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Cautionary Statements:

Forward-looking statements included in this report, including future plans and development strategies, do not constitute a guarantee of the Company to investors. Investors and other related parties are advised to be mindful of the risk, and be aware of the difference between the Company's plans or projections and its commitments. You are advised to exercise caution.

Important information

- I. The Company's 2024 Interim Report was considered and approved at the 5th session of the 10th Board of Directors on 29 August 2024, which 13 Directors were required to attend and 11 of them attended in person. Due to other business engagements, directors LIU Xiaodan and John Robert DACEY did not attend the board meeting and appointed in writing directors JIANG Xuping and CHIN Hung I David, respectively, to attend the meeting and vote on their behalf.
- II. The 2024 Interim Financial Report of the Company has not been audited.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
BOARD OF DIRECTORS

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Corporate information

Legal Name in Chinese:

中国太平洋保险(集团)股份有限公司(“中国太保”)

Legal Name in English:

CHINA PACIFIC INSURANCE (GROUP) CO., LTD. (“CPIC”)

Legal Representative: FU Fan

Board Secretary and Joint Company Secretary: SU Shaojun

Securities Representative: CHEN Haozhi

Contact for Shareholder Enquiries:

Investor Relations Dept. of the Company

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Registered Office:

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Postal Code: 200010

Place of Business in Hong Kong:

Suite 4301, 43/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong

Website: <http://www.cpic.com.cn>

Email: ir@cpic.com.cn

Selected Newspapers for Disclosure (A Share):

China Securities, Shanghai Securities and Securities Times

Announcements for A Share Published at:

<http://www.sse.com.cn>

Announcements for H Share Published at:

<http://www.hkexnews.hk>

Announcements for GDR Published at:

<http://www.londonstockexchange.com>

Report Available at: Investor Relations Dept. of the Company

Stock Exchange for A Share Listing:

The Shanghai Stock Exchange

Stock Name for A Share: 中国太保

Stock Code for A Share: 601601

Stock Exchange for H Share Listing:

The Stock Exchange of Hong Kong Limited

Stock Name for H Share: 中國太保

Stock Code for H Share: 02601

H Share Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

Stock Exchange for GDR Listing: London Stock Exchange

Stock Name for GDR: China Pacific Insurance (Group) Co., Ltd.

Trading symbol for GDR: CPIC

Accountant (A Share): Ernst & Young Hua Ming LLP

Office address: Level 17, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Ave. Dongcheng District, Beijing, PR China

Signing Certified Public Accountants:

GUO Hangxiang, WANG Ziqing

Accountant (H Share):

Ernst & Young Hua Ming LLP (Recognised PIE Auditor)

Office address: Level 17, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Ave. Dongcheng District, Beijing, PR China

Accountant (GDR): Ernst & Young Hua Ming LLP

Office address: Level 17, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Ave. Dongcheng District, Beijing, PR China

Signing Certified Public Accountants: GUO Hangxiang

Definitions

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

“The Company”, “the Group”, “CPIC” or “CPIC Group”	China Pacific Insurance (Group) Co., Ltd.
“CPIC Life”	China Pacific Life Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC P/C”	China Pacific Property Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC AMC”	Pacific Asset Management Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC HK”	China Pacific Insurance Co., (H.K.) Limited, a wholly-owned subsidiary of China Pacific Insurance (Group) Co., Ltd.
“Changjiang Pension”	Changjiang Pension Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Fund”	CPIC Fund Management Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Anxin Agricultural”	Pacific Anxin Agricultural Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Health”	Pacific Health Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Capital”	CPIC Capital Company Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Technology”	Pacific Insurance Technology Co., Ltd., a wholly-owned subsidiary of China Pacific Insurance (Group) Co., Ltd.
“C-ROSS II”	China Risk Oriented Solvency System Phase II
“CBIRC”	Former China Banking and Insurance Regulatory Commission
“CSRC”	China Securities Regulatory Commission
“NFRA”	National Financial Regulatory Administration
“SSE”	Shanghai Stock Exchange
“SEHK”	The Stock Exchange of Hong Kong Limited
“LSE”	London Stock Exchange
“PRC GAAP”	China Accounting Standards for Business Enterprises issued by Ministry of Finance of the People's Republic of China, and the application guide, interpretation and other related regulations issued afterwards
“New Accounting Standards”	The Accounting Standard for Business Enterprises Nos. 22, 23, 24, 37 and 25 promulgated and revised by the Ministry of Finance of the People's Republic of China in 2017 and 2020 sequentially
“Articles of Association”	The articles of association of China Pacific Insurance (Group) Co., Ltd.
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code for Securities Transactions”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Corporate Governance Code”	Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Substantial Shareholder”	Has the meaning given to it under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being a person who has an interest in the relevant share capital of the Company, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the Company
“GDR”	Global depositary receipts
“ESG”	Environmental, Social and Governance
“RMB”	Renminbi
“pt”	Percentage point

Key indicators

Unit: RMB million

<p>Group operating income</p> <p>194,634 +10.9%</p> <p>Insurance revenue – CPIC Life 41,835 -2.4%</p> <p>Insurance revenue – CPIC P/C 93,076 +4.2%</p>	<p>Group OPAT attributable to shareholders of the parent^{note 2}</p> <p>19,738 +3.3%</p>	<p>Group embedded value</p> <p>568,766 +7.4%</p>
	<p>Group net profit attributable to shareholders of the parent</p> <p>25,132 +37.1%</p>	<p>Group comprehensive solvency margin ratio</p> <p>251% -6pt</p> <p>CPIC Life 205% -5pt CPIC P/C 220% +6pt</p>
<p>NBV of life business</p> <p>9,037 +22.8%</p> <p>NBV margin of life business 18.7% +5.3pt</p>	<p>Group comprehensive investment yield^{note 3}</p> <p>3.0% +0.9pt</p> <p>Group total investment yield^{note 3} 2.7% +0.7pt</p> <p>Group net investment yield^{note 3} 1.8% -0.2pt</p>	<p>Group AuM</p> <p>3,263,010 +11.7%</p>
<p>Underwriting combined ratio of P/C business^{note 1}</p> <p>97.1% -0.8pt</p>		<p>Group number of customers ('000)</p> <p>181,310 +1,441</p>

Notes:

1. Consolidated data of CPIC P/C, CPIC Anxin Agricultural and CPIC HK.
2. Figures for the same period of the previous year were restated.
3. Net/total investment yield, or comprehensive investment yield was not annualised.

Key performance indicators

Unit: RMB million

Indicators	As at 30 June 2024 /for the period between January and June in 2024	As at 31 December 2023 /for the period between January and June in 2023	Changes (%)
Key value indicators			
Group embedded value	568,766	529,493	7.4
Value of in-force business ^{note 1}	247,944	237,974	4.2
Group net assets ^{note 2}	267,310	249,586	7.1
NBV of CPIC Life	9,037	7,361	22.8
NBV margin of CPIC Life (%)	18.7	13.4	5.3pt
Underwriting combined ratio of CPIC P/C (%)	97.1	97.9	(0.8pt)
Group comprehensive investment yield (%) ^{note 3}	3.0	2.1	0.9pt
Key operating indicators			
Insurance revenue	137,019	134,064	2.2
CPIC Life	41,835	42,865	(2.4)
CPIC P/C	93,076	89,320	4.2
Group number of customers ('000) ^{note 4}	181,310	179,869	0.8
Average number of insurance policies per customer	2.33	2.32	0.4
Monthly average agent number ('000)	183	219	(16.4)
Surrender rate of CPIC Life (%)	0.9	1.1	(0.2pt)
Total investment yield (%) ^{note 3}	2.7	2.0	0.7pt
Net investment yield (%) ^{note 3}	1.8	2.0	(0.2pt)
Third-party AuM	806,983	672,235	20.0
Key financial indicators			
Net profit attributable to shareholders of the parent	25,132	18,332	37.1
CPIC Life	20,055	14,023	43.0
CPIC P/C	4,792	4,041	18.6
Basic earnings per share (RMB) ^{note 2}	2.61	1.91	37.1
Net assets per share (RMB) ^{note 2}	27.79	25.94	7.1
Comprehensive solvency margin ratio (%)			
CPIC Group	251	257	(6pt)
CPIC Life	205	210	(5pt)
CPIC P/C	220	214	6pt

Notes:

1. Based on the Group's share of CPIC Life's value of in-force business after solvency.
2. Attributable to shareholders of the parent.
3. Net/total investment yield, or comprehensive investment yield was not annualised.
4. The Group number of customers refers to the number of applicants and insureds who hold at least one insurance policy within the insurance period issued by one or any of CPIC subsidiaries as at the end of the reporting period. In the event that the applicants and insureds are the same person, they shall be deemed as one customer.

Core competitiveness

We are a leading integrated insurance group in China. We are committed to value growth and long-termism, stay focused on the core business of insurance, and steadfastly pursue high-quality development. We have achieved steady growth of business results, stable market standings, sustained improvement of overall strength, with increased contribution to the real economy and people's well-being in China.

Focus

We stay focused on the core business of insurance, boast diversified business segments along the insurance value chain, with enhanced capabilities in professional insurance business operation. Our life/health insurance business persists in long-termism, deepens integration of insurance products and services based on customers' need and strives to improve its customer service capabilities in an all-around way; presses ahead with channel diversification strategy with the agency channel at its core, and delivers steady improvement in channel value creation. The property and casualty insurance business is committed to serving the New Development Pattern and improving the risk reduction system. Automobile insurance business steps up customer resources management (CRM), optimises the business model of new energy vehicles; non-auto insurance business diversifies the offering of technology insurance and green insurance to boost the new quality productive forces. As for investment, we adhere to prudent, value, long-term and responsible investing, improve ALM mechanisms, continuously strengthen the asset allocation framework across economic cycles compatible with profiles with liabilities, so as to contribute to steady value growth of the Company.

Prudence

Committed to prudent business operation, we continuously improve the corporate governance structure with legal entities shouldering the primary responsibility, and optimise corporate governance mechanisms with coordination and checks and balances between the management, the Board of Directors, the Board of Supervisors and the Shareholders' General Meeting, in accordance with rules and policies which clearly define their respective roles and duties. We establish and refine the performance evaluation and incentive system balancing the short term and long term, development and risk management, which cements the foundation of sustainable development. We put in place a risk management system covering risk governance, risk strategies and management of major risk categories, continue to improve risk management rules and policies, enhance integrated risk control, foster an enabling corporate culture for risk control and compliance, so as to ensure sustainable and healthy development of the Company.

Innovation

We are customer oriented and forge ahead with transformation & innovation in a bid to foster new drivers for high-quality development. The health care strategy centres on the "Healthy China Initiative" and national retirement finance strategies, provides differentiated, personalised product/service solutions in response to changing customer needs and behaviours, and continuously enhances the supply of health services and elderly care. The strategy in integrated regional development departs from local endowments and differentiated positioning, focuses on key industries and projects, deepens synergy of life and P/C insurance business, coordination of assets and liabilities, and integration of products and services, with greater impact on regional development. The big data strategy embraces "Digital Finance", establishes and improves the Group-wise data governance system, diversifies the scenarios of digital empowerment, promotes the development of large models for insurance, accelerates R&D of hallmark applications such as Digital Employees, so as to facilitate high-quality development of the Company.

Responsibility

We leverage insurance as "a cushion of economic shocks" and "a social stabiliser" to serve national strategies and improve people's well-being. We are committed to the "5 Priorities" of financial services, i.e., technology finance, green finance, inclusive finance, pension finance, and digital finance, so as to create sustained value for employees, customers, shareholders and the society. We enhance the system of consumer rights protection, with increased visibility of "Responsible, Smart and Caring" CPIC Service. We provide employees with access to an innovative learning platform, step up training and coaching of young talent, and optimise organisational management in a bid to enhance the sense of fulfilment, belonging and satisfaction among employees. We are committed our corporate social responsibilities, stepping ESG mechanisms and enhancing the supply of green insurance in order to facilitate sustainable social and economic development of China. We continue to strengthen investor communication, improve transparency in information disclosure, maintain stable and prudent shareholder dividend levels so that shareholders can benefit from the growth of the Company.

Honours and awards

- CPIC maintained the ranking of 5th place among the World's 100 Most Valuable Insurance Brands in 2024 released by Brand Finance.
- CPIC ranked 59th on the List of 2024 Brand Value of Chinese Listed Companies released by the National Business Daily.
- CPIC P/C's Tan Pu Hui won the 2024 Jinnuo Financial Product Publicity Award by China Banking and Insurance News.
- CPIC Life's Xin Xiang Ban 3.0, a whole-life product, and its Xin Fu Nian Nian, an annuity product, respectively won the Life Insurance Product of the Year Award and Annuity Product of the Year Award at the 2023-2024 Jin Kou Bei Insurance Products Conference hosted by China Banking and Insurance News.
- CPIC AMC won the Outstanding Social Responsibility Award for Insurance Asset Management at the 16th Fund and Wealth Management Jiefu Award Ceremony sponsored by caishiv.com. CPIC AMC's Excellence Dividend Value Equity Product and Selected ESG Bond Asset Management Product won the Outstanding Insurance Asset Management Product (equity) and the Outstanding ESG-themed Insurance Asset Management Product respectively.
- Changjiang Pension won the "China, Best Enterprise Annuity Manager Award", the "China, Fintech Innovation in Pensions Award", and the "China, Best Enterprise Annuity Scheme - Golden Sunshine Collective Enterprise Annuity Scheme Award" at the 2024 Best of the Best Awards granted by the Asia Asset Management magazine.
- CPIC Health's "Lan Yi Bao Long-Term Medical Insurance Package", won the "Jin Kou Bei" Medical Insurance Product of the Year Award at the 2023-2024 "Jin Kou Bei" Insurance Product Competition sponsored by China Banking and Insurance News.

Chairman's statement

Dear shareholders,

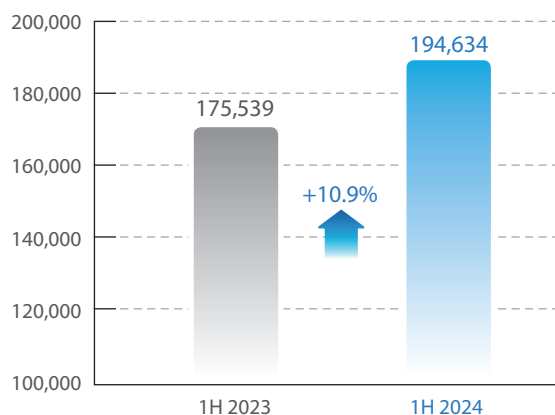
In the first half of 2024, amid a complex and challenging international environment, China's economy demonstrated positive momentum of recovery. In the context of China's ambition to build itself into a "financial powerhouse", CPIC pursued progress while ensuring stable business fundamentals and pressed ahead with transformation to cement the foundation of long-term development. Thanks to these efforts, we got off to a good start in 2024, which bolstered our confidence for the future.

