and maximise shareholders' value in the long term.

#### VIII. MAJOR CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD

According to *Hong Kong Listing Rules*, the transaction between the Company and the Company's connected person (as stipulated in *Hong Kong Listing Rules*) constitutes the connected transaction of the Company. The Company monitors and manages such transactions in strict accordance with *Hong Kong Listing Rules* and abides by relevant rules and regulations of *Hong Kong Listing Rules*. Details of related party transactions are set out in Note 24 to the interim condensed consolidated financial statements of this report. Such transactions do not constitute the connected transactions or continuing connected transactions as defined in Chapter 14A of *Hong Kong Listing Rules*.

#### IX. MATERIAL CONTRACTS AND THEIR PERFORMANCE

- (I) During the reporting period, there were no such events as managing, contracting and leasing assets of other companies by the Company or managing, contracting and leasing the Company's assets by other companies that brought the Company more than 10% (inclusive) of the Company's total profit. Nor there were loans or financial assistance to be disclosed.
- (II) During the reporting period, there was no external guarantee of the Company and its subsidiaries, and the Company and its subsidiaries did not provide any guarantee for its subsidiaries.





## SECTION 7 SIGNIFICANT EVENTS

- (III) The utilization of insurance funds of the Company is carried out mainly through entrusted management, and the diversified investment management system in which the entrusted internal investment managers are main players and subscribed single asset management plan of external investment managers are the supplemental has taken shape. The internal investment managers include Asset Management Company and Asset Management Company (Hong Kong) and external investment managers comprise fund companies, asset management division of securities firms and other professional investment management institutions. The Company enters into the investment management agreement with each manager, manages the investment activities through measures including investment guidance, dynamic tracking and communication, assessment and evaluation, and takes targeted risk control measures according to the characteristics of different managers and investment targets.
- (IV) Unless otherwise disclosed in this report, the Company had no other material contract during the reporting period.

### **X. CREDIT OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER**

During the reporting period, the Company and its controlling shareholder were not subject to enforceable obligation of the court or large amount of outstanding due and payable debts.

### **XI. PERFORMANCE OF THE COMMITMENTS OF THE COMPANY OR SHAREHOLDERS WITH OVER 5% SHAREHOLDING DURING THE REPORTING PERIOD OR UNTIL THE REPORTING PERIOD**

For details of the commitments made by Huijin, the controlling shareholder of the Company, to avoid horizontal competition, please refer to the *Overseas Regulatory Announcement-Announcement on the Performance of Unfulfilled Commitments of the Company's Shareholders, Related Parties and the Company* published on the website of HKSE on 13 February 2014 by the Company.

During the reporting period, the commitments relating to avoidance of horizontal competition were still being fulfilled continuously and normally.

### **XII. PENALTY AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS SUPERVISORS, MEMBERS OF SENIOR MANAGEMENT AND CONTROLLING SHAREHOLDER**

During the reporting period, neither the Company nor its directors, supervisors, members of senior management or its controlling shareholders were subject to penalties and rectifications to be disclosed.

### **XIII. SIGNIFICANT LITIGATION AND ARBITRATION EVENTS**

During the reporting period, the Company had no significant litigation or arbitration events.

#### XIV. REVIEW OF THE INTERIM REPORT

Audit and Related Party Transaction Control Committee of the Board has reviewed the accounting standards and practices adopted by the Company and discussed internal control and financial statements, including the review of unaudited interim financial report 2024 of the Company.

#### XV. THE COMPANY'S COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is responsible for compliance with the code provisions set out in Part II of Appendix C1 of the *Hong Kong Listing Rules*. During the reporting period, save as otherwise disclosed in this report, the Board was not aware of any information that would reasonably indicate that the Company has not complied with the applicable code provisions set out in Part II of Appendix C1 of the *Hong Kong Listing Rules* at any time. The Company adopted most of the best practices set out therein.

#### XVI. OTHER SIGNIFICANT EVENTS

The Company issued the capital supplementary bonds in the national inter-bank bond market with the amount of RMB10,000 million on 18 June 2024 and completed the issuance on 20 June 2024. For more details, please refer to *Announcement on Completion of Issuance of the Capital Supplementary Bonds* published on the website of HKSE on 21 June 2024 by the Company. During the reporting period, the existing issued capital supplementary bonds totaled RMB30,000 million.

## SECTION 8

# CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

## I. CHANGES IN SHARE CAPITAL

During the reporting period, there was no change in the total number of shares and structure of share capital of the Company.

Unit: share

	31 December 2023		Increase or decrease during the reporting period (+, -)					30 June 2024	
	Number	Percentage	New shares issued	Bonus shares	Transfer from reserve	Sub- Others total	Number	Percentage	
<b>1. Shares with selling restrictions</b>	-	-	-	-	-	-	-	-	-
<b>2. Shares without selling restrictions</b>									
1. Ordinary shares denominated in RMB	2,085,439,340	66.85%	-	-	-	-	2,085,439,340	66.85%	
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	
3. Overseas listed foreign shares (H Share)	1,034,107,260	33.15%	-	-	-	-	1,034,107,260	33.15%	
4. Others	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>3,119,546,600</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,119,546,600</b>	<b>100.00%</b>	
<b>3. Total number of shares</b>	<b>3,119,546,600</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,119,546,600</b>	<b>100.00%</b>	

## II. ISSUE OF SECURITIES

During the reporting period, the Company did not issue securities.

## III. BUY BACK, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company and its subsidiaries did not buy back, sell or redeem any listed securities of the Company. Neither the Company nor its subsidiaries held treasury shares.

## CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

## IV. SHAREHOLDERS PROFILE

## (I) Number of shareholders and their shareholdings

As of the end of the reporting period, there are 80,454 shareholders of the Company, including 80,168 A share shareholders and 286 H share shareholders.

Shares held by top ten shareholders

Unit: share

Name of the shareholders	Total number of shares held at the end of reporting period	Percentage of the shareholding (%)	Increase or decrease of shareholding during the reporting period (+,-)	Number of shares held with selling restrictions <sup>(1)</sup>	Shares pledged or frozen		Character of the shareholders	Types of shares
					Status	Number of shares		
Central Huijin Investment Ltd.	977,530,534	31.34	-	-	-	-	State-owned	A
HKSCC Nominees Limited <sup>(2)</sup>	972,711,377	31.18	-11,000	-	Unknown	Unknown	Overseas legal person	H
China Baowu Steel Group Corporation Limited	377,162,581	12.09	-	-	-	-	State-owned legal person	A
China Securities Finance Corporation Limited	93,339,003	2.99	-	-	-	-	State-owned legal person	A
Hwabao Investment Co., Ltd. <sup>(3)</sup>	60,503,300	1.94	-	-	-	-	State-owned legal person	H
Hong Kong Securities Clearing Company Limited <sup>(4)</sup>	38,533,008	1.24	-4,935,995	-	-	-	Overseas legal person	A
Central Huijin Asset Management Ltd.	28,249,200	0.91	-	-	-	-	State-owned legal person	A
Kehua Tianyuan (Tianjin) Business Operation Management Company Limited	11,790,000	0.38	-	-	-	-	Domestic legal person	A
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	9,668,052	0.31	+3,336,650	-	-	-	Others	A
Dacheng Fund-ABC-Dacheng China Securities Financial Asset Management Plan	8,713,289	0.28	-	-	-	-	Others	A

## SECTION 8

### CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

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Description of related-party relations or concerted action among the aforesaid shareholders	Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. and Hwabao Investment Co., Ltd. is a wholly-owned subsidiary of China Baowu Steel Group Corporation Limited. Save for the above, the Company is not aware of any related-party relationship among the shareholders or whether they are parties acting in concert.
Description of margin trading and security lending by top 10 shareholders and top 10 shareholders without selling restrictions	Kehua Tianyuan (Tianjin) Business Operation Management Company Limited held 5,500,000 shares of the Company through credit account. At the beginning of the reporting period, Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund held 6,331,402 shares through general account and credit account, representing 0.20% of the total shares of the Company, and the number of the Company's shares lent that have not yet been returned were 20,300 shares, representing 0.0% of the total shares of the Company. At the end of the reporting period, Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund has no shares lent that have not yet been returned.

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#### Notes:

1. As of the end of the reporting period, none of the Company's A shares or H shares were subject to selling restrictions.
2. HKSCC Nominees Limited is a company that holds shares on behalf of the clients of Hong Kong stock brokers and other participants of CCASS system. The relevant regulations of the HKSE do not require such persons to declare whether their shareholdings are pledged or frozen. Therefore, HKSCC Nominees Limited is unable to calculate or provide the number of shares pledged or frozen.
3. As of 30 June 2024, Hwabao Investment Co., Ltd., the wholly-owned subsidiary of China Baowu, held 60,503,300 H shares of the Company, which are registered under the name of HKSCC Nominees Limited. To avoid repeat calculation, the number of shares held by HKSCC Nominees Limited subtracted the number of shares held by Hwabao Investment Co., Ltd.
4. Hong Kong Securities Clearing Company Limited (HKSCC) is a nominal holder of shares in the Shanghai-Hong Kong Stock Connect.

#### **(II) Change of controlling shareholder and the de facto controller**

During the reporting period, there was no change in the controlling shareholder of the Company. The Company had no de facto controller.

## CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

**(III) Interests and short positions of substantial shareholders and other persons in the shares and underlying shares**

So far as the directors of the Company are reasonably aware of, as at 30 June 2024, China Baowu held 377,162,581 A shares of the Company, which accounted for 12.09% of the total issued shares of the Company, and 18.09% of the total issued A shares of the Company.

In addition to the above, so far as the directors of the Company are reasonably aware of, as at 30 June 2024, the following persons (other than directors, supervisors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, and have been entered into the register maintained by the Company pursuant to Section 336 of the SFO:

Unit: share

Name of substantial shareholders	Type of shares	Capacity	Number of shares	Approximate percentage of the total number of shares issued (%)	Approximate percentage of the total number of A shares issued (%)	Approximate percentage of the total number of H shares issued (%)	Long Position/ Short Position/ Interest in a lending pool
1 Central Huijin Investment Ltd.	A	Beneficial Owner	977,530,534	31.34	46.87	–	Long Position
		Interests of Controlled Corporation	28,249,200	0.91	1.35	–	Long Position
2 Fosun International Limited	H	Interests of Controlled Corporation	98,336,200 <sup>(3)</sup>	3.15	–	9.51	Long Position
		Beneficial Owner	4,942,400	0.16	–	0.48	Long Position
3 Fosun International Holdings Ltd.	H	Interests of Controlled Corporation	103,278,600 <sup>(3)</sup>	3.31	–	9.99	Long Position
4 GUO Guangchang	H	Interests of Controlled Corporation	103,278,600 <sup>(3)</sup>	3.31	–	9.99	Long Position
5 Fidelidade – Companhia de Seguros, S.A.	H	Beneficial Owner	61,656,600 <sup>(3)</sup>	1.98	–	5.96	Long Position
6 China Baowu Steel Group Corporation Limited	H	Interests of Controlled Corporation	60,503,300 <sup>(4)</sup>	1.94	–	5.85	Long Position
7 Hwabao Investment Co., Ltd.	H	Beneficial Owner	60,503,300 <sup>(4)</sup>	1.94	–	5.85	Long Position



## SECTION 8

### CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

#### Notes:

1. Data disclosed in the table above are mainly based on the information provided on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).
2. Pursuant to Section 336 of the SFO, the shareholders of the Company are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Company changes, it is not necessary for the shareholder to notify the Company and the Hong Kong Stock Exchange unless several criteria have been fulfilled. Therefore a shareholder's latest shareholding in the Company may be different from the shareholding filed with the Hong Kong Stock Exchange.
3. Mr. GUO Guangchang holds equity interests in the shares of the Company through Fosun International Limited, Fosun International Holdings Ltd., Fosun Holdings Limited, Shanghai Fosun High Technology (Group) Co., Ltd., Fidelidade – Companhia de Seguros, S.A. and other companies controlled or indirectly controlled by them.
4. According to the above disclosure, as of 30 June 2024, China Baowu held 377,162,581 A shares of the Company and 60,503,300 H shares of the Company through Hwabao Investment Co., Ltd., representing 18.09% of the total number of issued A shares of the Company and 5.85% of the total number of issued H shares of the Company respectively, accounting for 14.03% of the total number of issued shares of the Company.

Saved as disclosed above, as of 30 June 2024, the Company was not aware of anyone (other than the directors, supervisors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which have been entered into the register maintained by the Company pursuant to Section 336 of the SFO.

## V. THE INTEREST AND SHORT POSITION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES UNDER HONG KONG LAWS AND REGULATIONS

As of 30 June 2024, according to the information available to the Company and the information our directors are aware of, there were no interests and short positions (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) held by our directors, supervisors and chief executives in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will be required to be entered into the register maintained by the Company pursuant to Section 352 of the SFO or which shall be notified to the Company and the HKSE pursuant to the *Model Code* for Securities Transactions.

# FINANCIAL STATEMENTS

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### To the Board of Directors of New China Life Insurance Company Ltd.

*(Incorporated in the People's Republic of China with limited liability)*

### INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of New China Life Insurance Company Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 112, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review of these interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

*Deloitte Touche Tohmatsu*  
Certified Public Accountants  
Hong Kong  
29 August 2024



## SECTION 9

### Financial Statements

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024 (All amounts in RMB million unless otherwise stated)

	Notes	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
<b>ASSETS</b>			
Property, plant and equipment		18,177	18,018
Investment properties		9,246	9,383
Right-of-use assets		801	881
Intangible assets		3,904	4,063
Investments in associates and joint ventures	6	16,287	5,174
Financial investments			
– Financial assets at fair value through profit or loss	7(1)	475,807	380,239
– Debt investments at amortised cost	7(2)	300,845	313,148
– Debt investments at fair value through other comprehensive income	7(3)	314,750	347,262
– Equity investments designated at fair value through other comprehensive income	7(4)	16,844	5,370
Term deposits	8	268,043	255,984
Statutory deposits	9	1,812	1,784
Financial assets purchased under agreements to resell		8,487	5,265
Derivative financial instruments		–	2
Reinsurance contract assets	10(2)	10,095	9,802
Deferred tax assets	21	17,825	10,709
Other assets		5,770	14,385
Cash and cash equivalents		25,991	21,788
<b>Total assets</b>		<b>1,494,684</b>	<b>1,403,257</b>

## Condensed Consolidated Statement of Financial Position (Continued)

*As at 30 June 2024 (All amounts in RMB million unless otherwise stated)*

Notes	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
10(1)	1,267,077	1,146,497
11	30,272	20,262
	694	760
	9,876	3,592
	80,113	106,987
	16,527	19,985
	17	26
21	56	56
<b>Total liabilities</b>	<b>1,404,632</b>	1,298,165
<b>Shareholders' equity</b>		
12	3,120	3,120
13	(12,852)	9,823
	99,757	92,124
<b>Equity attributable to owners of the Company</b>	<b>90,025</b>	105,067
<b>Non-controlling interests</b>	<b>27</b>	25
<b>Total equity</b>	<b>90,052</b>	105,092
<b>Total liabilities and equity</b>	<b>1,494,684</b>	1,403,257

The notes attached form an integral part of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 August 2024 and are signed on its behalf by:

**Mr. Yang Yucheng**  
EXECUTIVE DIRECTOR

**Mr. Zhang Hong**  
EXECUTIVE DIRECTOR

## SECTION 9

### Financial Statements

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

	Notes	For the six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
<b>REVENUES</b>			
Insurance revenue	14	23,421	26,593
Interest income	15	15,794	15,628
Other investment income	16	15,563	5,991
Other income		534	739
<b>Total revenues</b>		<b>55,312</b>	<b>48,951</b>
<b>BENEFITS, CLAIMS AND EXPENSES</b>			
Insurance service expenses	17	(15,165)	(17,590)
Net expenses from reinsurance contracts held		(157)	(377)
Finance expenses from insurance contracts issued	18	(25,278)	(17,717)
Less: Finance income from reinsurance contracts held	18	129	133
Net impairment losses on financial assets	19	(289)	49
Other expenses	20	(1,677)	(1,963)
<b>Total benefits, claims and expenses</b>		<b>(42,437)</b>	<b>(37,465)</b>
Share of profits and losses of associates and joint ventures		284	9
Other finance costs		(1,231)	(779)
<b>Profit before income tax</b>		<b>11,928</b>	<b>10,716</b>
Income tax expense	21	(843)	(736)
<b>Net profit for the period</b>		<b>11,085</b>	<b>9,980</b>
<b>Net profit for the period attributable to:</b>			
– Owners of the Company		11,083	9,978
– Non-controlling interests		2	2

## Condensed Consolidated Statement of Comprehensive Income (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

	Notes	For the six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
<b>Net profit for the period</b>		<b>11,085</b>	9,980
<b>Items that will not be reclassified subsequently to profit or loss:</b>		<b>617</b>	425
Changes in fair value on equity investments designated at fair value through other comprehensive income		<b>622</b>	431
Insurance finance income/expenses from insurance contracts with direct participation features for which the Group holds the underlying items		<b>(5)</b>	(6)
<b>Items that may be reclassified subsequently to profit or loss:</b>		<b>(24,086)</b>	(9,067)
Changes in fair value on debt investments at fair value through other comprehensive income		<b>7,403</b>	4,071
Allowance for impairment losses on debt investments at fair value through other comprehensive income		<b>216</b>	(3)
Finance expenses from insurance contracts issued		<b>(31,840)</b>	(13,246)
Finance income from reinsurance contracts held		<b>285</b>	129
Share of other comprehensive income of associates and joint ventures under the equity method		<b>(143)</b>	(30)
Currency translation differences		<b>(7)</b>	12
<b>Total other comprehensive income for the period, net of tax</b>		<b>(23,469)</b>	(8,642)
<b>Total comprehensive income for the period</b>		<b>(12,384)</b>	1,338
<b>Total comprehensive income for the period attributable to:</b>			
– Owners of the Company		<b>(12,386)</b>	1,336
– Non-controlling interests		<b>2</b>	2
<b>Earnings per share (RMB)</b>			
Basic	22	<b>3.55</b>	3.20
Diluted	22	<b>3.55</b>	3.20

The notes attached form an integral part of the interim condensed consolidated financial statements.

## SECTION 9

### Financial Statements

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

	For the six months ended 30 June 2024 (Unaudited)					
	Attributable to owners of the Company				Non-controlling Interests	Total equity
	Share capital	Reserves	Retained earnings	Total		
<b>As at 1 January 2024</b>	<b>3,120</b>	<b>9,823</b>	<b>92,124</b>	<b>105,067</b>	<b>25</b>	<b>105,092</b>
Net profit for the period	–	–	<b>11,083</b>	<b>11,083</b>	<b>2</b>	<b>11,085</b>
Other comprehensive income	–	<b>(23,469)</b>	–	<b>(23,469)</b>	–	<b>(23,469)</b>
<b>Total comprehensive income</b>	<b>–</b>	<b>(23,469)</b>	<b>11,083</b>	<b>(12,386)</b>	<b>2</b>	<b>(12,384)</b>
Dividends declared	–	–	<b>(2,652)</b>	<b>(2,652)</b>	–	<b>(2,652)</b>
Appropriation to reserves	–	<b>798</b>	<b>(798)</b>	–	–	–
<b>Total transactions with owners</b>	<b>–</b>	<b>798</b>	<b>(3,450)</b>	<b>(2,652)</b>	<b>–</b>	<b>(2,652)</b>
<b>Others</b>	<b>–</b>	<b>(4)</b>	–	<b>(4)</b>	–	<b>(4)</b>
<b>As at 30 June 2024</b>	<b>3,120</b>	<b>(12,852)</b>	<b>99,757</b>	<b>90,025</b>	<b>27</b>	<b>90,052</b>

	For the six months ended 30 June 2023 (Unaudited)					
	Attributable to owners of the Company				Non-controlling Interests	Total equity
	Share capital	Reserves	Retained earnings	Total		
<b>As at 1 January 2023</b>	<b>3,120</b>	<b>21,714</b>	<b>89,492</b>	<b>114,326</b>	<b>21</b>	<b>114,347</b>
Net profit for the period	–	–	<b>9,978</b>	<b>9,978</b>	<b>2</b>	<b>9,980</b>
Other comprehensive income	–	<b>(8,642)</b>	–	<b>(8,642)</b>	–	<b>(8,642)</b>
<b>Total comprehensive income</b>	<b>–</b>	<b>(8,642)</b>	<b>9,978</b>	<b>1,336</b>	<b>2</b>	<b>1,338</b>
Dividends declared	–	–	<b>(3,369)</b>	<b>(3,369)</b>	–	<b>(3,369)</b>
Appropriation to reserves	–	<b>1,114</b>	<b>(1,114)</b>	–	–	–
<b>Total transactions with owners</b>	<b>–</b>	<b>1,114</b>	<b>(4,483)</b>	<b>(3,369)</b>	<b>–</b>	<b>(3,369)</b>
<b>Others</b>	<b>–</b>	<b>(7)</b>	–	<b>(7)</b>	–	<b>(7)</b>
<b>As at 30 June 2023</b>	<b>3,120</b>	<b>14,179</b>	<b>94,987</b>	<b>112,286</b>	<b>23</b>	<b>112,309</b>

The notes attached form an integral part of the interim condensed consolidated financial statements.