Focusing on insurance, balancing between progress and prudence, with sustained improvement in comprehensive strength. In the first half of 2024, we stayed committed to high-quality development, coordinated top-line growth and bottom-line improvement, with new records in business results. Group operating income amounted to RMB194.634 billion, a year-on-year growth of 10.9%, and of this, insurance revenue reached RMB137.019 billion, a growth of 2.2%; Net profit attributable to shareholders of the parent achieved RMB25.132 billion, up by 37.1%; Group OPAT attributable to shareholders of the parent^{note1} reached RMB19.738 billion, up by 3.3%. In insurance business, we stepped up breakthroughs in key areas, with positive momentum in business development. NBV of CPIC life maintained rapid growth, up by 22.8% year on year, with NBV margin of 18.7%, an improvement of 5.3pt; policy persistency, a measure of business quality, continued to improve. CPIC P/C persisted in high-quality development. While underwriting combined ratio improved by 0.8pt to 97.1%, premium income maintained rapid growth. In terms of asset management, we seized structural opportunities of the market, with increased contribution from investment performance to Group earnings. On an unannualised basis, comprehensive investment yield on Group investment assets reached 3.0%, up by 0.9pt from the same period of 2023; AuM reached new highs, at RMB3.26 trillion, a growth of 11.7% from the end of 2023.

Deepening transformation and improving supply, with sustained improvement in quality and profitability. Customer oriented, we pushed forward the Changhang Transformation of life insurance business. The agency channel focused on agency force development, with recovery of core manpower headcount, on top of sustainable enhancement in productivity gains; bancassurance adapted to new circumstances, stayed focused on value, with steady NBV growth and marked improvement in NBV margin.

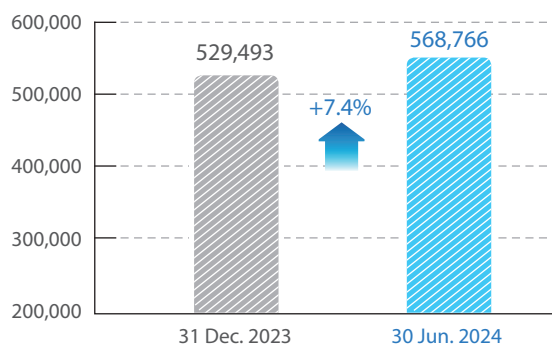
Group operating income

Unit: RMB million



Group EV

Unit: RMB million





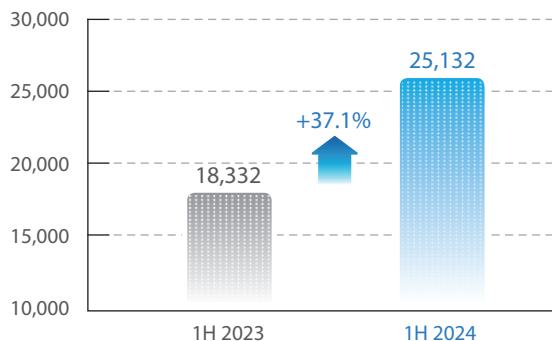
On the side of P/C insurance business, we persisted in sustainable development. Automobile insurance focused on customer resources management (CRM) and targeted business management, optimised the business model of NEV auto insurance; non-auto business continued to improve product mix and stepped up deployment in emerging areas; agricultural insurance innovated products and services to meet customers' diverse needs. At the same time, we continuously enhanced capabilities for comprehensive risk cover to improve people's well-being; actively participated in inclusive insurance programmes such as Huiminbao, terminal illness insurance and long-term care; 15 CPIC Home retirement communities have been up and running in 13 cities, with sustained growth of admissions; CPIC Family Doctors rolled out 48 Experience Centres of Bai Sui Ju (Longevity Retreat); agricultural insurance expanded coverage and levels of protection to support rural invigoration; our

catastrophe claims payment and risk reduction service have been significantly contributed to the effort to prevent and mitigate natural disasters. Besides, we refined the green, low-carbon system, promoted the innovation of green insurance product, particularly carbon-related insurance; continued to improve ESG investment strategies, with further growth of green investments; built demonstration worksites for green offices, enhanced ESG risk management, and benefitted from ESG branding. CPIC Life and CPIC P/C both won the highest rating at the 2023 Regulatory Evaluation for Customer Rights Protection, maintaining industry leadership. They also maintained leading positions at the rankings of Customer Service Quality Index.

Deepening reform and enhancing governance to cement the foundation of sound business management. We continuously improved corporate governance of

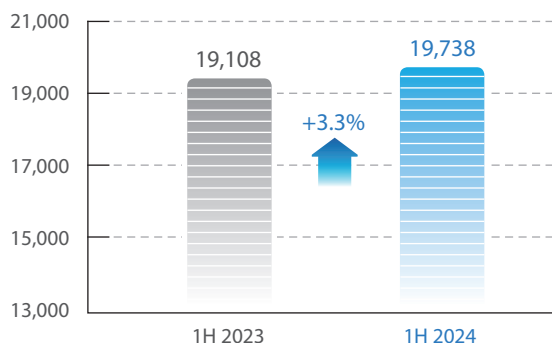
Group net profit^{note 2}

Unit: RMB million



Group OPAT^{notes 1, 2}

Unit: RMB million



modern financial institutions, completed the reelection of a new board of directors in an orderly manner and ensured consistency in our strategies and stability in business performance. We strengthened the risk control system, solidified the foundation of internal control, and won high ratings following the regulatory SARMRA assessment and corporate governance evaluation of insurance groups for years in a row. We progressed with digital transformation and promoted the integration of finance and digital technology. In particular, we leveraged our big data governance system to accelerate the application of AI technology under various scenarios, such as Digital Labour, to empower high-quality development of the Company. We proceeded with the reform of human resources management, optimised term-based management of professional managers in accordance with employment contracts, so as to provide organisational support for high-quality development; at the same time,

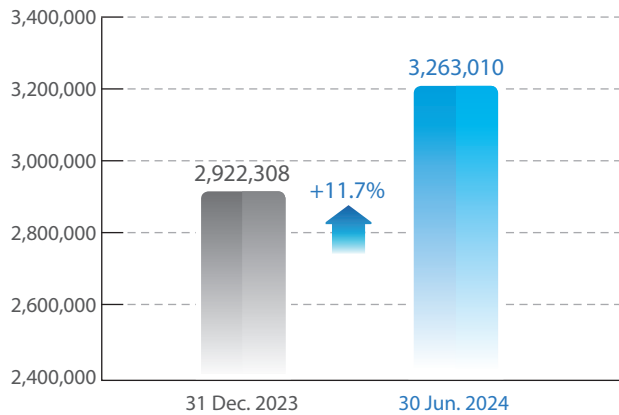
we introduced the training programme for probationary leaders to foster a culture of openness, transparency and self-improvement.

What we have achieved in the first half of 2024 could not have been possible without the hard work, dedication and concerted effort of all CPIC employees and agents. As China advances its own modernisation, the insurance market is facing a strategic window of opportunity. CPIC will move firmly towards the vision of “building itself into a top-notch insurance financial group with global influence”. Based on our profound insights into the business logic of insurance, we will accelerate the shift of this mode of development, upgrade product supply, sales and customer service and sales force management, and enhance capabilities in value creation, CRM, ALM and risk management with the aim of providing a good example for the industry in terms of high-quality development, specialised operation and precise management.

In the second half of the year, we will stay committed to our vision, further improve the supply of products and services, and strive for first-class service, first-class management, branding and performance. **First, we will continue to play the role of “cushion of economic shocks” and “social stabiliser” to support national strategies.** We will promote technology insurance, utilise risks diversification mechanism of insurance and provide financing for science and technology, including R&D, commercialisation and industrial application, to support domestic enterprises in achieving high-level independence in the field; strengthen green finance, innovate in green finance products and services, and use insurance to provide risk cover and financing to China’s green, low-carbon transformation; roll out inclusive finance, leverage insurance as a means of risk protection, financing and social governance and participate in the multi-tiered social security system, while improving the integration of health insurance and services to meet people’s needs for a better life; boost pension finance, innovate pension products and elderly care service, serve pension fund management both as a commercial endowment insurance provider and as a pension fund trustee, so as to provide a one-stop retirement service of insurance, investment and

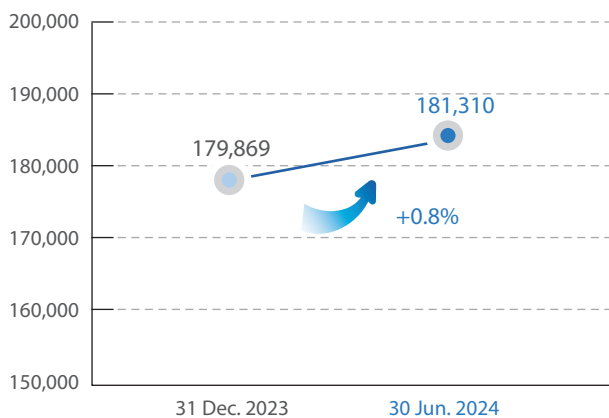
Group AuM

Unit: RMB million



Group number of customers

Unit: '000



elderly care and support the development of the health care and retirement sector. **Second, we will emulate best practices, deepen transformation and promote sustainable business development.** In life insurance, we will continue to implement the channel diversification strategy as part of the Changhang Transformation, push for improvement in quality and mix of the agency force, enhance agent sales capabilities for all kinds of products and expand the team of productive agents; bancassurance will stay value oriented, cement cooperation with priority partners to foster competitive edge. On the side of P/C insurance, we will continue to focus on sustainability of development, fully capture needs for management of emerging risks arising from China's social and economic transitioning, advance research on risk profiles of key

areas and accurate pricing, improve risk reduction capabilities and strive for sustained improvement in business mix and quality. As for asset management, our priority is to continuously optimise the asset allocation system stretching across economic cycles and in line with the profiles of liabilities, step up product innovation and investment research, ensure all-around credit risk control under new circumstances, in a bid to secure our progress and achievements. **Third, we will increase the use of new technologies to drive digitalised, smart business management.** We will fully leverage the digital empowerment strategy, refine the data governance system, promote the building of insurance large models and application of Digital Labour, step up exploratory efforts in block-chain technology, enhance integration of digital application and insurance in customer service, customer segmentation, risk control, operation and investment research, in order to improve digital, intelligent operational support and the efficiency of business management. We further hope our practice in digitalisation and AI will provide an exemplary solution for the industry.

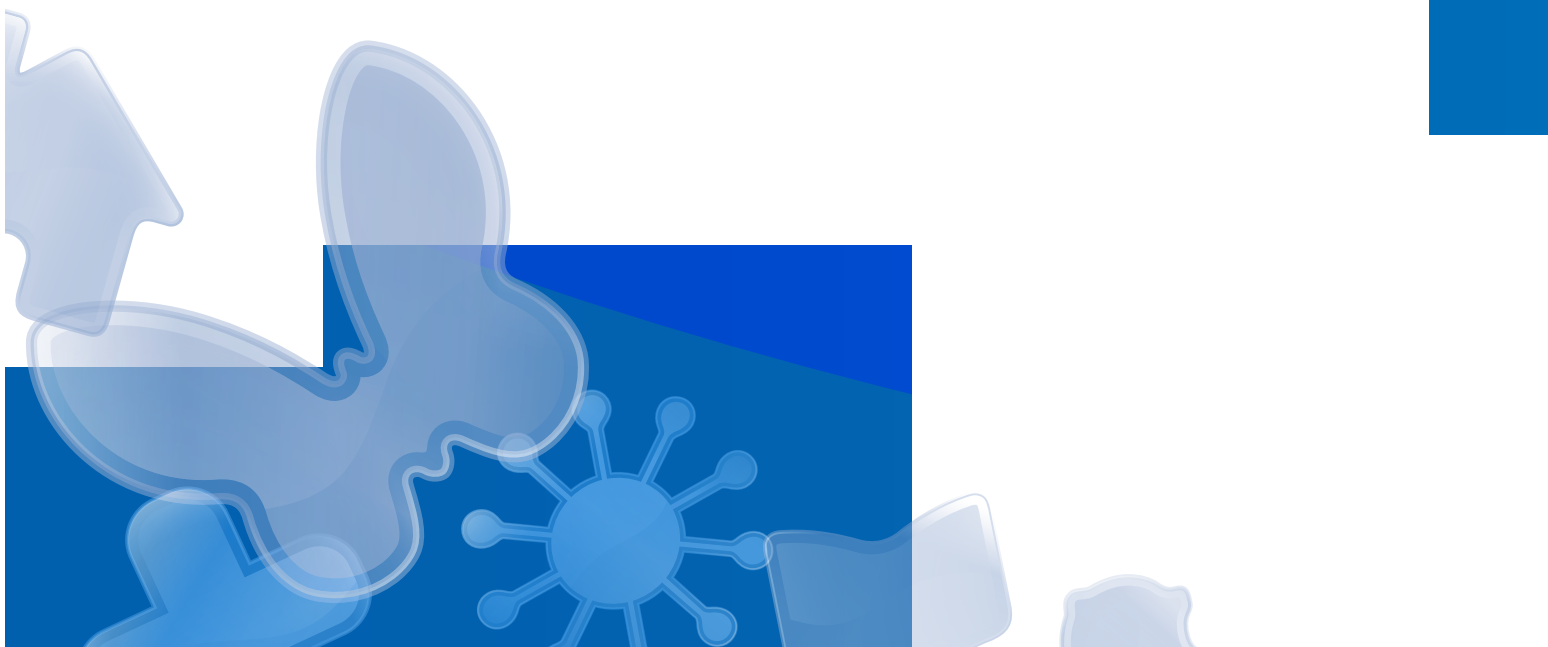
When there is a will, there is a way. As a leading insurer in China, we will adhere to the path of high-quality development with a strong sense of responsibility. We will ensure consistency of fundamental strategies and break new ground, move forward in a pioneering spirit, and contribute to the Chinese modernisation with its own characteristics, the new quality productive forces and people's pursuit of a better life.

Notes:

1. Figures for the same period of the previous year were restated.
2. Attributable to shareholders of the parent.

FU Fan
Chairman of the Board of Directors
CPIC Group

Operating
results





1

Key accounting data and financial indicators of the Company as at period ends

Unit: RMB million

Key accounting data	January to June 2024	January to June 2023	Changes (%)
Operating income	194,634	175,539	10.9
Profit before tax	29,395	22,956	28.0
Net profit ^{note}	25,132	18,332	37.1
Net profit net of non-recurring profit or loss ^{note}	25,142	18,217	38.0
Net cash flows from operating activities	89,925	85,259	5.5
	30 June 2024	31 December 2023	Changes (%)
Total assets	2,553,488	2,343,962	8.9
Equity ^{note}	267,310	249,586	7.1

Note: Attributable to shareholders of the parent.