## Condensed Consolidated Statement of Cash Flows

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<b>Operating activities</b>		
<b>Net cash flows from operating activities</b>	<b>61,107</b>	65,508
<b>Investing activities</b>		
Cash paid for investing activities, net	<b>(44,645)</b>	(106,005)
Acquisition of structured entities, net of cash acquired	<b>272</b>	–
Proceeds from disposal of structured entities, net	–	7,317
Proceeds from disposal of property, plant and equipment, intangible assets and other assets	<b>1</b>	3
Purchases of property, plant and equipment, intangible assets and other assets	<b>(732)</b>	(898)
Interests received	<b>14,145</b>	17,978
Dividends received	<b>3,758</b>	3,592
Financial assets purchased under agreements to resell, net	<b>(4,818)</b>	1,317
<b>Net cash flows used in investing activities</b>	<b>(32,019)</b>	(76,696)
<b>Financing activities</b>		
Capital injected into structured entities by non-controlling interests	<b>991</b>	14,802
Proceeds from issuance of capital supplementary bonds	<b>10,000</b>	–
Proceeds from issuance of asset funding plans	–	6,440
Interests and dividends paid	<b>(401)</b>	(571)
Financial assets sold under agreements to repurchase, net	<b>(27,012)</b>	3,719
Payment of lease liabilities	<b>(259)</b>	(271)
Payment of redemption for structured entities to non-controlling interests	<b>(1,840)</b>	(9,209)
Payment of redemption for asset funding plans	<b>(6,440)</b>	(2,770)
<b>Net cash flows (used in)/from financing activities</b>	<b>(24,961)</b>	12,140
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>76</b>	48
<b>Net increase in cash and cash equivalents</b>	<b>4,203</b>	1,000
<b>Cash and cash equivalents</b>		
At beginning of period	<b>21,788</b>	17,586
At end of period	<b>25,991</b>	18,586
<b>Analysis of balances of cash and cash equivalents</b>		
Cash at banks and in hand	<b>25,991</b>	18,586
<b>Cash and cash equivalents at end of period</b>	<b>25,991</b>	18,586

The notes attached form an integral part of the interim condensed consolidated financial statements.



## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 1. BACKGROUND AND PRINCIPAL ACTIVITIES

New China Life Insurance Company Ltd. (the “Company”) was established as a joint stock limited company in September 1996 in Beijing, the People’s Republic of China (the “PRC”) with the authorisation of the State Council of the PRC and the approval by the People’s Bank of China. The Company’s initial registered capital on the date of incorporation was Renminbi (“RMB”) 500 million. The registered capital was increased to RMB1,200 million in December 2000 and further increased to RMB2,600 million in March 2011, with the approval of the former China Insurance Regulatory Commission (the “former CIRC”). In December 2011, the Company completed its initial public offering of 158,540,000 A shares on the Shanghai Stock Exchange and issued 358,420,000 H shares on the Hong Kong Stock Exchange. In January 2012, the Company exercised the right of H share over allotment in overseas markets and issued 2,586,600 H shares of the over allotment shares. Upon the approval of the former CIRC, the Company’s registered capital was increased to RMB3,120 million. The address of the Company’s registered office is No.16 East Hunan Road (Zhongguancun Yanqing Park), Yanqing District, Beijing, the PRC. The Company is headquartered in Beijing.

The business scope of the Company is: life insurance in RMB and foreign currencies (including various life insurance, health insurance, and accident and casualty insurance); acting as an agent for domestic and foreign insurance institutions for insurance, verification and claim settlement; insurance consulting; and engaging in capital operations in accordance with relevant regulations. There has not been any major change of business scope of the Company during the reporting period.

As at 30 June 2024, the Company has equity interests in subsidiaries and consolidated structured entities as set out in Note 28. The Company, its subsidiaries and its consolidated structured entities are hereinafter collectively referred to as the “Group”.

These interim condensed consolidated financial statements have been reviewed but not audited.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” issued by the International Accounting Standards Board as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial information should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim condensed consolidated financial statements have been prepared under the historical cost basis, except for financial instruments measured at fair value and insurance contract liabilities and reinsurance contract assets measured based on actuarial methods.

The material accounting policy information applied are consistent with those of the consolidated annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the adoption of amendments effective as at 1 January 2024.

### **Standards/amendments adopted by the Group for the first time for the financial year beginning on 1 January 2024**

Standards/Amendments	Content
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

## 3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgments, estimates and assumptions the Group applied in preparing the 2024 interim condensed consolidated financial statements are consistent with those of the consolidated annual financial statements for the year ended 31 December 2023, as described in those consolidated annual financial statements.



# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT

### (1) Insurance risk

#### (a) *Types of insurance risk*

The risk under any one insurance contract is the possibility that an insured event occurs and there is uncertainty about the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This occurs when the frequency or severity of claims and benefits exceeds the estimates. Insured events are random, and the actual number of claims and the amount of benefits paid will vary each year from estimates established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the more dispersive the risk will be, and the smaller the relative variability about the expected outcome will be. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of policies to reduce the variability of the expected outcome.

The Group offers long-term life insurance, critical illness insurance, annuity, accident and short-term health insurance products. Social and economic development, widespread changes in lifestyle, epidemics and medical technology development could have significant influence on the Group's insurance business. Insurance risk is also affected by policyholders' rights to terminate the contract, reduce premiums, refuse to pay premiums or exercise annuity conversion rights, etc. Thus, insurance risk is also subject to policyholders' behaviors and decisions.

The Group manages insurance risks through underwriting strategy, reinsurance agreements and claim management. The Group's reinsurance agreements include ceding on quota share basis, surplus basis or catastrophe excess of loss. The reinsurance agreements cover most of the products with risk exposures. These reinsurance agreements spread insured risk and stabilise financial results of the Group. However, the Group's responsibilities for direct insurance to policyholders are not relieved because of credit risk associated with the failure of reinsurance companies to fulfill their responsibilities.

The estimation of the present value of future cashflow for insurance contract liabilities and reinsurance contract assets represent the Group's expected exposure to insurance risk.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (1) Insurance risk (Continued)

#### (b) Concentration of insurance risk

Currently, the Group's insurance businesses are all conducted in the PRC and insurance risk in each geographic area has insignificant differences.

### (2) Financial risk

The Group's key financial risk is that proceeds from the sale of financial assets will not be sufficient to fund obligations arising from the Group's insurance and investment contracts. The most important components of financial risk are market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management department, investment management department, accounting department and actuarial department are in close cooperation to identify, evaluate and avoid financial risk.

The Group manages financial risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations to reduce the risk of concentration in any specific industry or issuer. The composition of the main investment portfolio held by the Group is disclosed in Note 7.

#### (a) Market risk

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to term deposits, debt financial assets, insurance contract issued and reinsurance contract held. Changes in the level of interest rates can have a significant impact on the Group's overall investment return. Many of the Group's insurance policies offer guaranteed returns to policyholders. These guarantees expose the Group to interest rate risk. The Group manages and tests interest rate risk through adjustments to portfolio asset allocation, and to the extent possible, by monitoring the mean duration of its assets and liabilities.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (2) Financial risk (Continued)

#### (a) Market risk (Continued)

##### (ii) Price risk

Price risk arises mainly from the price volatility of equity financial assets held by the Group. Prices of equity financial assets are determined by market forces. Most of the equity financial assets of the Group are in PRC's capital markets. The Group is subject to increased price risk largely because the PRC's capital markets are relatively volatile.

Additionally, the Group is also exposed to equity price risk from its direct participating insurance contracts and investment contracts with discretionary participation features, as well as from its indirect participating insurance contracts issued and reinsurance contracts held. The benefits under these contracts are linked to the fair value of the underlying items, including equity instruments.

The Group manages price risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations to reduce the risk of concentration in any specific industry or issuer.

##### (iii) Currency risk

Currency risk arises from the volatility of fair values or future cash flows of financial instruments resulting from changes in foreign currency exchange rates. The Group's currency risk exposure mainly arises from cash and cash equivalents, term deposits, debt investments and equity investments denominated in currencies, such as the United States dollar, Hong Kong dollar, or European dollar, etc., other than the functional currencies of reporting entities.

For the identified currency risk, the Company took the following measures: (1) determine the risk level based on the analysis of internal and external information, so as to determine different preventive measures; (2) evaluate the possible frequency and degree of the loss of overseas investment in a certain period of time in the future, and use currency risk exposure analysis and other methods to evaluate the impact of exchange rate changes on the assets, liabilities and equity of the Group; and (3) evaluate the price risk of overseas investments comprehensively in accordance with the level and impact of currency risk, combined with the risk appetite, to select appropriate risk management tools to hedge risk.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (2) Financial risk (Continued)

#### (b) Credit risk

Credit risk is the risk that one party to a financial transaction or the issuer of a financial instrument will fail to discharge an obligation and cause another party to incur a financial loss. In terms of investment vehicles, a significant portion of the portfolio of the Group is government bonds, financial bonds, corporate bonds guaranteed by state-owned commercial banks and large industrial groups, bank deposits with state-owned or other national commercial banks, trust products, debt investment plans and asset funding plans. In term of credit risk, the Group mainly uses credit concentration as a monitoring measure in order to ensure that the whole credit risk exposure is manageable.

In response to counterparties' credit risk, the Group mainly took the following measures: (1) Internal rating system was strictly implemented, and credit investment varieties were strictly controlled; (2) Accounting classification of investment varieties was clearly defined in the investment guidelines and assets with high credit risk were prevented from being classified as debt investments at amortised cost; (3) The bond market value was monitored, and the possible credit defaults were analysed and evaluated in order to enhance the predictability. In terms of counterparties, the majority of the Group's counterparties are state policy-related banks, state-owned, other national commercial banks or state-owned asset management companies. Therefore, the Group's overall exposure to credit risk is relatively low.

The Group classifies financial instruments into three stages and makes provisions for expected credit loss accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether the assets have been impaired. The assessment of significant increase in credit risk since initial recognition is performed at least on a quarterly basis for financial instruments held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of classifying financial instruments. The main considerations are regulatory and operating environment, internal and external credit risk rating, debt-servicing capacity, operating capabilities, contractual terms and repayment records. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the end of the reporting period and its risk of default at the date of initial recognition to determine changes in the risk of default over the expected lifetime of a financial instrument or a portfolio of financial instruments.

The key inputs used for measuring ECL are probability of default ("PD"), loss given default ("LGD") and exposure at default. These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (2) Financial risk (Continued)

#### (b) Credit risk (Continued)

The calculation of ECL incorporates forward-looking information. The Group has performed historical data analysis and identified Gross Domestic Product (“GDP”), Consumer Price Index (“CPI”) and other macro-economic indicators as impacting the ECL. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD.

#### *Credit risk exposure*

The carrying amount of financial assets on the Group’s interim condensed consolidated statement of financial position represents the maximum credit exposure without taking into account any collateral held or other credit enhancements attached.

#### *Collateral and other credit enhancements*

Financial assets purchased under agreements to resell are pledged by counterparties’ debt financial assets of which the Group could take the ownership if the owner of the collateral defaults. Policy loans are pledged by their policies’ cash value as collateral according to the terms and conditions of policy loan contracts and policy contracts signed between the Group and policyholders. The majority of debt investment plans and trust products are guaranteed by third parties, collateral or by pledge as the source of funding for repayment.

#### *Credit quality*

The credit ratings of most of the bonds held by the Group are AA/A-2 or above, and the credit ratings are assessed by qualified assessment agencies in Mainland China at the time of issuance. Most of the Group’s bank deposits are with the four largest state-owned commercial banks and other commercial banks in the PRC. The majority of the Group’s reinsurance agreements are with state-owned reinsurance companies or large international reinsurance companies. The Group believes these commercial banks and reinsurance companies have high credit quality. The trustees of trust products or the asset managers of debt investment plans and asset funding plans are well-known trust companies and asset management companies in the PRC.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (2) Financial risk (Continued)

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will not have access to sufficient funds to meet its liabilities as they become due. In the normal course of business, the Group attempts to match investment assets to insurance liabilities through asset-liability management to reduce liquidity risk.

#### (d) Disclosures about interests in unconsolidated structured entities

The Group's interests in the unconsolidated structured entities are recorded as financial assets at fair value through profit or loss, debt investments at amortised cost, debt investments at fair value through other comprehensive income ("FVTOCI"). These structured entities typically raise funds by issuing securities or other beneficiary certificates. The purpose of these structured entities is primarily to generate management service fees or provide finance for public and private infrastructure construction.

These investments held by structured entities that the Group has interests in are guaranteed by third parties with higher credit ratings or by pledging, or the borrowers with higher credit ratings.

The Group has not provided any guarantee or financing support to the structured entities that the Group has interests in or sponsored.

The Group believes that the maximum risk exposure approximates the carrying amount of interests in these unconsolidated structured entities.

The unconsolidated structured entities that the Group has sponsored but had no interest were mainly asset management plans, debt investment plans, endowment annuity products, occupational annuity products and enterprise annuity products, etc. The unconsolidated structured entities were sponsored by the Group for collecting management service fees, which were recorded as other income. The Group has not transferred any assets to these structured entities.



## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (2) Financial risk (Continued)

#### (e) *Matching risk of assets and liabilities*

The Group uses asset-liability management techniques to manage assets and liabilities. The techniques used include the scenario analysis method, the cash flow matching method and the immunity method. The Group uses the above techniques to understand the existing risk and the complex relationship from multiple perspectives, considering the timing and amount of future cash outflow and attributes of liabilities, to comprehensively and dynamically manage the Group's assets and liabilities and its solvency. The Group takes measures to enhance its solvency, including capital contribution by shareholders, issuing subordinated bonds and capital supplementary bonds, arranging reinsurance, improving the performance of branches, optimising business structure, and establishing a competitive cost structure.

### (3) Capital management

The Company's objectives for managing capital, which is the actual capital calculated as the difference between admitted assets and admitted liabilities as defined by the former China Banking and Insurance Regulatory Commission (the "former CBIRC", taken placed by the National Administration of Financial Regulation in May 2023), are to comply with the insurance capital requirements to meet the minimum capital and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital requirements by assessing shortfalls, if any, between actual capital and minimum capital on a regular basis. The Company continuously and proactively monitors the business structure, and the asset quality and allocation so as to enhance the profitability in relation to solvency margin.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 4. RISK MANAGEMENT (CONTINUED)

### (3) Capital management (Continued)

The table below summarises the core and comprehensive solvency margin ratios, core capital, actual capital and minimum capital of the Company:

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Core capital	<b>144,045</b>	145,069
Actual capital	<b>264,650</b>	257,252
Minimum capital	<b>117,520</b>	92,393
Core solvency margin ratio	<b>122.57%</b>	157.01%
Comprehensive solvency margin ratio	<b>225.20%</b>	278.43%

According to the evaluation results of capitalisable risks and four types of non-capitalisable risks, which comprise of operational risk, strategic risk, reputation risk and liquidity risk, the former CBIRC evaluates the integrated solvency risk of insurance companies and supervises insurance companies in categories. According to the National Administration of Financial Regulation Solvency Supervision Information System, the comprehensive risk assessment result of the Company in the first quarter of 2024 is AA.

### (4) Fair value hierarchy

Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair values of financial instruments. For financial instruments where there is no active market, fair value is determined using valuation techniques.

The Group's financial assets mainly include cash and cash equivalents, financial assets at FVTPL, debt investments at amortised cost, debt investments at FVTOCI, equity investments designated at FVTOCI, derivative financial instruments, term deposits, statutory deposits and financial assets purchased under agreements to resell.





## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 4. RISK MANAGEMENT (CONTINUED)

### (4) Fair value hierarchy (Continued)

The Group's financial liabilities mainly include financial liabilities at FVTPL, financial assets sold under agreements to repurchase, borrowings and other liabilities.

Level 1 fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can obtain at the measurement date.

Level 2 fair value is based on valuation techniques using significant inputs, other than Level 1 quoted prices, that are observable for the asset being measured, either directly or indirectly, for substantially the full term of the assets through corroboration with observable market data. Observable inputs generally used to measure the fair value of financial assets classified as Level 2 include quoted market prices for similar assets in active markets; quoted market prices in markets that are not active for identical or similar assets and other market observable inputs.

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities traded among the Chinese interbank market are classified as Level 2 when they are valued at recent quoted price from the Chinese interbank market or from valuation service providers. Substantially most financial instruments classified within Level 2 of the fair value hierarchy are debt investments denominated in RMB. Fair value of debt investments denominated in RMB is determined based upon the valuation results by the China Central Depository & Clearing Co., Ltd. and China Securities Index Co., Ltd. All significant inputs are observable in the market.

Under certain conditions, the Group may not receive any price from independent third-party pricing service providers. In this instance, the Group may choose to apply internally developed values to the assets being measured. In such cases, the valuations are generally classified as Level 3. Key inputs involved in internal valuation are not based on observable market data, and reflect assumptions made by management based on judgments and experience.

Level 3 fair value is based on the Group's valuation models, such as discounted cash flows and comparable companies approach. The Group also considers the original transaction price, recent transactions of the same or similar instruments and completed third-party transactions in comparable instruments. It adjusts the model as deemed necessary for factors such as extension, early redemption, liquidity, default risk and changes in market, economic or company specific conditions.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 4. RISK MANAGEMENT (CONTINUED)

### (4) Fair value hierarchy (Continued)

The following table provides the significant unobservable inputs used for financial assets at fair value classified as Level 3:

As at 30 June 2024 (Unaudited)	Fair value	Valuation technique	Significant unobservable inputs	Inputs range	Relationship between unobservable inputs and fair value
<b>Financial assets at FVTPL</b>					
– Stocks	1	Asian option model	Liquidity discount	1.05%~8.60%	The higher the liquidity discount, the lower the fair value
– Stocks	69	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Trust products	9,893	Discounted cash flow method	Discount rate	3.25%~4.49%	The higher the discount rate, the lower the fair value
– Debt investment plans	3,417	Discounted cash flow method	Discount rate	4.00%~4.21%	The higher the discount rate, the lower the fair value,
– Asset funding plans	1,027	Discounted cash flow method	Discount rate	4.62%	The higher the discount rate, the lower the fair value
– Equity investment plans	16,343	Discounted cash flow method	Discount rate	2.88%~5.50%	The higher the discount rate, the lower the fair value
– Unlisted equity investments	7,343	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Private equity funds	12,967	Fund net assets	Net assets	/	The higher the net assets, the higher the fair value
Subtotal	51,060				
<b>Debt investments at FVTOCI</b>					
– Trust products	12,028	Discounted cash flow method	Discount rate	2.33%~7.34%	The higher the discount rate, the lower the fair value
– Debt investment plans	9,948	Discounted cash flow method	Discount rate	2.44%~4.79%	The higher the discount rate, the lower the fair value
– Asset funding plans	685	Discounted cash flow method	Discount rate	1.94%~4.42%	The higher the discount rate, the lower the fair value
Subtotal	22,661				
<b>Equity investments designated at FVTOCI</b>					
– Unlisted equity investments	20	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
Subtotal	20				