Unit: RMB

Key accounting indicators	January to June 2024	January to June 2023	Changes (%)
Basic earnings per share ^{note 1}	2.61	1.91	37.1
Basic earnings per share net of non-recurring profit or loss ^{note 1}	2.61	1.89	38.0
Diluted earnings per share ^{note 1}	2.61	1.91	37.1
Weighted average return on equity (%) ^{note 1}	9.5	7.6	1.9pt
Weighted average return on equity net of non-recurring profit or loss (%) ^{note 1}	9.5	7.6	1.9pt
Net cash flows per share from operating activities ^{note 2}	9.35	8.86	5.5
	30 June 2024	31 December 2023	Changes (%)
Net assets per share ^{note 1}	27.79	25.94	7.1

Notes:

1. Attributable to shareholders of the parent.

2. Calculated by the weighted average number of ordinary shares in issue.

2

Non-recurring items

Unit: RMB million

Non-recurring items	January to June 2024
Gains on disposal of non-current assets	1
Government grants recognised in current profit or loss	46
Other net non-operating income and expenses other than aforesaid items	(53)
Effect of income tax relating to non-recurring profit or loss	(4)
Total	(10)

3

Other key financial and regulatory indicators

Unit: RMB million

Indicators	30 June 2024/ January to June 2024	31 December 2023/ January to June 2023
The Group		
Investment assets ^{note 1}	2,456,027	2,250,073
Three-year average investment yield (%) ^{note 2}	3.3	/
Insurance revenue	137,019	134,064
Insurance service expenses	116,298	114,898
Insurance contract assets	-	335
Insurance contract liabilities	2,077,445	1,872,620
Liabilities for incurred claims	104,438	95,226
Liabilities for remaining coverage	1,973,007	1,777,394
Reinsurance contract assets	42,095	39,754
Allocation of reinsurance premiums	7,962	7,985
Recoveries of insurance service expenses from reinsurers	7,602	7,013
Insurance finance expenses for insurance contracts issued	44,030	29,983
Reinsurance finance income for reinsurance contracts held	1,036	548
CPIC Life		
Contractual service margin of insurance contracts issued	332,576	323,974
Contractual service margin of the issued insurance contracts initially recognised in the period	8,917	7,524
CPIC P/C		
Three-year average underwriting combined ratio (%) ^{note 3}	97.4	/
Three-year average underwriting loss ratio (%) ^{note 4}	69.8	/

Notes:

- Investment assets include cash at bank and on hand, etc.
- The Company adopted the new insurance standard and the new financial instruments standards from 1 January 2023. Three-year average investment yield was calculated according to the data based on the new insurance standard and the new financial instruments standards.
- Underwriting combined ratio = (insurance service expenses + insurance finance income or expenses + changes in insurance premium reserves + (allocation of reinsurance premiums paid - recoveries of insurance service expenses from reinsurers - reinsurance finance income or expenses)) / insurance revenue.
- Underwriting loss ratio = (incurred claims + changes in liability for incurred claims + gains or losses on the onerous contracts + insurance finance income or expenses + changes in insurance premium reserves + (allocation of reinsurance premiums paid - recoveries of insurance service expenses from reinsurers - reinsurance finance income or expenses)) / insurance revenue.



Review and analysis of
operating results

1

Business overview

I. Key businesses

We provide, through our subsidiaries, a broad range of risk protection solutions, wealth management and asset management services. In particular, we provide life/health insurance products & services through CPIC Life, property and casualty insurance products & services through CPIC P/C and CPIC Anxin Agricultural, and specialised health insurance products & health management services through CPIC Health. We manage insurance funds, including third-party assets, through our investment arm, CPIC AMC. We provide retirement financial solutions and other related asset management service via Changjiang Pension, carry out private equity fund management and related consulting services through CPIC Capital, and also engage in mutual fund management business through CPIC Fund. We provide market-oriented technological empowerment service via CPIC Technology.

In the first half of 2024, China's insurance market^{note} realised a primary premium income of RMB3.55 trillion, up by 4.9% from the same period of 2023. Of this, premiums from life/health insurance companies amounted to RMB2.63 trillion, a growth of 5.1%, and that from property and casualty insurance companies RMB0.92 trillion, up by 4.5%. Measured by primary premium income, CPIC Life and CPIC P/C are both China's 3rd largest insurers for life and property and casualty insurance, respectively.

Note: Data for insurance industry came from the official website of NFRA.

II. Main items on consolidated financial statements with change of over 30% and reasons

Unit: RMB million

Balance sheet items	30 June 2024	31 December 2023	Changes (%)	Main reason for the changes
Cash at bank and on hand	42,128	31,455	33.9	Timing difference
Securities purchased under agreements to resell	22,397	2,808	697.6	Timing difference
Insurance contract assets	-	335	(100.0)	Change in insurance business
Premium received in advance	5,812	17,026	(65.9)	Timing difference
Insurance premium reserves	700	251	178.9	Growth in insurance business
Deferred income tax liabilities	1,560	1,119	39.4	Increase in taxable temporary differences
Other comprehensive income	10,482	7,992	31.2	Change in fair value of financial investments at fair value through other comprehensive income and effect of insurance finance income/(expenses) for insurance contracts issued
Non-controlling interests	26,346	18,118	45.4	Issuing bonds

Unit: RMB million

Income statement items	January to June 2024	January to June 2023	Changes (%)	Main reason for the changes
Investment income	6,893	4,376	57.5	Increase in investment assets
Share of (losses)/profits of associates and joint ventures	(124)	407	(130.5)	Decrease in the investment income
Gains arising from changes in fair value	20,945	5,333	292.7	Fluctuation of market value of financial assets at fair value through profit or loss
Exchange gains	32	407	(92.1)	Fluctuation of exchange rate
Insurance finance expenses for insurance contracts issued	(44,030)	(29,983)	46.8	Effect of gains arising from changes in fair value
Reinsurance finance income for reinsurance contracts held	1,036	548	89.1	Change in financial assumption
Impairment losses on financial assets	52	(1,183)	(104.4)	Decrease in impairment losses of financial assets
Other operating expenses	(688)	(494)	39.3	Change in business
Other comprehensive income/(loss)	2,455	4,218	(41.8)	Change in fair value of financial investments at fair value through other comprehensive income and effect of insurance finance income/(expenses) for insurance contracts issued

2

Performance overview

We focused on the core business of insurance, remained committed to value growth and long-termism, deepened the customer-oriented strategic transformation, and delivered encouraging overall business results and enhanced comprehensive strength. CPIC Life stayed committed to the best customer experience on the market, focused on the long-termism, deepened the Changhang Transformation, and achieved solid business performance; CPIC P/C pursued sustainable development, stepped up deployment in emerging business areas, enhanced risk mitigation and management, and further cemented high-quality development; asset management further improved ALM across economic cycles, enhanced professional investment expertise, and reported sound investment results.

I. Performance highlights

During the reporting period, Group operating income amounted to RMB194.634 billion, up by 10.9% year on year, of which, insurance revenue reached RMB137.019 billion, a growth of 2.2%. Group net profit^{note 1} reached RMB25.132 billion, up by 37.1%, with Group OPAT^{notes 1,2,3} of RMB19.738 billion, a growth of 3.3%. Group EV amounted to RMB568.766 billion, an increase of 7.4% from the end of 2023. Of this, Group value of in-force business^{note 4} amounted to RMB247.944 billion, up by 4.2%. CPIC Life delivered RMB9.037 billion in new business value (NBV), up by 22.8% from the same period of 2023, with an NBV margin of 18.7%, up by 5.3pt. Property and casualty insurance business^{note 5} recorded an underwriting combined ratio of 97.1%, down by 0.8pt. Comprehensive investment yield^{note 6} on Group investment assets went up by 0.9pt year on year to 3.0%. As of the end of the reporting period, Group number of customers amounted to 181 million.

CPIC Life reported robust NBV growth with foundation of value creation further enhanced

- > NBV reached RMB9.037 billion, up by 22.8% year on year, with an NBV margin of 18.7%, up by 5.3pt.
- > Written premiums amounted to RMB170.105 billion, up by 0.3% year on year.
- > OPAT^{note 2} of life insurance reached RMB15.173 billion, a year-on-year growth of 1.8%; contractual service margin amounted to RMB332.576 billion, up by 2.7% from the end of 2023.
- > The agency channel deepened restructuring, with recovery of core manpower and sustained improvement in productivity and income; bancassurance focused on value growth, with steady improvement in value contribution; business quality management was strengthened, with continued optimisation of policy persistency.

Underwriting profitability of property and casualty business^{note 5} improved, with steady top-line growth

- > Underwriting combined ratio was 97.1%, down by 0.8pt from the same period of 2023. Of this, underwriting expense ratio stood at 27.4%, staying flat, and underwriting loss ratio 69.7%, down by 0.8pt.
- > Primary premium income amounted to RMB113.203 billion, a year-on-year increase of 7.8%. Of this, non-auto business grew by 12.5% and accounted for 53.9% of total property and casualty insurance premiums, up by 2.3pt.

- > Auto insurance enhanced CRM capabilities, with improved customer retention; non-auto business maintained an overall stable business quality, with emerging business lines such as health insurance, liability insurance and commercial property insurance maintaining rapid development.

Persisted in strategic asset allocation based on profiles of liabilities, with solid investment performance

- > The share of debt financial assets stood at 73.8%, down by 0.7pt from the end of 2023; that of equity financial assets 14.9%, up by 0.4pt from the end of 2023, and of this, core equity^{note 7} accounted for 11.2% of total investment assets, an increase of 0.5pt from the end of the preceding year.
- > Comprehensive investment yield^{note 6} of Group investment assets reached 3.0%, up by 0.9pt year on year. Total investment yield^{note 6} was 2.7%, up by 0.7pt, with net investment yield^{note 6} of 1.8%, down by 0.2pt.
- > Group AuM amounted to RMB3,263.010 billion, an increase of 11.7% from the end of 2023. Of this, third-party AuM amounted to RMB806.983 billion, a growth of 20.0%.

Notes:

1. Attributable to shareholders of the parent.
2. Figures for comparative periods were restated.
3. OPAT is based on net profit on the financial statements, while excluding certain P/L items with short-term volatility and material one-off items which management does not consider to be part of the Company's day-to-day business operation. Short-term investment volatility applies to business of CPIC P/C, CPIC Life and CPIC Health, etc., while excluding business based on VFA; it refers to the difference between actual investment income and long-term investment assumptions, while considering the impact of income tax. Material one-off items include the difference between deductible amounts for pre-tax profit of the current period and the average deductible amounts for pre-tax profit of the preceding years.
4. Based on the Group's share of CPIC Life's value of in-force business after solvency.
5. Consolidated data of CPIC P/C, CPIC Anxin Agricultural and CPIC HK.
6. Net/total investment yield, or comprehensive investment yield was not annualised.
7. Stocks and equity funds included.

II. Key performance indicators

Unit: RMB million

Indicators	As at 30 June 2024 /for the period between January and June in 2024	As at 31 December 2023 /for the period between January and June in 2023	Changes (%)
Key value indicators			
Group embedded value	568,766	529,493	7.4
Value of in-force business ^{note 1}	247,944	237,974	4.2
Group net assets ^{note 2}	267,310	249,586	7.1
NBV of CPIC Life	9,037	7,361	22.8
NBV margin of CPIC Life (%)	18.7	13.4	5.3pt
Underwriting combined ratio of CPIC P/C (%)	97.1	97.9	(0.8pt)
Group comprehensive investment yield (%) ^{note 3}	3.0	2.1	0.9pt
Key operating indicators			
Insurance revenue	137,019	134,064	2.2
CPIC Life	41,835	42,865	(2.4)
CPIC P/C	93,076	89,320	4.2
Group number of customers ('000) ^{note 4}	181,310	179,869	0.8
Average number of insurance policies per customer	2.33	2.32	0.4
Monthly average agent number ('000)	183	219	(16.4)
Surrender rate of CPIC Life (%)	0.9	1.1	(0.2pt)
Total investment yield (%) ^{note 3}	2.7	2.0	0.7pt
Net investment yield (%) ^{note 3}	1.8	2.0	(0.2pt)
Third-party AuM	806,983	672,235	20.0
Key financial indicators			
Net profit attributable to shareholders of the parent	25,132	18,332	37.1
CPIC Life	20,055	14,023	43.0
CPIC P/C	4,792	4,041	18.6
Comprehensive solvency margin ratio (%)			
CPIC Group	251	257	(6pt)
CPIC Life	205	210	(5pt)
CPIC P/C	220	214	6pt

Notes:

1. Based on the Group's share of CPIC Life's value of in-force business after solvency.
2. Attributable to shareholders of the parent.
3. Net/total investment yield, or comprehensive investment yield was not annualised.
4. The Group number of customers refers to the number of applicants and insureds who hold at least one insurance policy within the insurance period issued by one or any of CPIC subsidiaries as at the end of the reporting period. In the event that the applicants and insureds are the same person, they shall be deemed as one customer.

3

Life/health insurance business

CPIC Life deepened the Changhang Transformation and built positive momentum in business performance, with rapid NBV growth. CPIC Health rolled out the core strategy of “new products, new channels and new technology”, with enhanced capability for innovation-driven development.

I. CPIC Life

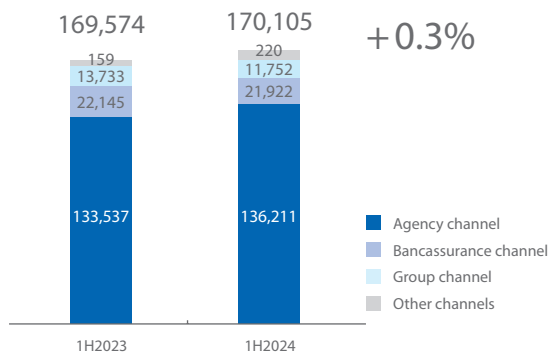
(I) Business analysis

CPIC Life pressed ahead with the Changhang Transformation, upheld long-termism, and strived to be a life insurer with the best customer experience on the market. The subsidiary reported RMB170.105 billion in written premiums, an increase of 0.3% year on year; NBV amounted to RMB9.037 billion, a growth of 22.8% from the same period of 2023, or 29.5% on a comparable basis, with NBV margin of 18.7%, an improvement of 5.3pt.

The subsidiary stepped up transformation and delivered positive momentum in business development. First, NBV grew rapidly, with steady improvement of NBV margin. Second, the quality and mix of agency force continued to improve, with recovery of core manpower and steady improvement in their income and productivity. Third, it deepened the channel diversification strategy, with steady value growth from bancassurance and work-site marketing and sustained increase in their value contribution. Fourth, it adopted a series of measures to cut costs and improve efficiency, and as a result, business quality continued to improve, with improvement in policy persistency, loss ratio of long-term insurance and surrender rate.

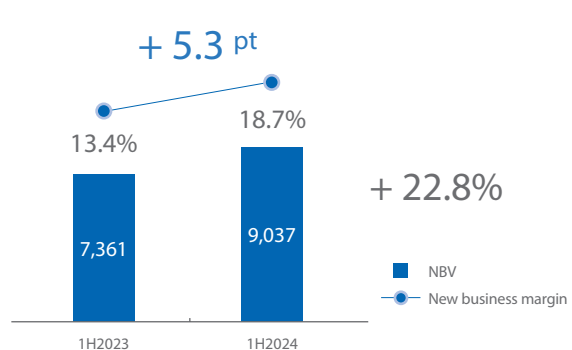
Written premiums of CPIC Life

Unit: RMB million



NBV and new business margin of CPIC Life

Unit: RMB million



1. Analysis by channels

CPIC Life seeks to build a diversified channel mix with the agency force at the core, in order to expand avenues of value growth.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Written premiums	170,105	169,574	0.3
Agency channel	136,211	133,537	2.0
New policies	24,520	22,286	10.0
Regular premium business	18,194	17,506	3.9
Renewed policies	111,691	111,251	0.4
Bancassurance channel	21,922	22,145	(1.0)
New policies	13,980	20,092	(30.4)
Renewed policies	7,942	2,053	286.8
Group channel	11,752	13,733	(14.4)
New policies	10,520	13,183	(20.2)
Renewed policies	1,232	550	124.0
Other channels^{note}	220	159	38.4

Note: Other channels refer to telemarketing & internet sales.

(1) Agency channel

CPIC Life stayed committed to value growth, pressed ahead with the restructuring of the agency force centring on “3 Directions and 5 Mosts” to enhance agent capabilities and achieve sustainable high-quality development. To promote agent career-based development, it fully leveraged the amended Basic Law to drive changes in agent behaviours; rolled out an integrated mode of recruitment, coaching and retention, with “normalised” recruitment of new agents; enhanced the succession of productive agents and promoted the development of honour systems. To improve professionalism, the subsidiary introduced the “the Golden Triangle” product/service solution to meet needs for health protection, retirement and wealth management and built a differentiated CRM system to improve agent sales capabilities in all types of products. As for digitalisation, CPIC Life launched the NBS digital activity management system on a trial basis, which focused on scenarios of activity and team management to standardise modes of activity management. In the reporting period, the channel realised RMB136.211 billion in written premiums, a year-on-year growth of 2.0%, and of this, regular-pay new business amounted to RMB18.194 billion, up by 3.9%.

The subsidiary focused on agency force development, strived to enhance agent capabilities, and realised steady business growth during the reporting period. Monthly average agent headcount reached 183,000, with the same headcount as at 30 June 2024; monthly average performing ratio reached 73.8%, up by 4.1pt from the same period of 2023. Core manpower stabilised and began to recover, with sustained improvement in their productivity and income; core manpower headcount on a monthly average basis was 60 thousand, up by 0.8% year on year; monthly average FYP per core agent reached RMB64,637, up by 10.6%; monthly average FYC per core agent RMB8,219, up by 4.2%.

For 6 months ended 30 June	2024	2023	Changes (%)
Monthly average agent number ('000)	183	219	(16.4)
Monthly average performing ratio of agents (%)	73.8	69.7	4.1pt
Monthly average FYP per core agent (RMB)	64,637	58,458	10.6
Monthly average FYC per core agent (RMB)	8,219	7,886	4.2

(2) Bancassurance channel

CPIC Life persisted in value-oriented bancassurance and fostered its competitive advantage to boost long-term development of the channel. It focused on strategic partnerships, deepened its presence in bank outlets; optimised staffing of outlets, strengthened team professionalism; empowered precise business operation based on customer segmentation and improved the exclusive system of products and services for bancassurance. Due to changes in market conditions and regulatory policies, new business growth came under pressure, but value maintained steady growth. During the reporting period, it realised RMB21.922 billion in written premiums, down by 1.0% year on year. NBV from the channel grew by 26.5% from the same period of 2023, with an NBV margin of 12.5%, up by 5.6pt.

(3) Group channel

CPIC Life upheld protection as the central insurance value proposition, endorsed China's national strategies, and played a positive role in supporting inclusive finance, the real economy and people's pursuit of a better life. It strived to expand the coverage of inclusive insurance via government-sponsored programmes such as long-term care, urban customised commercial medical insurance, and terminal illness insurance. Based on needs of corporate customers, it offered professional insurance solutions and service packages, standardised the business process of work-site marketing, and provided comprehensive risk cover to employees and their families. During the reporting period, the channel recorded RMB11.752 billion in written premiums. Of this, those from work-site marketing reached RMB842 million in new written premiums, a growth of 1.9%, with improved business mix amid a top-line slow down.

2. Analysis by product types

CPIC Life is committed to customer needs and seeks to build a new ecosystem with deep integration of products and services. Based on customer segmentation, it continued to diversify product offerings focusing on the Golden Triangle of health protection, wealth management and retirement, in a bid to provide all-around "products + services" solutions to customers across their entire life cycles.

In health protection, it launched "Ai Xin Bao", a CI product with high leverage, with a notable increase in average critical illness SA among its customers; developed "Wen Ying Jin Sheng" integrated solution of health management and elderly care, which can satisfy customer's needs for old-age nursing in addition to health risk protection and living benefits. In retirement and wealth inheritance, there was the debut of "Xin Fu Nian Nian", an integrated solution for retirement, which focused on the central value proposition of elderly care service of CPIC Home. CPIC Home deepened its presence in all 3 categories of retirement communities, with 15 facilities up and running in 13 cities, and a total of 16,500 beds under planning. In terms of wealth management, we upgraded "Chang Xiang Ban", a whole-life product, which can meet customers' diverse needs for death benefits, wealth inheritance and long-term wealth management, covering more than 375,000 customers in the first half of 2024. In addition, for children, we explored a combination of insurance and education to enrich our value proposition.

For the reporting period, traditional business generated RMB106.437 billion in written premiums, up by 6.0% year on year. Of this, long-term health insurance contributed RMB27.662 billion, down by 3.3%. Participating business delivered RMB38.100 billion in written premiums, down by 12.2%, due to changes to regulatory policies and optimisation product mix.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Written premiums	170,105	169,574	0.3
Traditional	106,437	100,375	6.0
Long-term health	27,662	28,618	(3.3)
Participating	38,100	43,415	(12.2)
Universal	16,399	13,960	17.5
Tax-deferred pension	28	37	(24.3)
Short-term accident and health	9,141	11,787	(22.4)

3. Policy persistency ratio

We intensified business quality control, and as a result, the 13-month policy persistency ratio of individual customers improved by 1.5pt year on year to 96.9%; while the 25-month policy persistency ratio rose by 7.6pt to 91.7%.

For 6 months ended 30 June	2024	2023	Changes
Individual customer 13-month persistency ratio (%) ^{note 1}	96.9	95.4	1.5pt
Individual customer 25-month persistency ratio (%) ^{note 2}	91.7	84.1	7.6pt

Notes:

- 13-month persistency ratio: premiums from in-force policies 13 months after their issuance as a percentage of premiums from policies which entered into force during the same period.
- 25-month persistency ratio: premiums from in-force policies 25 months after their issuance as a percentage of premiums from policies which entered into force during the same period.

4. Top 10 regions for written premiums

Written premiums of CPIC Life mainly came from economically developed regions or populous areas.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Written premiums	170,105	169,574	0.3
Jiangsu	20,613	18,853	9.3
Zhejiang	16,052	15,933	0.7
Henan	14,193	14,420	(1.6)
Shandong	13,464	13,537	(0.5)
Guangdong	9,687	9,341	3.7
Hebei	9,282	9,847	(5.7)
Shanghai	7,813	8,353	(6.5)
Shanxi	6,915	7,126	(3.0)
Hubei	6,616	6,198	6.7
Beijing	6,006	6,083	(1.3)
Subtotal	110,641	109,691	0.9
Others	59,464	59,883	(0.7)

(II) Profit analysis

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Insurance service performance and others	15,604	14,478	7.8
Insurance revenue	41,835	42,865	(2.4)
Insurance service expenses	(25,926)	(27,613)	(6.1)
Total investment income ^{note 1}	47,710	30,233	57.8
Finance underwriting gains/(losses) ^{note 2}	(41,311)	(27,895)	48.1
Investment performance	6,399	2,338	173.7
Pre-tax profit	22,003	16,816	30.8
Income tax	(1,948)	(2,793)	(30.3)
Net profit	20,055	14,023	43.0

Notes:

- Total investment income includes investment income, interest income, gains/(losses) arising from change in fair value, rental income from investment properties, interest expenses on securities sold under agreements to repurchase, impairment losses on financial assets, impairment losses on other assets, and taxes and surcharges applicable to investment business, etc.
- Finance underwriting gains/(losses) includes insurance finance expenses for insurance contracts issued and reinsurance finance income for reinsurance contracts held.

Operating results

Review and analysis of operating results

Insurance revenue for the reporting period was RMB41.835 billion, down by 2.4% from the same period of 2023, mainly because of decrease in premiums from short-term insurance.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Insurance revenue	41,835	42,865	(2.4)
Long-term insurance	36,513	36,589	(0.2)
Short-term insurance	5,322	6,276	(15.2)

Insurance service expenses amounted to RMB25.926 billion, down by 6.1%, mainly due to better claims experience.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Insurance service expenses	25,926	27,613	(6.1)
Long-term insurance	20,482	21,619	(5.3)
Short-term insurance	5,444	5,994	(9.2)

Investment performance for the reporting period amounted to RMB6.399 billion, up by 173.7%, mainly because of increased gains from fair value movement and higher gains from securities trading as a result of capital market volatility and optimisation of equity investment strategies.

In the first half of 2024, CPIC Life achieved a net profit of RMB20.055 billion, up by 43.0% year on year.

II. CPIC Health

In the first half of 2024, CPIC Health recorded a pick-up in business growth, with improved business mix and enhanced capabilities for innovation-driven development. It delivered RMB1.252 billion in insurance revenue and health management fee income, and a net profit of RMB43 million.

The subsidiary accelerated strategic transformation centring on “new products, new channels and new technology”. It adhered to the guideline of “products are service” and strived to provide customers with caring, professional health protection and related services. During the reporting period, “Lan Yi Bao”, an internet product brand, became more influential on the market, with further progress in new sales models such as live-streaming and “internet + people”, evidenced by fast growth of youth and household customers. That marked the formation of a closed-loop B2C cycle for the product. On the other hand, the subsidiary expanded cooperation with strategic off-line partners, particularly brokers, with breakthroughs in proprietary off-line business. It enhanced collaboration of “insurance + healthcare”, rolled out pulmonary nodules insurance, medical insurance for children, Puhuibao (inclusive insurance), children’s scoliosis and juvenile health evaluation service, etc., aiming to improve the insurance coverage of the elderly and children, sub-standard risks and the availability of inclusive insurance. It expanded its premium care provider network, upgraded the “Qi An Xin” protection programme, and achieved rapid development of high-end group business. Further, the company continued to optimise key operational processes spanning full life cycles of customers, so as to better support CPIC Life and CPIC P/C via professional health insurance operational service. It has delivered initial success in development of premium care provider network, claims management and the building of a health management system, handling 2.047 million claims cases in the first half of 2024.

4

Property and casualty insurance

CPIC P/C^{note} pursued progress amid stability, accelerated deployment in technology finance, green finance, inclusive finance and digital finance. It strengthened business quality control, enhanced risk reduction capabilities, improved disaster prevention and mitigation, and promoted systematic capacity-building in an all-around way, while further cementing its focus on high-quality development.

Note: References to CPIC P/C in this section do not include CPIC Anxin Agricultural.

I. CPIC P/C

(I) Business analysis

During the reporting period, CPIC P/C recorded primary premium income of RMB111.803 billion, up by 7.8% from the same period of 2023, with insurance revenue of RMB93.076 billion, a growth of 4.2% year on year. It posted an underwriting combined ratio of 97.1%, down by 0.8pt year on year. Of this, underwriting loss ratio stood at 69.6%, down by 0.8pt, as a result of improved business quality; underwriting expense ratio was 27.5%, staying flat versus that of the same period of 2023.

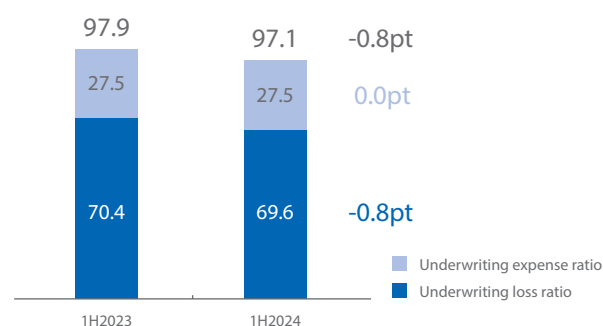
1. Analysis by lines of business

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Primary premium income	111,803	103,703	7.8
Automobile insurance	52,167	50,765	2.8
Compulsory automobile insurance	13,877	13,377	3.7
Commercial automobile insurance	38,290	37,388	2.4
Non-automobile insurance	59,636	52,938	12.7
Health insurance	16,132	13,293	21.4
Agricultural insurance	13,650	12,434	9.8
Liability insurance	12,459	11,143	11.8
Commercial property insurance	4,542	3,706	22.6
Others	12,853	12,362	4.0

Underwriting combined ratio of CPIC P/C

Unit: %



(1) Automobile insurance

CPIC P/C continued to optimise business mix, strengthen centralised resource allocation and professional development of distribution channels, so as to improve business management in a systematic way. In the first half of 2024, it reported primary premium income of RMB52.167 billion from automobile business, a growth of 2.8% year on year, and of this, that of NEV business grew by 41.7%; underwriting combined ratio of the business stood at 97.1%, down by 0.9pt, and of this, underwriting loss ratio stood at 71.4%, up by 0.6pt and underwriting expense ratio 25.7%, down by 1.5pt. The subsidiary followed the logic of NEV business, introduced new business models, conducted precise management and reduced the policy-year combined ratio of NEV auto insurance.

(2) Non-automobile insurance

Committed to China's national initiatives, needs of the real economy and people's well-being, CPIC P/C focused on key sectors and key areas, continued to optimise business mix and improve customer service. During the reporting period, it realised primary premium income of RMB59.636 billion in non-auto business, up by 12.7% year on year, with an underwriting combined ratio of 97.2%, down by 0.7pt. Of the major business lines, emerging business such as health insurance, liability insurance and commercial property insurance maintained strong momentum of growth, with an overall improved business quality.