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (4) Fair value hierarchy (Continued)

The following table provides the significant unobservable inputs used for financial assets at fair value classified as Level 3: (Continued)

As at 31 December 2023 (Audited)	Fair value	Valuation technique	Significant unobservable inputs	Range	Relationship between unobservable inputs and fair value
<b>Financial assets at FVTPL</b>					
- Stocks	277	Asian option model	Liquidity discount	1.68%-9.60%	The higher the liquidity discount, the lower the fair value
- Stocks	76	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
- Trust plans	10,418	Discounted cash flow method	Discount rate	4.15%-7.23%	The higher the discount rate, the lower the fair value
- Debt investment plans	3,400	Discounted cash flow method	Discount rate	5.80%	The higher the discount rate, the lower the fair value
- Asset funding plans	1,024	Discounted cash flow method	Discount rate	5.60%	The higher the discount rate, the lower the fair value
- Equity investment plans	12,139	Discounted cash flow method	Discount rate	3.54%-5.60%	The higher the discount rate, the lower the fair value
- Unlisted equity investments	7,629	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
- Private equity funds	13,315	Fund net assets	Net assets	/	The higher the net assets, the higher the fair value
Subtotal	48,278				
<b>Debt investments at FVTOCI</b>					
- Trust plans	15,645	Discounted cash flow method	Discount rate	4.33%-8.68%	The higher the discount rate, the lower the fair value
- Debt investment plans	11,578	Discounted cash flow method	Discount rate	3.86%-6.56%	The higher the discount rate, the lower the fair value
- Asset funding plans	1,610	Discounted cash flow method	Discount rate	4.08%-5.30%	The higher the discount rate, the lower the fair value
Subtotal	28,833				
<b>Equity investments designated at FVTOCI</b>					
- Unlisted equity investments	19	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
Subtotal	19				

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 4. RISK MANAGEMENT (CONTINUED)

### (4) Fair value hierarchy (Continued)

#### (a) Assets and liabilities measured at fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value:

As at 30 June 2024 (Unaudited)	Inputs to fair value measurement			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
<b>Assets</b>				
Financial assets at FVTPL	256,722	168,025	51,060	475,807
Debt investments at FVTOCI	1,423	290,666	22,661	314,750
Equity investments designated at FVTOCI	16,824	–	20	16,844
<b>Total</b>	<b>274,969</b>	<b>458,691</b>	<b>73,741</b>	<b>807,401</b>
<b>Liabilities</b>				
Financial liabilities at FVTPL	–	9,876	–	9,876
<b>Total</b>	<b>–</b>	<b>9,876</b>	<b>–</b>	<b>9,876</b>

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (4) Fair value hierarchy (Continued)

#### (a) Assets and liabilities measured at fair value (Continued)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value: (Continued)

	Inputs to fair value measurement			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
As at 31 December 2023 (Audited)				
<b>Assets</b>				
Financial assets at FVTPL	184,547	147,414	48,278	380,239
Debt investments at FVTOCI	533	317,896	28,833	347,262
Equity investments designated at FVTOCI	5,351	–	19	5,370
Derivative financial instruments	–	2	–	2
<b>Total</b>	<b>190,431</b>	<b>465,312</b>	<b>77,130</b>	<b>732,873</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	–	3,592	–	3,592
<b>Total</b>	<b>–</b>	<b>3,592</b>	<b>–</b>	<b>3,592</b>

The Group recognised transfers between each level at the time when the transfers occurred. The transfers are mainly caused by changes of market conditions that affect whether the Group could obtain quoted prices (unadjusted) in active markets.

During the period ended 30 June 2024, no financial assets at fair value through profit or loss and debt investments at FVTOCI were transferred between Level 1 and Level 2 (for the six months ended 30 June 2023: RMB156 million transferred from Level 2 to Level 1).

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 4. RISK MANAGEMENT (CONTINUED)

### (4) Fair value hierarchy (Continued)

#### (a) Assets and liabilities measured at fair value (Continued)

The changes in Level 3 financial assets are analysed below:

(Unaudited)	Financial assets at FVTPL	Debt investments at FVTOCI	Equity investments designated at FVTOCI	Total
1 January 2024	48,278	28,833	19	77,130
Purchase	4,810	–	–	4,810
Transfer out (i)	(277)	–	–	(277)
Recognised in profit or loss	(617)	106	–	(511)
Recognised in other comprehensive income	–	(410)	1	(409)
Maturity/disposals	(1,134)	(5,868)	–	(7,002)
30 June 2024	51,060	22,661	20	73,741

(Audited)	Financial assets at FVTPL	Debt investments at FVTOCI	Equity investments designated at FVTOCI	Total
1 January 2023	69,262	40,915	12	110,189
Purchase	2,555	4,464	–	7,019
Recognised in profit or loss	(358)	(20)	–	(378)
Recognised in other comprehensive income	–	(207)	7	(200)
Maturity/disposals	(23,181)	(16,319)	–	(39,500)
31 December 2023	48,278	28,833	19	77,130

- (i) During the period ended 30 June 2024, certain restricted shares which have locking period expired were transferred from Level 3 to Level 1 as active market quotation information is used for measuring their fair values.

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### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 4. RISK MANAGEMENT (CONTINUED)

### (4) Fair value hierarchy (Continued)

#### (b) Assets and liabilities for which fair values are disclosed

The carrying amounts of assets and liabilities not measured at fair value approximate to their fair values, except for the assets and liabilities disclosed in the following tables.

As at 30 June 2024 (Unaudited)	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Debt investments at amortised cost	579	318,839	27,396	346,814
Total	579	318,839	27,396	346,814
<b>Liabilities</b>				
Borrowings	–	30,552	–	30,552
Total	–	30,552	–	30,552

As at 31 December 2023 (Audited)	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Debt investments at amortised cost	570	300,517	47,513	348,600
Investment properties	–	–	13,090	13,090
Total	570	300,517	60,603	361,690
<b>Liabilities</b>				
Borrowings	–	20,210	–	20,210
Total	–	20,210	–	20,210

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 5. SEGMENT INFORMATION

The Group operates in three operating segments:

### (i) Traditional insurance

Traditional insurance is insurance business without participation features. Traditional insurance mainly includes traditional life insurance, health insurance and accident insurance. Reinsurance related to traditional insurance is included in traditional insurance.

### (ii) Participating insurance

Participating insurance is insurance business with direct participation features. Reinsurance related to participating insurance business is included in participating insurance.

### (iii) Other business

Other business of the Group mainly includes universal life business, investment management business and unallocated other income and expenses of the Group.



## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 5. SEGMENT INFORMATION (CONTINUED)

	For the six months ended 30 June 2024 (Unaudited)				
	Traditional Insurance	Participating Insurance	Others	Elimination	Total
<b>REVENUES</b>					
Insurance revenue	20,037	3,253	131	–	23,421
Interest income	6,796	8,130	868	–	15,794
Other investment income	5,980	8,205	1,378	–	15,563
Other income	31	5	900	(402)	534
<b>Total revenue</b>	<b>32,844</b>	<b>19,593</b>	<b>3,277</b>	<b>(402)</b>	<b>55,312</b>
<b>BENEFITS, CLAIMS AND EXPENSES</b>					
Insurance service expenses	(13,150)	(2,364)	(53)	402	(15,165)
Net expenses from reinsurance contracts held	(152)	2	(7)	–	(157)
Finance expenses from insurance contracts issued	(8,147)	(15,664)	(1,467)	–	(25,278)
Less: Finance income from reinsurance contracts held	126	3	–	–	129
Net impairment losses on financial assets	(109)	(297)	117	–	(289)
Other expenses	–	–	(1,677)	–	(1,677)
<b>Total benefits, claims and expenses</b>	<b>(21,432)</b>	<b>(18,320)</b>	<b>(3,087)</b>	<b>402</b>	<b>(42,437)</b>
Share of profits and losses of associates and joint ventures	216	68	–	–	284
Other finance costs	(157)	(597)	(477)	–	(1,231)
<b>Profit before income tax</b>	<b>11,471</b>	<b>744</b>	<b>(287)</b>	<b>–</b>	<b>11,928</b>
<b>Other segment information:</b>					
Capital expenditure	–	–	732	–	732
Depreciation and amortisation	(637)	(114)	(124)	–	(875)

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 5. SEGMENT INFORMATION (CONTINUED)

	For the six months ended 30 June 2023 (Unaudited)				
	Traditional Insurance	Participating Insurance	Others	Elimination	Total
<b>REVENUES</b>					
Insurance revenue	22,791	3,741	61	–	26,593
Interest income	6,653	8,055	920	–	15,628
Other investment income	3,201	2,257	533	–	5,991
Other income	183	34	890	(368)	739
<b>Total revenue</b>	<b>32,828</b>	<b>14,087</b>	<b>2,404</b>	<b>(368)</b>	<b>48,951</b>
<b>BENEFITS, CLAIMS AND EXPENSES</b>					
Insurance service expenses	(15,593)	(2,224)	(141)	368	(17,590)
Net expenses from reinsurance contracts held	(376)	–	(1)	–	(377)
Finance expenses from insurance contracts issued	(6,700)	(10,182)	(835)	–	(17,717)
Less: Finance income from reinsurance contracts held	127	6	–	–	133
Net impairment losses on financial assets	82	12	(45)	–	49
Other expenses	–	–	(1,963)	–	(1,963)
<b>Total benefits, claims and expenses</b>	<b>(22,460)</b>	<b>(12,388)</b>	<b>(2,985)</b>	<b>368</b>	<b>(37,465)</b>
Share of profits and losses of associates and joint ventures	12	13	(16)	–	9
Other finance costs	(128)	(253)	(398)	–	(779)
<b>Profit before income tax</b>	<b>10,252</b>	<b>1,459</b>	<b>(995)</b>	<b>–</b>	<b>10,716</b>
<b>Other segment information:</b>					
Capital expenditure	–	–	898	–	898
Depreciation and amortisation	(510)	(210)	(258)	–	(978)