Health insurance seized opportunities of the Healthy China Initiative, explored ways to support China's multi-tiered social security system, consolidated the platform of government cooperation, and pursued coordinated development of both government-sponsored and commercial business. It achieved stable development of traditional business such as terminal illness insurance and personal accident medical, while bolstering emerging business such as long-term care, chronic illness insurance and Huiminbao, in a bid to better propel development. During the reporting period, health insurance reported RMB16.132 billion in primary premium income, a growth of 21.4% year on year, with an underwriting combined ratio of 100.8%, down by 0.4pt.

Agricultural insurance, to support China's Rural Invigoration Initiative, rolled out full-cost indemnity insurance of the 3 staple crops to improve the coverage and protection levels of the business line; promoted innovation, and launched the pilot programme of products and services under "agricultural insurance +" to meet diverse needs of leading agricultural firms and new types of agribusinesses. During the reporting period, the business line delivered RMB13.650 billion in primary premium income, up by 9.8% year on year, with an underwriting combined ratio of 97.8%, down by 0.3pt from the same period of 2023.

Liability insurance centred on the New Development Pattern, seized opportunities in work-place safety, environmental protection and food safety, and vigorously explored opportunities in catastrophe insurance, life sciences, people's welfare and cyber-security, etc. During the reporting period, the business line delivered RMB12.459 billion in primary premium income, up by 11.8%, with an underwriting combined ratio of 99.4%, remained relatively stable as compare with the same period of 2023.

Commercial property insurance pro-actively supported the real economy, continued to consolidate leadership in business from strategic accounts in power generation and petrochemicals, as well as from blanket insurance policies. On the other hand, CPIC P/C vigorously acquired customers from strategic emerging sectors such as green energy and semi-conductors, while improving business development of high-quality micro- and small businesses via bancassurance and cross-sell. At the same time, it enhanced integrated risk management of risk survey, u/w and claims management to ensure a solid foundation for core business development. In the first half of 2024, the company generated RMB4.542 billion in primary premium income from the business line, up by 22.6% year on year, with an underwriting combined ratio of 94.1%, down by 1.2pt.

(3) Key financials of major business lines

Unit: RMB million

For 6 months ended 30 June 2024					
Name of insurance	Primary premium income	Amounts insured	Underwriting profit	Underwriting combined ratio (%)	
Automobile insurance	52,167	51,986,940	1,542	97.1	
Health insurance	16,132	296,768,965	(37)	100.8	
Agricultural insurance	13,650	383,872	184	97.8	
Liability insurance	12,459	1,519,436,330	69	99.4	
Commercial property insurance	4,542	11,772,246	230	94.1	

2. Top 10 regions for premium income

CPIC P/C derived RMB72.314 billion in primary premium income from the top 10 regional markets, up by 8.1% year on year and accounting for 64.7% of total premiums.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Primary premium income	111,803	103,703	7.8
Guangdong	13,804	12,557	9.9
Jiangsu	12,284	11,420	7.6
Zhejiang	10,497	9,653	8.7
Shanghai	7,667	7,085	8.2
Shandong	6,165	5,710	8.0
Sichuan	4,539	4,096	10.8
Hubei	4,472	4,289	4.3
Henan	4,441	4,044	9.8
Hebei	4,335	4,277	1.4
Hunan	4,110	3,765	9.2
Subtotal	72,314	66,896	8.1
Others	39,489	36,807	7.3

3. Premium income by channels

The primary premium income by channels during the reporting period is set out below.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Primary premium income	111,803	103,703	7.8
Agency	58,003	55,622	4.3
Direct	37,974	34,547	9.9
Brokerage	15,826	13,534	16.9

(II) Profit analysis

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Insurance revenue	93,076	89,320	4.2
Insurance service expenses	(88,119)	(85,583)	3.0
Net income/(losses) from reinsurance contracts held ^{note 1}	(234)	(84)	178.6
Underwriting finance losses and others ^{note 2}	(2,011)	(1,815)	10.8
Underwriting profit	2,712	1,838	47.6
Underwriting combined ratio(%)	97.1	97.9	(0.8pt)
Total investment income^{note 3}	3,742	3,323	12.6
Net of other income and expenses	(423)	(77)	449.4
Pre-tax profit	6,031	5,084	18.6
Income tax	(1,239)	(1,043)	18.8
Net profit	4,792	4,041	18.6

Notes:

1. Net income/(losses) from reinsurance contracts held include allocation of reinsurance premiums, recoveries of insurance service expenses from reinsurers, reinsurance finance income for reinsurance contracts held, etc.
2. Underwriting finance losses and others include insurance finance income or expenses and changes in insurance premium reserves, etc.
3. Total investment income includes investment income, interest income, gains/(losses) arising from change in fair value, rental income from investment properties, interest expenses on securities sold under agreements to repurchase, interest expense on capital replenishment bonds, taxes and surcharges applicable to investment business and impairment losses on financial assets, etc.

Insurance revenue for the reporting period amounted to RMB93.076 billion, up by 4.2% year on year, mainly as a result of overall business growth. Of this, insurance revenue of automobile insurance reached RMB52.361 billion, up by 4.9%, and that of non-auto insurance RMB40.715 billion, an increase of 3.3%.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Insurance revenue	93,076	89,320	4.2
Automobile insurance	52,361	49,924	4.9
Non-automobile insurance	40,715	39,396	3.3

Insurance service expenses for the reporting period amounted to RMB88.119 billion, up by 3.0% from the same period of 2023, mainly due to increase in claims and expenses as a result of overall business growth. Of this, insurance service expenses of automobile insurance reached RMB49.884 billion, up by 3.4%, and that of non-auto insurance RMB38.235 billion, an increase of 2.4% year on year.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Insurance service expenses	88,119	85,583	3.0
Automobile insurance	49,884	48,245	3.4
Non-automobile insurance	38,235	37,338	2.4

Net losses from reinsurance contracts held amounted to RMB234 million, an increase by RMB150 million year on year, largely due to impact of scale and mix of business ceded, and loss ratios of related business.

Underwriting finance losses and others amounted to RMB2.011 billion, a growth of 10.8%, mainly because of rapid business development, which led to a rise in insurance contract liabilities and subsequently an increase in the time value of liabilities.

Total investment income for the period reached RMB3.742 billion, up by 12.6%, mainly as a result of increased gains from fair value change on financial assets for trading and reduced impairment losses on financial assets.

As a result, in the first half of 2024, CPIC P/C reported a net profit of RMB4.792 billion, up by 18.6% from the same period of 2023.

II. CPIC Anxin Agricultural

As a specialised agricultural insurance company, CPIC Anxin Agricultural promoted product customisation to meet local agricultural needs; focused on farm produce income insurance, explored on-line scenarios of farm produce tracing driven by block-chain, which improved transparency and traceability of agricultural production and helped with the branding of local specialty farm produce, as part of the company's effort to empower agriculture via technology. In the first half of 2024, it recorded RMB1.195 billion in insurance revenue, up by 7.2% year on year; realised RMB1.225 billion in primary premium income, down by 1.7%, and of this, agricultural insurance reported primary premium income of RMB835 million, down by 2.9%. Underwriting combined ratio stood at 100.9%, up by 2.9pt, mainly due to higher claims from agricultural insurance and liability insurance. Net profit amounted to RMB71 million, a decrease of 24.5% from the same period of the preceding year.

III. CPIC HK

We conduct overseas P/C business via CPIC HK, a wholly-owned subsidiary. As at 30 June 2024, its total assets stood at RMB1.322 billion, with net assets of RMB313 million. Primary premium income for the reporting period amounted to RMB175 million, with an underwriting combined ratio of 94.2%, and a net loss of RMB1 million.

5

Asset management

We persisted in long-term, value, prudent and responsible investing, further optimised the insurance ALM system across economic cycles to ensure its sustainability, and enhanced professional investment expertise and compliance & risk control. Within the SAA framework, we conducted flexible Tactical Asset Allocation (TAA), continued to extend duration of fixed income assets based on stringent control of credit risk to mitigate the reinvestment risk; fully considered the impact of the New Accounting Standards, adjusted accounting classification of financial assets and enhanced pro-active management of equity assets. The share-dividend strategy, a core strategy for us in the past 10 years, has delivered positive results. As a result, we achieved solid investment performance, with Group AuM on steady increase.

I. Group AuM

As of the end of June 2024, Group AuM totalled RMB3,263.010 billion, rising 11.7% from the end of 2023. Of this, Group in-house investment assets amounted to RMB2,456.027 billion, a growth of 9.2%, and third-party AuM RMB806.983 billion, an increase of 20.0%, with a management fee income of RMB1.030 billion, up by 3.2% from the same period of 2023.

Unit: RMB million

	30 June 2024	31 December 2023	Changes (%)
Group AuM	3,263,010	2,922,308	11.7
Group in-house investment assets	2,456,027	2,250,073	9.2
Third-party AuM	806,983	672,235	20.0
CPIC AMC	326,503	225,154	45.0
Changjiang Pension	376,430	352,032	6.9
CPIC Fund	103,239	94,249	9.5
CPIC Capital	811	800	1.4

II. Group in-house investment assets

In the first half of 2024, China's economic recovery remained steady. Though domestic demand remains weak, the development of new productive forces will optimise economic mix and unlock the potential of economic growth. As such, China's economic growth will be more resilient and sustainable. In equity assets, with progress of China's economic restructuring and the accumulation of positive factors for high-quality development, sectors with prospects of steady earnings growth became more attractive investment targets. As for fixed income assets, investment yields continued to decline. The development of asset securitisation market offered insurers an alternative fixed income instrument that can match the long-term duration of insurance funds.

Based on our outlook for long-term macro-economic trends, we followed and fine-tuned the "dumbbell-shaped" asset allocation strategy, i.e., continuously increasing allocation into long-term T-bonds to extend duration of fixed income assets, while moderately increasing investments in equity assets and alternative assets including private equity to enhance long-term returns. At the same time, to manage credit risk, we continued to control the share of investment in corporate debt securities. We conducted TAA with flexibility under the guidance of SAA, pro-actively responded to the dual challenge of equity market volatility and secular decline of interest rates.

We are committed to value growth, continuously strengthened capacity-building in professional investment management, optimised the standardised investment management system, and vigorously explored innovative investment instruments and strategies; improved asset allocation capabilities, strengthened capital constraints, enhanced the foundation of capital and investment management in an all-around way; further improved the early-warning and mitigation of credit risk to enhance risk management; put in place infrastructure for ESG investment including the investment management system and information systems, completed carbon inventory assessment of investment assets in the main, incorporated ESG factors into SAA to promote responsible investing.

In terms of investment concentration, our investments are concentrated in financial services, communications & transport and infrastructure, demonstrating resilience in the face of risks. Our equity investments spread across a wide range of instruments; as for fixed income assets, the debt issuers boasted strong overall strength, and apart from government bonds, our counter-parties mainly include China State Railway Group Co., Ltd., and large SOEs such as major state-owned commercial banks.

(I) Group consolidated investment portfolios

Unit: RMB million

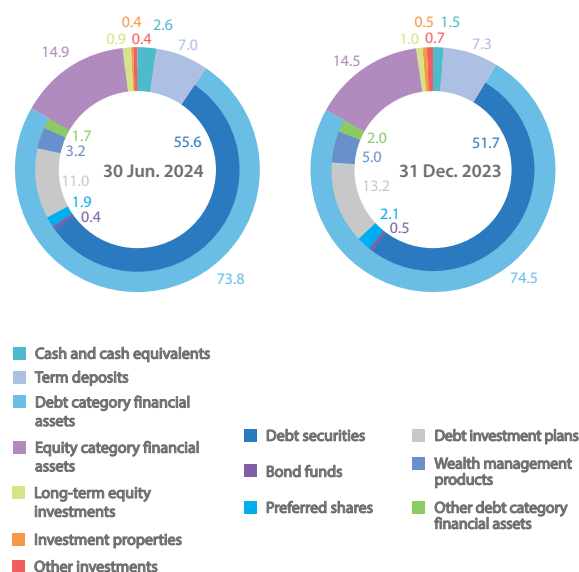
	30 June 2024	Share (%)	31 December 2023	Share (%)
Group investment assets (total)	2,456,027	100.0	2,250,073	100.0
By investment category				
Cash and cash equivalents	64,525	2.6	34,263	1.5
Term deposits	170,474	7.0	165,501	7.3
Debt category financial assets	1,812,297	73.8	1,676,100	74.5
- Debt securities	1,365,113	55.6	1,163,626	51.7
- Bond funds	10,689	0.4	10,393	0.5
- Preferred shares	47,678	1.9	47,724	2.1
- Debt investment plans ^{note 1}	270,001	11.0	296,154	13.2
- Wealth management products ^{note 2}	78,604	3.2	113,195	5.0
- Others	40,212	1.7	45,008	2.0
Equity category financial assets	365,353	14.9	325,234	14.5
- Stocks	221,252	9.0	188,455	8.4
- Equity funds	53,336	2.2	52,004	2.3
- Wealth management products ^{note 2}	21,287	0.9	19,652	0.9
- Others	69,478	2.8	65,123	2.9
Long-term equity investments	23,126	0.9	23,184	1.0
Investment properties	10,379	0.4	10,667	0.5
Other investments ^{note 3}	9,873	0.4	15,124	0.7
By accounting measurement				
Financial assets at amortised cost ^{note 4}	67,467	2.7	82,334	3.7
Financial assets at fair value through other comprehensive income ^{note 5}	1,465,204	59.7	1,345,400	59.8
Financial assets at fair value through profit or loss ^{note 6}	647,838	26.4	581,619	25.8
Long-term equity investments	23,126	0.9	23,184	1.0
Others ^{note 7}	252,392	10.3	217,536	9.7

Notes:

- Debt investment plans mainly include infrastructure and real estate funding projects.
- Wealth management products mainly include wealth management products issued by commercial banks, products by insurance asset management companies, collective trust plans by trust firms, special asset management plans by securities firms and credit assets backed securities by banking institutions, etc.
- Other investments mainly include restricted statutory deposits and derivative financial assets, etc.
- Financial assets at amortised cost include financial assets at amortised cost on consolidated financial statements.
- Financial assets at fair value through other comprehensive income include debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income on consolidated financial statements.
- Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss and derivative financial assets on consolidated financial statements.
- Others mainly include cash at bank and on hand, securities purchased under agreements to resell, term deposits, restricted statutory deposits and investment properties, etc.

Group consolidated investment portfolios

Unit: %



1. By investment category

As of the end of the reporting period, the share of bond securities investments was 55.6%, an increase of 3.9pt from the end of 2023. Of this, treasury bonds, local government bonds and financial bonds issued by government-sponsored banks made up 38.7% of total investment assets. The duration on fixed income assets reached 10.2 years, extended by 0.8 years versus the end of 2023. Moreover, 98.8% of enterprise bonds and financial bonds issued by non-government-sponsored banks had an issuer/debt rating of AA or above. Of this, the share of AAA reached 96.6%. We boasted a professional internal credit-rating team and sound credit risk management systems covering the entire bond securities investment process, namely, before, during and after the investment. We continued to improve the Group-wise integrated credit-rating management system, evaluated the credit-ratings of both the debt and debt issuers and identified the credit risk based on our internal credit-rating systems, while considering other factors such as macroeconomic conditions and external credit-ratings in order to make well-informed investment decisions. At the same time, to pro-actively control the credit risk of the stock of bond holdings, we followed a uniform and standardised set of regulations and procedures, combining both regular and unscheduled follow-up tracking post the investment. Our corporate/enterprise bond holdings spread over a wide range of sectors with good diversification effect; we set great store by credit risk management, strictly control the exposure to the real estate sector, and carefully select investment targets to ensure that the risk is manageable. Overall, the debt issuers of our investments all boasted sound financial strength, with credit risk under control.

The share of equity financial assets stood at 14.9%. Of this, stocks and equity funds accounted for 11.2% of total investment assets, up by 0.5pt from the end of 2023. On the back of disciplined TAA processes, we proceeded with resource realignment and platform building for investment research, enhanced tracking and analysis of market developments, fully considered the impact of new accounting standards, made effective use of accounting classification of assets, conducted pro-active, flexible management of equity assets, strengthened the core share-dividend strategy, formulated clusters of "satellite" strategies with growth potential and considerably outperformed the market.

As of the end of the reporting period, non-public financing instruments (NPFIs) totalled RMB353.001 billion, accounting for 14.4% of total investment assets. While ensuring full compliance with regulatory requirements and internal risk control policies, we persisted in prudent management as is inherently required of insurance companies, stayed highly selective about debt issuers and projects. The underlying projects spread across sectors like infrastructure, communications & transport, real estate, and non-bank financial institutions, which were geographically concentrated in more developed areas in China such as Beijing, Sichuan, Hubei, Shandong, and Jiangsu.

Overall, the credit risk of our NPFI holdings is in a comfortable zone. 98.6% of NPFIs had external credit-ratings, and of these, the share of AAA reached 100%, and that of AA+ and above 100%. 67.0% of NPFIs were exempt from debt issuer external credit-ratings, and the rest was secured with credit-enhancing measures such as guarantee or pledge of collateral, with the overall credit risk under control.

Mix and distribution of yields of non-public financing instruments

Sectors	Share of investments (%)	Nominal yield (%)	Average duration (year)	Average remaining duration (year)
Infrastructure	41.6	4.5	8.3	5.2
Communications & transport	20.3	4.4	9.0	5.6
Real estate	13.7	4.4	7.6	4.8
Non-bank financial institutions	11.3	4.7	5.1	1.1
Energy and manufacturing	5.2	4.5	7.3	4.2
Others	7.9	4.5	8.3	5.1
Total	100.0	4.5	8.0	4.7

Note: Non-public financing instruments include wealth management products issued by commercial banks, debt investment plans, collective trust plans by trust firms, special asset management plans by securities firms and credit assets backed securities by banking institutions, etc.

2. By accounting methods

Under the New Accounting Standards, investment assets of the Company are mainly classified into 3 categories: financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and others. The share of financial assets at fair value through other comprehensive income decreased by 0.1pt from the end of the previous year, mainly due to decline of debt investment plans and wealth management products; the share of financial assets at fair value through profit or loss rose by 0.6pt from the end of the previous year, mainly because of increased share of bond securities investments in the category; the proportion of financial assets at amortised cost fell by 1.0pt, largely as a result of reduced share of debt investment plans in the category; the share of long-term equity investments fell by 0.1pt, mainly due to a slight decrease in assets under structured entities; the share of others went up by 0.6pt, mainly as a result of increase in cash and cash equivalents in the category.

(II) Group consolidated investment income

For the reporting period, net investment income totalled RMB39.089 billion, up by 1.7% from the same period of 2023. This stemmed mainly from increased dividend income. Net investment yield reached 1.8%, down by 0.2pt year on year.

Total investment income amounted to RMB56.037 billion, up by 46.5% year on year, mainly attributable to a sharp increase in gains from fair value change, with total investment yield of 2.7%, up by 0.7pt.

Comprehensive investment yield rose by 0.9pt year on year to 3.0%, largely due to increased impact from movement of equity financial assets at fair value through other comprehensive income.

Unit: RMB million

For 6 months ended 30 June	2024	2023	Changes (%)
Interest income	27,769	29,320	(5.3)
Dividend income ^{note 1}	10,974	8,745	25.5
Rental income from investment properties	346	367	(5.7)
Net investment income	39,089	38,432	1.7
Losses from securities trading	(3,957)	(4,776)	(17.1)
Gains arising from changes in fair value	20,945	5,333	292.7
Impairment losses of financial assets	84	(1,147)	(107.3)
Other income ^{note 2}	(124)	407	(130.5)
Total investment income	56,037	38,249	46.5
Net investment yield (%) ^{note 3}	1.8	2.0	(0.2pt)
Total investment yield (%) ^{note 3}	2.7	2.0	0.7pt
Comprehensive investment yield (%) ^{notes 3,4}	3.0	2.1	0.9pt

Notes:

- Dividend income included dividend income and gains from financial instruments held for trading and other financial instruments at fair value through profit or loss during the holding period, etc.
- Other income included share of profit/(loss) of associates and joint ventures, etc.
- The impact of securities sold under agreements to repurchase was considered in the calculation of net investment yield. Net/total investment yield and comprehensive investment yield were not annualised. Average investment assets as the denominator in the calculation of net/total investment yield and comprehensive investment yield were computed based on the Modified Dietz method and did not consider the impact of the fair value change of debt investments at fair value through other comprehensive income.
- The figure as the numerator in the calculation of comprehensive investment yield included total investment income, the change of equity investments at fair value through other comprehensive income at current period and amounts of transferring to retained profits at current period caused by the impact of equity investments at fair value through other comprehensive income, etc.

III. Third-party AuM

Group third-party AuM amounted to RMB806.983 billion, and of this, that of CPIC AMC totalled RMB326.503 billion, with a share of 40.5%; and that of Changjiang Pension RMB376.430 billion, accounting for 46.6%.

(I) CPIC AMC

In the first half of 2024, CPIC AMC followed the guidelines of “market-oriented, professionalised, product-based and digitalised”, continued to enhance professional investment capabilities, conducted forward-looking analysis of macro-economic developments and trends of government policies, in order to identify structural opportunities as the market evolves. It strived to create sustained value for customers and steadily promoted the development of third-party business. As of the end of the reporting period, its third-party AuM amounted to RMB326.503 billion, an increase of 45.0% from the end of 2023.

During the reporting period, the company conducted alternative investment business without sacrificing compliance or credit risk exposures. In debt investment schemes, it focused on companies of high credit-ratings, such as SOEs under the central or local governments; it achieved breakthroughs in equity investment schemes, with the debut of schemes for Guangzhou Metro and Shanghai Jinjiang Group. It steadily proceeded with exchange-based ABS and REITs, with a number of projects in the pipeline. As of the end of the reporting period, assets under outstanding alternative investments by CPIC AMC amounted to around RMB150 billion, maintaining industry leadership.

In the first half of 2024, in view of market conditions, CPIC AMC focused on customer needs and delivered steady development of portfolio asset management products on back of its core competitive strategies. The “share-dividend” equity investment strategy achieved stable performance, with the scale of core products exceeding RMB10 billion; liquidity products generated stable investment returns, which provided easy-to-use cash management instruments to institutional investors. At the same time, the company enhanced the “fixed income” product line-up, expanded the “fixed income+” strategy to meet diverse customer needs for asset allocation. As of the end of the reporting period, CPIC AMC reported RMB286.978

billion in AuM under third-party portfolio asset management products and dedicated accounts, a growth of 56.7% from the end of 2023.

(II) Changjiang Pension

During the reporting period, Changjiang Pension stayed committed to pension-related financial services under the “5 Priorities” of finance, supported the 3-pillar retirement provision system in an all-around manner, continued to diversify product offerings, optimised annuity-related service so as to enhance its core competitiveness steadily. As at 30 June 2024, its third-party assets under trustee management amounted to RMB433.824 billion, up by 5.6% from the end of 2023; third-party assets under investment management reached RMB376.430 billion, up by 6.9% from the end of 2023.

The subsidiary stays focused on pension-related business, deployed further around the 3 pillars of retirement provision, diversified strategies for basic social pension funds, and maintained leading investment performance in corporate debt portfolios under social pension schemes. To meet the needs of the 2nd pillar, i.e., corporate annuity customers, it optimised customer service, enhanced performance, and successfully acquired new business from key customers. In the meantime, the company seized opportunities of the annuity market and stepped up its development of alternative annuity business, such as the annuity programme for special talent or for employees on short-term contracts. It was selected as trustee of China’s first corporate annuity scheme for special talent in Lingang New Area of Shanghai. As of the end of the reporting period, AuM under annuity funds exceeded RMB730 billion, up by 7.1% from the end of 2023. According to data released by the Ministry of Human Resources and Social Security, the company maintained its leading investment performance for annuity funds management, ranking 1st place and 2nd place for single-plan and collective-plan fixed income portfolios respectively for the past 3 years, as measured by annual average investment yields. At the same time, the subsidiary was profoundly involved in the ecosystem-building of “insurance + healthcare + retirement”, established an integrated platform for pension finance, which offers its annuity customers a wide range of pension finance, health management and elderly care services.

6

Analysis of specific items

I. Items concerning fair value accounting

The financial instruments measured at fair value are detailed in Notes XI and XII of financial statements.

II. Structured entities controlled by the Company

The structured entities controlled by the Company are detailed in Note IV-2 of financial statements.

III. Solvency

As per regulatory requirements, we calculate and disclose our core capital, actual capital, minimum required capital and solvency margin ratios. As at 30 June 2024, the solvency margin ratios of the Group, CPIC Life, CPIC P/C, CPIC Health, and CPIC Anxin Agricultural were all far above regulatory minimum levels.

Unit: RMB million

	30 June 2024	31 December 2023	Reasons of change
CPIC Group			
Core capital	329,888	303,908	Change in interest rate, capital market fluctuation, profit for the period and bond issuance by subsidiaries
Actual capital	479,771	456,938	Change in interest rate, capital market fluctuation, profit for the period and bond issuance by subsidiaries
Minimum required capital	190,778	178,017	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	173	171	
Comprehensive solvency margin ratio (%)	251	257	
CPIC Life			
Core capital	193,741	173,981	Change in interest rate, capital market fluctuation, profit for the period and issuance of bond
Actual capital	328,318	312,005	Change in interest rate, capital market fluctuation, profit for the period and issuance of bond
Minimum required capital	159,919	148,723	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	121	117	
Comprehensive solvency margin ratio (%)	205	210	

Unit: RMB million

	30 June 2024	31 December 2023	Reasons of change
CPIC P/C			
Core capital	52,375	47,415	Change in interest rate, capital market fluctuation and profit for the period
Actual capital	66,793	61,775	Change in interest rate, capital market fluctuation and profit for the period
Minimum required capital	30,359	28,898	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	173	164	
Comprehensive solvency margin ratio (%)	220	214	
CPIC Health			
Core capital	3,184	3,134	Change in interest rate, capital market fluctuation and profit for the period
Actual capital	3,755	3,488	Change in interest rate, capital market fluctuation and profit for the period
Minimum required capital	1,469	1,352	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	217	232	
Comprehensive solvency margin ratio (%)	256	258	
CPIC Anxin Agricultural			
Core capital	2,874	2,836	Change in interest rate, capital market fluctuation and profit for the period
Actual capital	3,191	3,128	Change in interest rate, capital market fluctuation and profit for the period
Minimum required capital	908	831	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	317	341	
Comprehensive solvency margin ratio (%)	351	376	

Please refer to the summaries of solvency reports (excerpts) published on the websites of SSE (www.sse.com.cn), SEHK (www.hkexnews.hk), LSE (www.londonstockexchange.com) and the Company (www.cpic.com.cn) for more information about the solvency of CPIC Group and its main insurance subsidiaries.

IV. Insurance contract liabilities

Insurance contract liabilities of the Company consist of liability for remaining coverage (LRC) and liability for incurred claims (LIC). LRC comprises excluding loss component and loss component.

As at 30 June 2024, the remaining balance of LRC amounted to RMB1,973.007 billion, representing an increase of 11.0% from the end of 2023. The remaining balance of LIC amounted to RMB104.438 billion, up by 9.7% from the end of 2023. The rise in insurance contract liabilities was mainly caused by business growth and accumulation of insurance liabilities.

Unit: RMB million

	31 December 2023	Change during the period	30 June 2024
Total insurance contract liabilities	1,872,620	204,825	2,077,445
Liabilities for remaining coverage	1,777,394	195,613	1,973,007
Excluding loss component	1,761,400	197,868	1,959,268
Loss component	15,994	(2,255)	13,739
Liabilities for incurred claims	95,226	9,212	104,438
Total insurance contract liabilities	1,872,620	204,825	2,077,445
Component not measured by PAA	1,747,109	199,316	1,946,425
Component measured by PAA	125,511	5,509	131,020

V. Reinsurance business

We determine retained insured amounts and reinsurance ratio according to insurance regulations and our business development and risk management needs. To lower the concentration risk of reinsurance, we also entered into reinsurance agreements with various industry-leading reinsurance companies. The criteria for the selection of reinsurance companies include their financial strength, professional expertise, service level, claims settlement efficiency and price. Generally speaking, we prefer domestic and overseas reinsurance/insurance companies with proven records and in compliance with regulatory regulations, including international reinsurance companies with ratings of A- or above. Our reinsurance partners mainly include China Reinsurance (Group) Corporation and its subsidiaries, i.e., China Property & Casualty Reinsurance Company Ltd. and China Life Reinsurance Company Ltd., Swiss Reinsurance Company Ltd and Munich Reinsurance Company.