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities as at 30 June 2024 and 31 December 2023:

<b>As at 30 June 2024 (Unaudited)</b>	<b>Traditional Insurance</b>	<b>Participating Insurance</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
Segment assets	<b>631,447</b>	<b>697,615</b>	<b>165,740</b>	<b>(118)</b>	<b>1,494,684</b>
Segment liabilities	<b>576,807</b>	<b>695,537</b>	<b>132,406</b>	<b>(118)</b>	<b>1,404,632</b>

<b>As at 31 December 2023 (Audited)</b>	<b>Traditional Insurance</b>	<b>Participating Insurance</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
Segment assets	577,792	685,087	140,430	(52)	1,403,257
Segment liabilities	512,438	681,601	104,178	(52)	1,298,165

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Details of investments in associates and joint ventures are as follows:

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
<b>Associates</b>		
China Jinmao Holdings Group Limited (“China Jinmao”)	<b>2,928</b>	2,990
Allinpay Network Services Co., Ltd.	<b>774</b>	761
Beijing Zijin Century Real Estate Co., Ltd. (“Zijin Century”)	<b>713</b>	700
Huixin Capital International Management Limited	<b>152</b>	151
Beijing MJ Health Screening Center Co., Ltd.	<b>6</b>	7
<b>Joint ventures</b>		
Honghu Zhiyuan (Shanghai) Private Equity Investment Fund Co., Ltd. (“Honghu Zhiyuan”)(1)	<b>11,161</b>	–
New China Life Excellent Health Investment Management Co., Ltd. (“New China Health”)	<b>547</b>	560
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd.	<b>6</b>	5
<b>Total</b>	<b>16,287</b>	5,174

- (1) On 29 November 2023, the Board of the Company approved the formation of Honghu Zhiyuan as a joint investment for the Company and China Life Insurance Company Limited (the “China Life”), with each party intending to contribute RMB25 billion. The formation of the fund is to increase the investment in long-duration assets in line with the Company’s investment strategy. The Extraordinary General Meeting held on 27 February 2024 considered and approved the investment. On 1 March 2024, relevant regulatory procedures for formation of the fund were completed. According to the articles of corporation of Honghu Zhiyuan, the Company and China Life have joint control of Honghu Zhiyuan and therefore, the Company accounted for Honghu Zhiyuan as a joint venture measured under equity method. Up to 30 June 2024, the Company’s accumulated capital contributions to Honghu Zhiyuan achieved RMB11,005 million.

Except for China Jinmao, the above investments in associates and joint ventures are all non-public entities, and there is no quoted market price available.

As at the last trading day for the six months ended 30 June 2024, the stock price of China Jinmao was HKD0.62 (31 December 2023: HKD0.75) per share. The management concluded that there was no impairment on such investment after considering the results from impairment assessment.

There were no contingent liabilities relating to the Group’s interests in the associates and joint ventures as at 30 June 2024 (31 December 2023: same).

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 7. FINANCIAL INVESTMENTS

### (1) Financial assets at fair value through profit or loss

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Bonds		
Government bonds	459	740
Financial bonds	17,663	6,373
Corporate bonds	13,903	12,705
Subordinated bonds	108,853	62,306
Stocks	117,798	91,299
Funds	116,311	84,632
Asset management plans	24,115	37,107
Private equity funds	12,967	13,315
Equity investment plans	16,343	12,139
Trust products	9,893	10,418
Unlisted equity investments	7,343	7,629
Certificates of deposit	4,205	13,609
Others (i)	25,954	27,967
<b>Total</b>	<b>475,807</b>	<b>380,239</b>
Listed	175,820	127,945
Unlisted	299,987	252,294
<b>Total</b>	<b>475,807</b>	<b>380,239</b>

- (i) Others mainly include preferred shares, perpetual bonds, bank wealth investment products, debt investment plans and asset funding plans.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 7. FINANCIAL INVESTMENTS (CONTINUED)

### (2) Debt investments at amortised cost

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Bonds		
Government bonds	<b>260,287</b>	260,108
Financial bonds	<b>5,961</b>	3,724
Corporate bonds	<b>6,295</b>	8,651
Subordinated bonds	<b>641</b>	622
Debt investment plans	<b>18,739</b>	24,582
Trust products	<b>8,769</b>	14,789
Asset funding plans	<b>607</b>	1,147
Subtotal	<b>301,299</b>	313,623
Less: Allowance for impairment losses	<b>(454)</b>	(475)
Total	<b>300,845</b>	313,148
Listed	<b>122,015</b>	122,009
Unlisted	<b>178,830</b>	191,139
Total	<b>300,845</b>	313,148

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 7. FINANCIAL INVESTMENTS (CONTINUED)

### (2) Debt investments at amortised cost (Continued)

For the six months ended 30 June 2024, movements of the allowance for impairment losses on debt investments at amortised cost are as follows:

(Unaudited)	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL- not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2024				
Allowance for impairment losses	87	2	386	475
Reversal for the period	(20)	(1)	–	(21)
30 June 2024				
Allowance for impairment losses	67	1	386	454
30 June 2024				
Total balance	297,419	1,380	2,500	301,299

For the year ended 31 December 2023, movements of the allowance for impairment losses on debt investments at amortised cost are as follows:

(Audited)	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL- not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2023				
Allowance for impairment losses	91	–	76	167
Transfer to:				
– Stage 2	(2)	2	–	–
– Stage 3	–	(1)	1	–
Charge/(reversal) for the year	(2)	1	309	308
31 December 2023				
Allowance for impairment losses	87	2	386	475
31 December 2023				
Total balance	309,739	1,384	2,500	313,623

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 7. FINANCIAL INVESTMENTS (CONTINUED)

### (3) Debt investments at fair value through other comprehensive income

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Bonds		
Government bonds	181,811	209,259
Financial bonds	54,336	54,418
Corporate bonds	45,157	43,289
Subordinated bonds	10,785	11,463
Trust products	12,028	15,645
Debt investment plans	9,948	11,578
Asset funding plans	685	1,610
<b>Total</b>	<b>314,750</b>	347,262
Listed	125,141	127,754
Unlisted	189,609	219,508
<b>Total</b>	<b>314,750</b>	347,262

As at 30 June 2024, the total provision for impairment losses recognised in debt investments at fair value through other comprehensive income was RMB1,859 million (31 December 2023: RMB1,570 million).



## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 7. FINANCIAL INVESTMENTS (CONTINUED)

### (3) Debt investments at fair value through other comprehensive income (Continued)

For the six months ended 30 June 2024, movements of the allowance for impairment losses on debt investments at FVTOCI are as follows:

(Unaudited)	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL- not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2024				
Allowance for impairment losses	42	4	1,524	1,570
Charge/(reversal) for the period	(9)	(2)	300	289
30 June 2024				
Allowance for impairment losses	33	2	1,824	1,859
30 June 2024				
Carrying value	310,290	2,570	1,890	314,750

For the year ended 31 December 2023, movements of the allowance for impairment losses on debt investments at FVTOCI are as follows:

(Audited)	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL- not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2023				
Allowance for impairment losses	50	–	1,524	1,574
Transfer to:				
– Stage 2	(2)	2	–	–
Charge/(reversal) for the year	(6)	2	–	(4)
31 December 2023				
Allowance for impairment losses	42	4	1,524	1,570
31 December 2023				
Carrying value	342,499	2,572	2,191	347,262

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 7. FINANCIAL INVESTMENTS (CONTINUED)

### (4) Equity investments designated at fair value through other comprehensive income

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Listed stocks	<b>16,824</b>	5,351
Unlisted equity investments	<b>20</b>	19
<b>Total</b>	<b>16,844</b>	5,370

- (i) For equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognise them in such category at initial recognition.
- (ii) There was no disposal of equity investments designated at FVTOCI in the current period.
- (iii) In the current period, dividend income from equity investments designated at FVTOCI was RMB314 million (for the six months ended 30 June 2023: RMB159 million).

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 8. TERM DEPOSITS

The due dates of the term deposits are as follows:

<b>Maturity</b>	<b>As at 30 June 2024 (Unaudited)</b>	<b>As at 31 December 2023 (Audited)</b>
Within 1 year (including 1 year)	91,349	41,184
After 1 year but within 3 years (including 3 years)	164,909	190,735
After 3 years but within 5 years (including 5 years)	11,874	24,138
Subtotal	268,132	256,057
Less: loss allowances	(89)	(73)
Total	268,043	255,984

## 9. STATUTORY DEPOSITS

The due dates of the statutory deposits are as follows:

<b>Maturity</b>	<b>As at 30 June 2024 (Unaudited)</b>	<b>As at 31 December 2023 (Audited)</b>
Within 1 year (including 1 year)	721	59
After 1 year but within 3 years (including 3 years)	370	965
After 3 years but within 3 years (including 5 years)	721	760
Total	1,812	1,784

In accordance with the Insurance Law and related relevant regulations, the Company and its subsidiary, New China Pension Co., Ltd. ("New China Pension"), shall allocate 20% of the registered capital as deposit placed in a bank that complies with the regulations of the National Administration of Financial Regulation. Statutory deposit shall not be used for any purpose other than to discharge debt upon liquidation by the Company or the subsidiary.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 10. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

### (1) Insurance contract liabilities

#### *Analysis by remaining coverage and incurred claims of insurance contracts*

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Liabilities for remaining coverage		
Excluding loss component	1,244,745	1,125,208
Loss component	8,396	7,782
Liabilities for incurred claims	13,936	13,507
<b>Total</b>	<b>1,267,077</b>	<b>1,146,497</b>

#### *Analysis by measurement component of insurance contracts not measured under the premium allocation approach (the "PAA")*

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Estimates of present value of future cash flows	1,082,991	966,344
Risk adjustment for non-financial risk	9,319	8,673
Contractual Service Margin (the "CSM")	171,829	169,004
<b>Total</b>	<b>1,264,139</b>	<b>1,144,021</b>

As at 30 June 2024, the Group's spot discount rate for future cash flows not affected by underlying item returns was 2.09%-4.70% (31 December 2023: 2.70%-4.70%).