VI. Main subsidiaries & associates and equity participation

As of the end of the reporting period, the Company's main subsidiaries, associates and equity participation are set out as below:

Unit: RMB million

Company	Main business scope	Registered capital	Group shareholding ^{note 2}	Total assets	Net assets	Net profit
China Pacific Property Insurance Co., Ltd.	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by CBIRC.	19,948	98.5%	226,593	59,142	4,792
China Pacific Life Insurance Co., Ltd.	Personal lines insurance including life insurance, health insurance, accident insurance, etc. denominated in RMB or foreign currencies; reinsurance of the above said insurance; statutory life/health insurance; agency and business relationships with domestic and overseas insurers and organisations, loss adjustment, claims and other business entrusted from overseas insurance organisations; insurance funds investment as prescribed by Insurance Law of the PRC and relevant laws and regulations; international insurance activities as approved; other business as approved by CBIRC.	8,628	98.3%	2,203,066	150,143	20,055

Operating results

Review and analysis of operating results

Company	Main business scope	Registered capital	Group shareholding ^{note 2}	Total assets	Net assets	Net profit
Changjiang Pension Insurance Co., Ltd.	Group pension and annuity business; individual pension and annuity business; short-term health insurance; accident insurance; reinsurance of the aforementioned business; outsourced money management business denominated in RMB or foreign currencies for the purpose of elderly provisions; asset management of capital denominated in RMB or foreign currencies; advisory business pertaining to asset management; other business as approved by NFRA; other business as approved by as allowed by other departments of the State Council.	3,000	61.1%	6,581	4,028	125
Pacific Asset Management Co., Ltd.	Asset management of capital and insurance funds; outsourcing of fund management; advisory services relating to asset management; other asset management business as allowed by the PRC laws and regulations.	2,100	99.7%	5,553	4,392	311
Pacific Health Insurance Co., Ltd.	Health and accident insurance denominated in RMB or foreign currencies; health insurance sponsored by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance; health insurance-related advisory and agency business; insurance funds investment as approved by PRC laws and regulations; other business as approved by CBIRC.	3,600	99.7%	9,596	3,388	43
Pacific Anxin Agricultural Insurance Co., Ltd.	Agricultural insurance; property indemnity insurance; liability insurance; statutory liability insurance; credit and guarantee insurance; short-term health insurance and accident insurance; property insurance relating to rural areas and farmers; reinsurance of the above said insurance; insurance agency business.	1,080	66.8%	5,964	3,048	71
CPIC Fund Management Co., Ltd.	Fund management business; the launch of mutual funds and other business as approved by competent authorities of the PRC.	150	50.8%	927	759	57

Notes:

1. Figures for companies in the table are on an unconsolidated basis. For other information pertaining to the Company's main subsidiaries, associates or invested entities, please refer to "Review and analysis of operating results" of this report, and "Scope of consolidation" and "Long-term equity investments" in Notes of the Financial Report.
2. Figures for Group shareholding include direct and indirect shareholdings.

VII. Seizure, attachment, and freeze of major assets or their pledge as collateral

The Company's assets are mainly financial assets. The repurchase of bonds forms part of the Company's day-to-day securities investment activities, and as of the end of the reporting period, no abnormality was detected.

VIII. Gearing ratio

	30 June 2024	31 December 2023	Changes
Gearing ratio (%) ^{note}	89.5	89.4	0.1pt

Note: Gearing ratio = (total liabilities + non-controlling interests)/total assets.

7

Outlook

I. Market environment and business plan

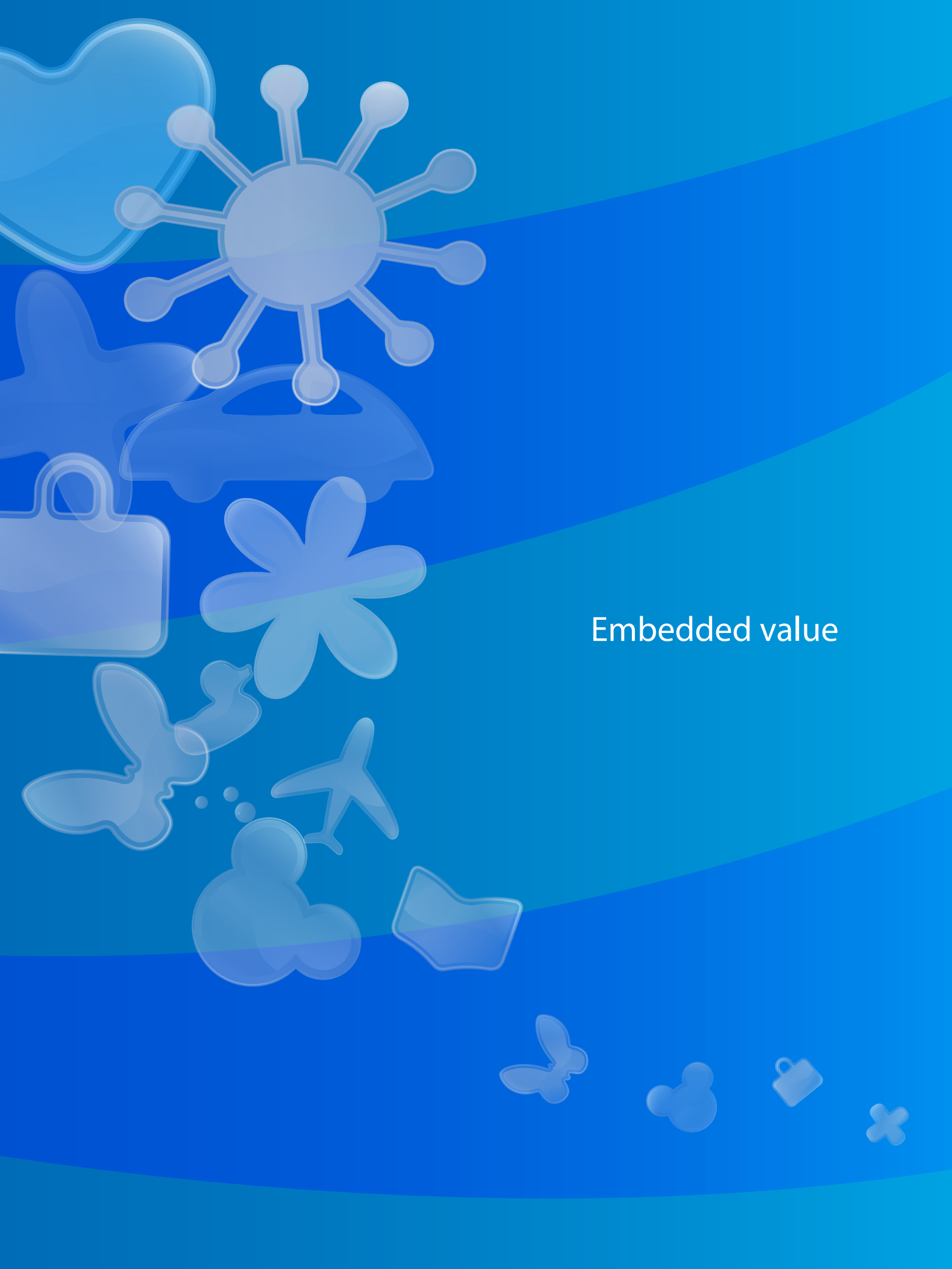
In 2024, amid a complex and challenging environment with uncertainty and global issues on the rise, China's economic recovery stayed on track. China's ambition to establish a high-level socialist market economy and improve macro-economic governance will likely underpin long-term economic growth. In the medium to long term, the insurance industry will face an important window of opportunity in the context of China's effort to realise modernisation with its own characteristics. In particular, rising income per person and bolstered consumer confidence will lead to improvements in insurance demand; industrial upgrade, rural invigoration, green development, and silver economy, together with supportive government policies will sustain long-term industry development; insurance funds can also benefit from investment opportunities arising from China's key national projects and initiatives, particularly the building of the modern industrial system and regional integrated development. The vision of building China into a financial powerhouse, the "5 Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, as well as the all-around tightening of financial regulation underpinned by supervision of institutions, conduct, functionality, alongside look-through, continuous supervision, will help with long-term, healthy development of China's insurance market.

Going forward, the Company will persist in New Development Philosophies, and move firmly toward the vision of "a top-notch insurance financial group with global influence". It will pursue progress while ensuring stable business fundamentals, minimise disruption when replacing old drivers with new ones, stay focused on insurance and continue to improve the customer-oriented business operation system; press ahead with the 3 key strategies in health care, integrated regional development and big data to boost value creation and breakthroughs in key areas; enhance professional capacity-building, ensure the prevention of major risks and cement the foundation and resilience of development.

II. Major risks and mitigating measures

Today, the international landscape remains complex and challenging, with rising uncertainty amid technological advancement and industrial upgrade. On the domestic front, China has entered a stage where opportunities are intertwined with risks. In the face of tightening of regulation, the insurance industry has an arduous task of coordinating transformation and high-quality development. In particular, there is mounting pressure on life insurers to match assets and liabilities in an environment of low interest rates and narrowing of spread; natural disasters like flooding will drive up the combined ratio of P/C insurance business; the use of new technologies and business innovations will lead to increased complexities of risk profiles.

In the face of such risks, we will stay prudent in our risk appetite, carefully handle risks and uncertainties in our business operation, implement the “5 Priorities” of financial services in a bid to facilitate high-quality development of the Company and better serve the real economy. To this end, first, we will adhere to value growth, enhance integration of risk management and business development, build risk management capabilities that are compatible with business development, and maintain high ratings at regulatory evaluation; second, ensure effective control of major risks, combine risk prevention with risk mitigation, optimise tools for risk monitoring, reinforce risk forecast and early warning, improve mechanism for risk handling and ensure the prevention of major risks; third, deepen integrated risk control, enhance the “substantiveness” of risk upper limits as constraints for business under the framework of unified risk appetite and risk tolerance to forestall systemic risks.



Embedded value

1

Independent Actuarial Review Opinion on Embedded Value

To: China Pacific Insurance (Group) Co., Ltd.
Board of Directors

Towers Watson Management Consulting (Shenzhen) Co. Ltd Beijing Branch ("WTW" or "we") has been engaged by China Pacific Insurance (Group) Company Limited ("CPIC Group") to review the embedded value information of CPIC Group as of 30 June 2024.

This review opinion is addressed solely to CPIC Group in accordance with the terms of our engagement letter, and sets out the scope of our work and our conclusions. To the fullest extent permitted by applicable law, we do not accept or assume any responsibility, duty of care or liability to anyone other than CPIC Group for or in connection with our review work, the opinions we have formed, or for any statement set forth in this report.

Scope of work

WTW's scope of work comprised:

- > a review of the methodology used to develop the embedded value of CPIC Group and the value of half year's sales of China Pacific Life Insurance Co. Ltd. ("CPIC Life") as of 30 June 2024, in the light of the requirements of the "CAA Standards of Actuarial Practice: Appraisal of Embedded Value" issued by the China Association of Actuaries ("CAA") in November 2016;
- > a review of the economic and operating assumptions used to develop CPIC Group's embedded value and the value of half year's sales of CPIC Life as of 30 June 2024; and
- > a review of the results of CPIC Group's calculation of the value of in-force business, the value of half year's sales of CPIC Life, the results of the analysis of movement of embedded value of CPIC Group, and the sensitivity results of the value of in-force business and value of half year's sales of CPIC Life.

Opinion

As a result of our review of the embedded value of CPIC Group as of 30 June 2024 and the value of half year's sales of CPIC Life prepared by CPIC Group, WTW has concluded that:

- > The methodology used is consistent with a traditional deterministic discounted cash flow approach, and is consistent with the requirements of the "Appraisal of Embedded Value" standard issued by the CAA;
- > The operating assumptions have been set with appropriate regard to past, current and expected future experience; and
- > The economic assumptions have been set with regard to current market information.

WTW has performed reasonableness checks and analysis of CPIC Group's embedded value and value of half year's sales of CPIC Life as of 30 June 2024, and WTW has concluded that these results have been determined in a manner consistent with the methodology and assumptions described in the Embedded Value Section of CPIC Group's 2024 interim report and that the aggregate results are reasonable in this context.

WTW confirms that the results shown in the Embedded Value section of CPIC Group's 2024 interim report are consistent with those reviewed by WTW.

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

For and on behalf of WTW
Sean Deehan, FFA, FASHK
9th August 2024

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2024 Embedded Value Interim Report of CPIC Group

I. Background

In order to provide investors with an additional tool to understand our economic value and business results, we have prepared CPIC Group Embedded Value as at 30 June 2024 in accordance with the disclosure rules set by the China Securities Regulatory Commission (“CSRC”) for publicly listed insurer and the “CAA Standard of Actuarial Practice: Appraisal of Embedded Value” issued by the China Association of Actuaries (“CAA”) in 2016 (thereafter referred to as “Appraisal of Embedded Value” standard) and have disclosed information relating to our group embedded value in this section. We have engaged Willis Towers Watson, an independent firm of consultants, to review the reasonableness of the valuation methodology, the valuation assumptions as well as the valuation results, and to issue their independent embedded value review report, which is contained in our 2024 interim report.

The Group Embedded Value is defined as the sum of the Group Adjusted Net Worth and the value of in force business of CPIC Life attributable to the shareholders of CPIC Group. The value of in force business and the value of half year’s sales of CPIC Life are defined as the discounted value of the projected stream of future after-tax distributable shareholder profits for existing business in force at the valuation date and for half year’s sales in the 6 months immediately preceding the valuation date, where distributable shareholder profits are determined based on policy liability, required capital in excess of policy liability and minimum capital requirement quantification standards prescribed by the regulatory. Embedded value does not allow for any value attributable to future new business sales.

The value of in force business and the value of half year’s sales of CPIC Life are determined by using a traditional deterministic discounted cash flow methodology. This methodology makes implicit allowance for the risk of investment guarantees and policyholder options, asset/liability mismatch risk, credit risk and the economic cost of capital through the use of a risk-adjusted discount rate.

The embedded value and the value of half year’s sales provide valuable information to investors in two aspects. First, the value of in force business of CPIC Life represents the total amount of after-tax distributable shareholder profits in present value terms, which can be expected to emerge over time, in accordance with the assumptions used. Second, the value of half year’s sales of CPIC Life provides an indication of the value created for investors by current new business activity and hence the potential value of the business. However, the information on embedded value and the value of half year’s sales should not be viewed as a substitute of other financial measures on the Company. Investors should not make investment decisions based solely on embedded value and the value of half year’s sales information.

The embedded value is an estimation of a component of an insurance company’s economic value using actuarial techniques, based on a series of assumptions. As there is uncertainty in selecting assumptions, estimates of embedded value could vary materially as key assumptions are changed, and future actual experience would differ from assumed valuation assumption. Therefore, special care is advised when interpreting embedded value results.

II. Summary of Embedded Value and Value of Half Year's Sales

The table below shows the Group Embedded Value of CPIC Group as at 30 June 2024, and the value of half year's sales of CPIC Life in the 6 months to 30 June 2024 at a risk discount rate of 9%.