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 10. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

### (2) Reinsurance contract assets

#### *Analysis by remaining coverage and incurred claims of reinsurance contracts*

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Remaining coverage component		
Excluding loss recovery component	9,212	8,779
Loss recovery component	28	26
Incurred claims component	855	997
Total	10,095	9,802

#### *Analysis by measurement component of reinsurance contracts not measured under PAA*

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Estimates of present value of future cash flows	6,213	5,990
Risk adjustment for non-financial risk	1,314	1,277
CSM	2,429	2,439
Total	9,956	9,706

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 11. BORROWINGS

Upon the approval by the former CBIRC and the People's Bank of China, on 11 May 2020, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 13 May 2020, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 3.30% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 4.30% per annum beginning in the sixth year until the maturity date.

Upon the approval by the National Administration of Financial Regulation and the People's Bank of China, on 2 November 2023, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 6 November 2023, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 3.40% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 4.40% per annum beginning in the sixth year until the maturity date.

Upon the approval by the National Administration of Financial Regulation and the People's Bank of China, on 18 June 2024, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 20 June 2024, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 2.27% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 3.27% per annum beginning in the sixth year until the maturity date.

The repayments of principals and interests of the capital supplementary bonds are subordinated to policy liabilities and other liabilities but prior to the Company's equity capital.

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 12. SHARE CAPITAL

All shares of the Company issued are fully paid common shares. The par value per share is RMB1.

The Company's number of shares is as follows:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Number of shares registered, issued and fully paid at RMB1 per share (in million)	3,120	3,120

## 13. RESERVES

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Share premium	23,964	23,964
Other reserve	11	15
Other comprehensive income	(74,562)	(51,093)
Surplus reserve	22,519	21,721
Reserve for general risk	15,216	15,216
Total	(12,852)	9,823

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2024, the Company appropriated a discretionary surplus reserve of RMB798 million, equalling to 10% of the net profit in 2023.

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2023, the Company appropriated a discretionary surplus reserve of RMB1,114 million, equalling to 10% of the net profit in 2022.

## Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

### 14. INSURANCE REVENUE

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Contracts not measured under the PAA		
Expected incurred claims and other insurance service expenses	9,573	9,882
Change in risk adjustment for non-financial risk for risk expired	388	432
CSM recognised for services provided	7,282	9,519
Recovery of insurance acquisition cash flows	4,474	4,801
Contracts measured under the PAA	1,704	1,959
<b>Total</b>	<b>23,421</b>	<b>26,593</b>

### 15. INTEREST INCOME

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Interest income from:		
– Cash and cash equivalents	139	114
– Term deposits	4,267	4,063
– Statutory deposits	30	35
– Debt investments at amortised cost	5,645	5,329
– Debt investments at FVTOCI	5,678	5,986
– Financial assets purchased under agreements to resell	35	101
<b>Total</b>	<b>15,794</b>	<b>15,628</b>



## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 16. OTHER INVESTMENT INCOME

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Fair value gains/(losses)		
– Financial assets at FVTPL	14,963	7,313
– Derivatives financial instruments	4	(2)
– Financial liabilities at FVTPL	(86)	(222)
Net realised gains/(losses)		
– Financial assets at FVTPL	(8,102)	(5,514)
– Debt investments at FVTOCI	3,258	(3)
Interest income		
– Financial assets at FVTPL	2,069	1,418
Dividend income		
– Financial assets at FVTPL	3,143	2,842
– Equity investments designated at FVTOCI	314	159
Total	15,563	5,991

## Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

### 17. INSURANCE SERVICE EXPENSES

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Contracts not measured under the PAA		
Incurred claims and other incurred insurance service expenses	<b>7,900</b>	8,351
Amortisation of insurance acquisition cash flows	<b>4,474</b>	4,801
Losses on onerous groups of contracts and reversal of such losses	<b>498</b>	1,112
Adjustment to the liability for incurred claims (the "LIC")	<b>104</b>	1,129
Subtotal	<b>12,976</b>	15,393
Contracts measured under the PAA		
Incurred claims and other incurred insurance service expenses	<b>1,148</b>	1,169
Amortisation of insurance acquisition cash flows	<b>546</b>	591
Losses on onerous groups of contracts and reversal of such losses	<b>487</b>	464
Adjustment to the LIC	<b>8</b>	(27)
Subtotal	<b>2,189</b>	2,197
Total	<b>15,165</b>	17,590

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 18. NET INVESTMENT INCOME AND FINANCE EXPENSES FROM INSURANCE CONTRACTS

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Interest income	15,794	15,628
Other investment income	15,563	5,991
Share of profits and losses of associates and joint ventures	284	9
Impairment losses on financial asset	(289)	49
Foreign exchange gains	38	230
Interest expenses	(834)	(457)
Total investment income recognised in profit or loss	30,556	21,450
Total investment income recognised in OCI	10,816	5,959
<b>Total net investment income</b>	<b>41,372</b>	<b>27,409</b>
<i>Insurance finance expenses from insurance contracts issued</i>		
Interest accreted	9,181	7,624
Effect of changes in interest rates and other financial assumptions	32,722	12,256
Changes in fulfilment cash flows and CSM of contracts measured applying the variable fee approach (the "VFA") due to changes in fair value of underlying items	25,835	15,506
<b>Insurance finance expenses from insurance contracts issued</b>	<b>67,738</b>	<b>35,386</b>
Total insurance finance expenses from insurance contracts issued recognised in profit or loss	25,278	17,717
Total insurance finance expenses from insurance contracts issued recognised in OCI	42,460	17,669
<b>Insurance finance expenses from insurance contracts issued</b>	<b>67,738</b>	<b>35,386</b>

## Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

### 18. NET INVESTMENT INCOME AND FINANCE EXPENSES FROM INSURANCE CONTRACTS (CONTINUED)

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<i>Insurance finance income from reinsurance contracts held</i>		
Interest accreted	(129)	(133)
Effect of changes in interest rates and other financial assumptions	(380)	(172)
<b>Total finance income from reinsurance contracts held</b>	<b>(509)</b>	<b>(305)</b>
Total finance income from reinsurance contracts held recognised in profit or loss	(129)	(133)
Total finance income from reinsurance contracts held recognised in OCI	(380)	(172)
<b>Total finance income from reinsurance contracts held</b>	<b>(509)</b>	<b>(305)</b>

### 19. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Impairment loss recognised/(reversed) in respect of:		
– Debt investments at amortised cost	(21)	(34)
– Debt investments at FVTOCI	289	(4)
– Term deposits	13	(12)
– Others	8	1
Total	289	(49)

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### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 20. OTHER EXPENSES

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Commission and brokerage expenses	5,263	7,449
Payroll and welfare	4,015	4,216
Depreciation and amortisation	875	811
Insurance security fund (i)	315	332
Taxes and surcharges	130	140
Others	992	1,007
Subtotal	11,590	13,955
Less:		
Amounts attributed to insurance acquisition cash flows	7,296	9,236
Amounts attributed to insurance service expenses	2,617	2,756
Total other expenses	1,677	1,963

- (i) The Group has paid the insurance security fund in accordance with the "Administrative Measures for Insurance Security Fund" (Order no.7 [2022] issued by the former CBIRC, the Ministry of Finance of the PRC and the People's Bank of China) and the "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Matters related to the Payment of Insurance Protection Fund" (No. 2 [2023] issued by the General Office of the former CBIRC). The fund contribution is equal to the product of the business income and the fund rate, which is equal to the sum of the base rate and the risk differential rate.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 21. TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same tax authority. Most of the income taxes shown below are taxes incurred in the PRC.

**(1) The amount of income tax charged to the net profit represents:**

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Current tax	160	122
Deferred tax	683	614
<b>Total income tax</b>	<b>843</b>	736

**(2) The reconciliation between the Group's effective tax rate and the mainly applicable tax rate of 25% in the PRC is as follows:**

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit before income tax	11,928	10,716
Tax computed at the statutory tax rate in China	2,982	2,679
Non-taxable income	(2,209)	(1,982)
Expenses not deductible for tax purposes	18	20
Effect of unrecognised deferred tax assets arising from deductible tax losses	40	26
Adjustments in respect of current tax of previous periods	15	(7)
Effect of different tax rates used by subsidiaries	(3)	-
<b>Income tax computed at effective tax rate</b>	<b>843</b>	736

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 21. TAXATION (CONTINUED)

(3) Deferred tax assets and liabilities before and after offsetting are as follows:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Deferred tax assets	28,200	18,021
Deferred tax liabilities	(10,431)	(7,368)
Net deferred tax assets	17,825	10,709
Net deferred tax liabilities	(56)	(56)

(4) Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable income is probable. The amount of deductible unused tax losses for which no deferred tax asset is recognised is as follows:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Deductible tax losses	998	839

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 22. EARNINGS PER SHARE

### (1) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares issued during the period.

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Net profit for the period attributable to owners of the Company (RMB in million)	11,083	9,978
Weighted average number of ordinary shares issued (in million)	3,120	3,120
Basic earnings per share (RMB)	3.55	3.20

### (2) Diluted

The Company has no dilutive potential ordinary shares. Diluted earnings per share are the same as basic earnings per share for the six months ended 30 June 2024 (for the six months ended 30 June 2023: same).

## 23. DIVIDENDS

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2024, a final dividend of RMB0.85 per ordinary share (inclusive of tax) totalling RMB2,652 million was declared.

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2023, a final dividend of RMB1.08 per ordinary share (inclusive of tax) totalling RMB3,369 million was declared.



## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 24. SIGNIFICANT RELATED PARTY TRANSACTIONS

### (1) Related parties

#### (a) Subsidiaries

Details of the Company's subsidiaries as at 30 June 2024 are as follows:

New China Asset Management Co., Ltd. ("Asset Management Company")  
New China Asset Management (Hong Kong) Co., Ltd. ("Asset Management Company (Hong Kong)")  
New China Village Health Technology (Beijing) Co., Ltd. ("Health Technology")  
Xinhua Village Seniors Service (Beijing) Co., Ltd.  
Xinhua Village Seniors Operation Management (Beijing) Co., Ltd. ("Seniors Operation") (i)  
New China Electronic Commerce Co., Ltd. ("Electronic Commerce")  
Guangzhou Yuerong Project Construction Management Co., Ltd. ("Guangzhou Yuerong")  
Hefei New China Life Supporting Construction Operation Management Co., Ltd. ("Hefei Supporting Operation") (ii)  
New China Pension  
Xinhua Village Seniors Investment Management (Hainan) Co., Ltd.  
Xinhua Haoran Architecture Science and Technology Co., Ltd. ("Xinhua Haoran")  
New China Excellent Rehabilitation Hospital Co., Ltd. ("Rehabilitation Hospital")

- (i) As at 10 January 2024, the Company paid an amount of RMB30 million as capital injection to Seniors Operation. Up to 30 June 2024, the Company's accumulated capital contributions to Seniors Operation achieved RMB95 million.
- (ii) As at 31 January 2024, the Company paid an amount of RMB210 million as capital injection to Hefei Supporting Operation. Up to 30 June 2024, the Company's accumulated capital contributions to Hefei Supporting Operation was RMB2,740 million.

Except for above mentioned, there was no significant change in investments in subsidiaries for the six months ended 30 June 2024.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

### (1) Related parties (Continued)

#### (b) Associates and joint venture

Refer to Note 6 for the list of associates and joint ventures.

#### (c) Other related parties

The table set forth below summarises the significant related parties of the Company:

Significant related parties	Relationships
Central Huijin Investment Ltd. (“Huijin”)	Shareholder that has significant influence over the Company
China Baowu Steel Group Corporation Limited	Shareholder that has significant influence over the Company
Hwabao WP Fund Management Co., Ltd. (“Hwabao WP Fund”)	Company under indirect control of the shareholder that has significant influence over the Company

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

### (2) Significant transactions with related parties

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Transactions between the Group and other related parties		
– Interest from bonds issued by Huijin	11	11
Transactions between the Group and its associates		
– Investment income arising from investing trust products related to China Jinmao	–	59
– Dividends declared from China Jinmao	–	22
Transactions between the Group and its joint venture		
– Health check and service fee paid to New China Health	8	12
– Rent earned from New China Health	6	6
Transactions between the Company and its subsidiaries		
– Investment management fee to Asset Management Company	372	337
– Additional capital contribution to Hefei Supporting Operation	210	76
– Investment management fee to Asset Management Company (Hong Kong)	30	30
– Additional capital contribution to Seniors Operation	30	–
– Rent and property fee paid to Xinhua Haoran	17	31
– Rent paid to Hefei Supporting Operation	15	2
– Rent earned from Asset Management Company	12	12
– Conference and training fees paid to Health Technology	4	3
– Rent earned from New China Pension	4	3
– Health check fee paid to Rehabilitation Hospital	1	2
– Additional capital contribution to Health Technology	–	268

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

### (2) Significant transactions with related parties (Continued)

The above significant transactions with related parties did not constitute the connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

The investment management fees to Asset Management Company and Asset Management Company (Hong Kong) are calculated based on the negotiated service charge rate and the scale of investments. All other transactions are calculated based on the negotiated price between transaction parties.

### (3) Related party balances

	The Group	
	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
<b>Balances with related parties</b>		
Debt investments at FVTOCI issued by Huijin	656	636
Other receivables from New China Health	7	4

	The Company	
	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Receivables from subsidiaries		
New China Pension	1	–
Payables to subsidiaries		
Asset Management Company	69	31
Asset Management Company (Hong Kong)	30	15
Electronic Commerce	22	22
Hefei Supporting Operation	15	7
Xinhua Haoran	4	1
Guangzhou Yuerong	–	5

No impairment has been made for receivables from related parties as at 30 June 2024 (31 December 2023: same).

The balances between the Company and its subsidiaries have been eliminated in the interim condensed consolidated statement of financial position.

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### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

### (4) Key management's remuneration

Key management members include directors, supervisors and senior management team members. Key management members' remuneration incurred by the Company is as follows:

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Payroll and welfare	8	9

### (5) Transactions with state-owned enterprises

Under International Accounting Standard 24 (Amendment) ("IAS 24 (Amendment)") "Related Party Disclosures", business transactions between state-owned enterprises controlled by the PRC government are within the scope of related party transactions. The Group's key business is insurance related and therefore, the business transactions with other state-owned enterprises are primarily related to insurance and investment activities. The related party transactions with other state-owned enterprises were conducted in the ordinary course of business. Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. Nevertheless, the Group believes that the following captures the material related parties and has applied the IAS 24 (Amendment) exemption and disclosed only qualitative information.

As at 30 June 2024, most of the bank deposits were with state-owned banks, the issuers of debt financial assets held by the Group were mainly state-owned enterprises; most investments were entrusted to state-owned enterprises. For the six months ended 30 June 2024, a large portion of its group insurance business of the Group was with state-owned enterprises; the majority of bancassurance brokerage charges were paid to state-owned banks and postal office; almost all of the reinsurance agreements of the Group were entered into with a state-owned reinsurance company; and most of the bank deposits interest income was from state-owned banks.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 25. CONTINGENCIES

The Group is involved in estimations for contingencies and legal proceedings in the ordinary course of business, including but not limited to, being the plaintiff or the defendant in litigation and arbitration. Legal proceedings mostly involve claims on the Group's insurance policies, other claims, and litigation matters. Provision has been made for probable losses of the Group regarding those claims where management can reasonably estimate the outcome of the lawsuits taking into account any legal advice.

No provision has been made for pending assessments, lawsuits or possible violations of contracts when the outcome cannot be reasonably estimated or management believes the probability is low or remote. For these pending lawsuits, management also believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group or any of its subsidiaries.

As at 30 June 2024, except for the items described above, all kinds of estimations and contingencies resulting from insurance services within the scope of this report, the Group does not have any significant contingency required disclosure in the report.

## 26. COMMITMENTS

### (1) Capital commitments

The Group had capital commitments for the purchase of property, plant and equipment and software, etc. Management confirms that the Group has sufficient future income or funding to fulfil these capital commitments.

	<b>As at 30 June 2024 (Unaudited)</b>	As at 31 December 2023 (Audited)
Contracted, but not provided for	<b>2,817</b>	2,784
Total	<b>2,817</b>	2,784

## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)

## 26. COMMITMENTS (CONTINUED)

### (2) Operating lease rental receivables

The future minimum lease receivables under non-cancellable operating leases are as follows:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Within 1 year (including 1 year)	258	211
Between 1 and 2 years (including 2 years)	172	125
Between 2 and 3 years (including 3 years)	120	69
Between 3 and 4 years (including 4 years)	99	39
Between 4 and 5 years (including 5 years)	79	32
More than 5 years	53	25
Total	781	501

### (3) Investment commitments

As at 30 June 2024, a total amount of RMB22,277 million (31 December 2023: RMB12,144 million) was disclosed as investment commitments contracted but not provided for.

## 27. SUBSEQUENT EVENTS

Pursuant to the interim profit distribution resolution passed at the meeting of the Board of Directors on 29 August 2024, an interim dividend of RMB0.54 per ordinary share (inclusive of tax) totalling RMB1,685 million was proposed. The profit distribution plan shall become effective upon the approval of the shareholders' general meeting.

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 28. INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 30 June 2024 refer to Note 24.

Details of the Company's principal controlled structured entities as at 30 June 2024 are as follow:

	Principal activities	Registered/ Committed share capital	Per centage of equity attributable to the Group
New China Asset Management – Mingmiao No.3 Asset Management Product	Asset management plan	RMB4,526 million	35.86%
Kunhua (Tianjin) Equity Investment Partnership (Limited partnership)	Private equity funds	RMB4,378 million	99.99%
New China Asset Management – Mingyuan No.2 Asset Management Product	Asset management plan	RMB4,123 million	35.68%
New China Asset Management – Mingyan No.1 Asset Management Product	Asset management plan	RMB3,781 million	87.88%
New China Asset Management – Mingmiao No.2 Asset Management Product	Asset management plan	RMB2,703 million	100.00%
New China- Wanke Wuhan Plant and Equipment Debt Investment Plan	Debt investment plan	RMB2,340 million	100.00%
New China-Urban Construction Infrastructure and Property Debt Investment Plan (Second Phase)	Debt investment plan	RMB2,000 million	100.00%
New China Asset Management – Mingyi No.27 Asset Management Product	Asset management plan	RMB1,856 million	100.00%
New China-Urban Construction Development Infrastructure and Property Debt Investment Plan (First Phase)	Debt investment plan	RMB1,800 million	100.00%
New China-Wanke Logistics Infrastructure and Property Debt Investment Plan (Third Phase)	Debt investment plan	RMB1,577 million	100.00%
New China-Urban Construction Development Infrastructure and Property Debt Investment Plan (Second Phase)	Debt investment plan	RMB1,500 million	100.00%
Zhong Ou AMC New China Life High Dividend Strategy Single Asset Management Plan	Asset management plan	RMB1,500 million	100.00%
New China Asset Management – Select Hong Kong Stock Connect No.1 Asset Management Product	Asset management plan	RMB1,404 million	62.90%
Cigna & CMB Asset Management- Shanghai Binjiang Center Plant and Equipment Debt Investment Plan (Second Phase)	Debt investment plan	RMB1,401 million	99.93%
New China- Wanke Kunming Debt Investment Plan (First Phase)	Debt investment plan	RMB1,100 million	100.00%
New China- Xi'an Electronic Valley Construction Infrastructure and Property Debt Investment Plan	Debt investment plan	RMB1,000 million	83.80%





## SECTION 9

### Financial Statements

# Notes to the Interim Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2024 (All amounts in RMB million unless otherwise stated)*

## 28. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

All subsidiary and consolidated structured entities undertakings are included in the consolidation. There are no significant restrictions on the use of assets or the discharge of liabilities of all subsidiaries and consolidated structured entities. The non-controlling interests of subsidiaries are immaterial to the Group, while the non-controlling interests of consolidated structured entities are mainly recorded in financial liabilities at FVTPL.

The English names of certain subsidiaries represent the best effort made by the management of the Company in translating their Chinese names as they do not have official English names.

## 29. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements have been approved and authorised for issue by the Board of Directors on 29 August 2024.



# 95567

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