Unit: RMB Million

Valuation Date	30 June 2024	31 December 2023
Group Adjusted Net Worth	320,822	291,519
Adjusted Net Worth of CPIC Life	183,643	159,919
Value of In Force Business of CPIC Life Before Cost of Required Capital Held	257,693	247,499
Cost of Required Capital Held for CPIC Life	(5,442)	(5,391)
Value of In Force Business of CPIC Life After Cost of Required Capital Held	252,251	242,108
CPIC Group's Equity Interest in CPIC Life	98.29%	98.29%
Value of In Force Business of CPIC Life After Cost of Required Capital Held attributable to the shareholders of CPIC Group	247,944	237,974
Group Embedded Value	568,766	529,493
CPIC Life Embedded Value	435,894	402,027

Valuation Date	30 June 2024	30 June 2023 (Restated)	30 June 2023
Value of Half Year's Sales of CPIC Life Before Cost of Required Capital Held	10,324	8,071	9,079
Cost of Required Capital Held	(1,287)	(1,093)	(1,718)
Value of Half Year's Sales of CPIC Life After Cost of Required Capital Held	9,037	6,977	7,361

Notes:

1. Figures may not be additive due to rounding.
2. Results in column "31 December 2023" are those reported in the 2023 annual report.
3. Results in column "30 June 2023" are those reported in the 2023 interim report.
4. Results in column "Restated" are the 2023 value of half year's sales restated for adopting evaluation methods and assumptions by the end of 2023.

The Group Adjusted Net Worth represents the shareholder net equity of the Company, inclusive of adjustments of the value of certain assets to market value and adjusted for the relevant differences, such as difference between reserves and policy liabilities valued under "Appraisal of Embedded Value" standard published by the CAA. It should be noted that the Group Adjusted Net Worth incorporates the shareholder net equity of the Company as a whole (including CPIC Life and other operations of the Company), and the value of in force business and the value of half year's sales are of CPIC Life only. The Group Embedded Value also does not include the value of in force business that is attributable to minority shareholders of CPIC Life.

III. Key Valuation Assumptions

In determining the embedded value as at 30 June 2024, we have assumed the Company continues to operate on a going concern basis under the current economic and regulatory environment. Policy liability and required capital have been calculated according to relevant requirements described in "Appraisal of Embedded Value" standard published by the CAA. The various operational assumptions are mainly based on the results of experience analyses, together with reference to the overall experience of the Chinese insurance industry, as well as with regard to expected future operating experience. As such, these assumptions represent our best estimate of the future based on information currently available at the valuation date.

The following describes the key assumptions used in determining the value of in force business and the value of half year's sales of CPIC Life as at 30 June 2024:

(I) Risk Discount Rate

The risk discount rate used to determine the value of in force business and the value of half year's sales of CPIC Life is 9%.

(II) Investment Returns

The investment returns for long term business are assumed to be 4.5% in 2024 and 4.5% thereafter. The investment return for short term business is based on the recent one-year bank deposit benchmark interest rate as published by the People's Bank of China before the valuation date. These assumptions have been derived based on the current capital market environment, our current and expected future asset mix and the assumed investment returns for each major class of assets.

(III) Mortality

Mortality assumptions have been developed based on China Life Insurance Mortality Table (2010-2013), considering CPIC Life's mortality experience analysis and expectation of future mortality trends, and varies by product.

(IV) Morbidity

Morbidity assumptions have been developed based on China Life Insurance Morbidity Table, considering CPIC Life's morbidity experience analysis and expectation of future morbidity trends, taking into considering deterioration of morbidity rates in the long term, and varies by product.

(V) Lapse and Surrender Rates

Assumptions have been developed based on CPIC Life's lapse and surrender experience analysis, and expectation of future trends, and assumptions vary by pricing interest rates, product types, premium payment periods and distribution channels.

(VI) Expense

Unit cost assumptions have been developed based on the results of an analysis of CPIC Life's past non-commission related expenses and future expectations. Future inflation of 2.5% pa in respect of per policy expenses is also assumed.

(VII) Policyholder Dividend

- > Group participating annuity business: 80% of interest surplus;
- > Bancassurance participating business: No less than 70% of interest and mortality surplus;
- > Other participating business: 70% of interest and mortality surplus.

(VIII) Tax

Tax has been assumed to be payable at 25% of profits. The proportion of investment income assumed to be exempt from income tax is 20% for all future years. The tax exemption assumptions are based on our current and expected future asset mix and assumed investment returns for each major class of assets.

In addition, the tax of the accident business is based on related tax regulation.

IV. New Business Volumes and Value of Half Year's Sales

The table below shows the volume of new business sold in terms of first year annual premium and value of half year's sales of CPIC Life after cost of required capital held at a risk discount rate of 9% for the year 2024.

Unit: RMB Million

	First Year Annual Premium (FYAP) in the First Half of Year		Value of Half Year's Sales After Cost of Required Capital Held	
	2024	2023	2024	2023
Total	48,228	54,761	9,037	7,361
Of which: Agency channel	23,608	21,335	7,219	5,940
Bancassurance channel	13,980	20,092	1,748	1,381

V. Analysis of change in embedded value

The following table shows the change in the Group Embedded Value from 31 December 2023 to 30 June 2024.

Unit: RMB million

No.	Item	Value	Comments
1	Embedded Value of the life business at 31 December 2023	402,027	
2	Expected Return on Embedded Value	13,271	Expected returns on the 2023 embedded value of CPIC Life and the value of half year's sales of CPIC Life in first half of 2024
3	Value of Half Year's Sales	9,037	Value of half year's sales in respect of new business written in the 6 months prior to 30 June 2024
4	Investment Experience Variance	6,480	Reflects the difference between actual and assumed investment return in first half of 2024
5	Operating Experience Variance	4,852	Reflects the difference between actual and assumed operating experience
6	Change in methodology, assumptions and models	(3)	Reflects assumption and methodology changes, together with model enhancements
7	Diversification effects	1,418	Changes in diversification benefits on cost of required capital from new business and different business mix
8	Change in market value adjustment	5,909	Reflects the change in value of certain assets not valued on a market value basis
9	Shareholder Dividends	(6,989)	Shareholder dividends distributed to shareholders of CPIC Life
10	Others	(108)	
11	Embedded Value of the life business at 30 June 2024	435,894	
12	Adjusted net worth of businesses other than CPIC Life as at 31 December 2023	138,559	
13	Change in Adjusted Net Worth before payment of shareholder dividends to shareholders of CPIC Group	15,278	
14	Shareholder dividends	(9,813)	Dividend distributed to shareholders of CPIC Group
15	Change in market value adjustment	703	Reflects the change in value of assets not valued on a market value basis

No.	Item	Value	Comments
16	Adjusted net worth of businesses other than CPIC Life as at 30 June 2024	144,728	
17	Minority interests relating to equity and market value adjustments	(11,856)	Minority interests on Embedded Value as at 30 June 2024
18	Group Embedded Value as at 30 June 2024	568,766	
19	Embedded Value as at 30 June 2024 per share (RMB)	59.12	

Note: Figures may not be additive due to rounding

VI. Sensitivity Analysis

In consideration of the uncertainties as to future experience, we have evaluated the sensitivity of the value of in force business and the value of half year's sales of CPIC Life as at 30 June 2024 to changes in key assumptions. In determining the sensitivity results, only the relevant cashflow assumption and risk discount rate assumption has been changed, while all other assumptions have been left unchanged.

Alternative sensitivity scenarios are shown for the following:

- > Risk discount rate "+ / - 50 basis points"
- > Investment return "+ / - 50 basis points"
- > Mortality "+ / - 10%"
- > Morbidity "+10%"
- > Lapse and surrender rates "+ / - 10%"
- > Expenses "+10%"

The following table shows the sensitivity results of the value of in force business and the value of half year's sales after cost of required capital held.

Unit: RMB Million

	Value of In Force Business After Cost of Required Capital Held	Value of Half Year's Sales After Cost of Required Capital Held
Base	252,251	9,037
Risk discount rate "+50 basis points"	242,767	8,575
Risk discount rate "-50 basis points"	262,561	9,539
Investment return "+50 basis points"	306,694	11,537
Investment return "-50 basis points"	198,167	6,529
Mortality "+10%"	250,799	8,939
Mortality "-10%"	253,702	9,136
Morbidity "+10%"	243,916	8,894
Lapse and surrender rates "+10%"	254,218	8,896
Lapse and surrender rates "-10%"	250,201	9,192
Expenses "+10%"	248,712	8,635

Corporate governance





1

Implementation of profit distribution plan

The Company distributed a cash dividend of RMB1.02 per share (tax included) in accordance with the “Resolution on Profit Distribution Plan for the Year of 2023” approved at the 2023 annual general meeting. The implementation of this distribution plan was completed in July 2024.

2

Shareholders’ general meetings

Information of the shareholders’ general meetings (SGM) of the Company during the reporting period is set out in the Section “Corporate governance”.

3

Proposals for profit distribution and the transfer of capital reserves to share capital for the reporting period

The Company did not propose to distribute any profit, nor did it transfer any capital reserves to share capital for the reporting period.

4

Fulfilment of the undertakings

During the reporting period, there were no undertakings the Company was required to disclose.

5

Material litigations and arbitrations

During the reporting period, the Company did not engage in any material litigation or arbitration which was required to be disclosed.

6

Penalties and subsequent rectification

During the reporting period, there were no penalties or subsequent rectification the Company was required to disclose.

7

Fulfilment of obligations

During the reporting period, the Company had no outstanding obligations such as unfulfilled obligations under rulings by courts of laws or payment in arrears involving large amounts.

8

Capital occupation

During the reporting period, there was no non-operating occupation of capital of the Company by controlling shareholders or other related parties.

9

Guarantee contracts

During the reporting period, the Company did not enter into any guarantee contract that violated laws, administrative regulations or the external guarantee resolution procedures prescribed by the CSRC.

10

Share option scheme

During the reporting period, the Company did not have any share option scheme, employee stock ownership plan, or other employee incentive measure which required disclosure.

11

Continuing connected transactions

On 11 July 2022, the Company entered into a framework agreement in respect of the continuing connected transactions with Hwabao Trust Co., Ltd. (华宝信托有限责任公司), Hwabao WP Fund Management Co., Ltd. (华宝基金管理有限公司) (formerly known as Fortune SG Fund Management Co., Ltd. (华宝兴业基金管理有限公司) and Hwabao Securities Co., Ltd. (华宝证券股份有限公司) (collectively referred to as the "Hwabao Parties"), with an initial term from 1 January 2022 to 31 December 2022. Upon expiration of the initial term, the framework agreement shall automatically be renewed for a term of one year, and there shall not be more than two automatic renewals. Pursuant to the framework agreement, the Group and the Hwabao Parties have agreed to enter into transactions, including sale and purchase of bonds, pledge-style repo, subscription and redemption of securities investment funds, purchase of trust plans, sale of asset management products and pension security products. During the reporting period, the transactions contemplated under the aforementioned framework agreement between the Company and the Hwabao Parties constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules. Such transactions under the framework agreement are only subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules. After the auditors finish the annual review of the continuing connected transactions, the Company will disclose the relevant details in the annual report.

12

Material contracts

Entrusted investment management. Investment is one of the main businesses of the Company, and the Company adopts a model of entrusted investment management. At present, a diversified entrusted investment management structure has been developed which is based on the internal managers within CPIC and supplemented by external managers. The internal investment managers mainly include CPIC AMC, Changjiang Pension and CPIC Capital; external investment managers include professional investment management agencies such as fund companies and securities firms and asset management companies. The Company selects investment managers based on the investment objectives and risk characteristics of a specific account or asset class, as well as investment manager's capabilities, and appropriately mitigates risks through the diversification and decentralization of asset types, investment strategies, and investment managers. The Company signs an entrusted investment management agreement with the investment managers, and guides their investment behaviour through investment guidelines, dynamic tracking communication, performance evaluation and other measures, and take targeted risk management measures based on the profile of investment assets.

Save as disclosed above, during the reporting period, the Company did not have any material contracts which were required to be disclosed.

13

Use of Proceeds Received from Issuance of GDRs

The Company completed the initial offering of its GDRs on 22 June 2020, and partially exercised over-allotment on 9 July 2020. A total of 111,668,291 GDRs were issued through the initial offering and the over-allotment at the price of USD17.60 per GDR, and the total proceeds raised were USD1,965,361,921.60. The differences between the beginning and ending balance of proceeds unused are mainly the interest income generated by the raised funds. As of the end of the reporting period, the use of proceeds was as stated in the prospectus.

As of the end of the reporting period, details of use of the above-said proceeds are as follows:

Total proceeds raised	Proceeds unused as at the beginning of the reporting period	The intended use of proceeds raised	Proceeds used during the reporting period	Proceeds unused as at the end of the reporting period	Plan for use of the unused funds
		(1) 70% or more of the net proceeds will be used for gradually developing the Group's businesses overseas, in the form of equity investments, partnerships and alliances, and mergers and acquisitions in both developed and emerging markets, supporting core insurance business growth.	-		(i) Less than USD127.5 million will be used to subscribe to the fund interests of HTCP CAPITAL LPF (泰保新經濟有限合夥基金); (ii) Approximately RMB0.7 billion will be used for the establishment of a new company (上海市健康養老發展(集團)有限公司) conducting health and retirement business; (iii) Less than RMB0.432 billion will be used to subscribe for shares in Nanjing CPIC Phase II Health Care Industry Fund Management Partnership (Limited Partnership) (南京太保二期大健康產業基金管理合夥企業(有限合夥))
USD 1,965,361,921.60	USD597,014,298.54 and RMB 1,905,446,167.76 ^{note}	(2) Up to 30%, or the remainder of the net proceeds, will be used for developing an overseas investment platform to invest in innovative businesses, such as healthcare, elderly care, and technology, leveraging CPIC's offshore investment capabilities.	-	USD608,350,547.34 and RMB 1,050,252,833.72 ^{note}	(iv) Less than RMB0.75 billion will be used to subscribe for shares in CPIC Health Industry Private Investment Fund (Shanghai) Partnership (Limited Partnership) 太保大健康產業私募投資基金(上海)合夥企業(有限合夥) (v) The remaining will be used in line with the Company's business development and market situation.
		If the Company deems that the plan in any particular areas described above to be unachievable, the corresponding intended portion of the proceeds will be used to replenish its capital and for general corporate purposes.	Approximately USD 119,235,285.88 (RMB860 million, or 6.07% of the total proceeds), has been used for general purposes.		

Note: The balance of the raised funds that have been settled and not yet used

14

Review of accounts

The audit and related party transactions control committee of the Company has reviewed the principal accounting policies of the Company and the unaudited financial statements for the six months ended 30 June 2024 in the presence of internal and external auditors.

15

Interests and short positions of directors, supervisors and senior management in shares, underlying shares or debentures

So far as the directors of the Company are aware, as at 30 June 2024, the following directors, supervisors or senior management of the Company had an interest or short position in shares, underlying shares or debentures of the Company which was required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company or which was required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions.

Name	Position	Capacity	Type of shares	Number of shares	Percentage of shareholdings in the class of shares issued (%)	Percentage of the total shares issued (%)
FU Fan	Chairman and an executive director	Beneficial owner	H shares	175,000 (L)	0.01 (L)	0.00 (L)
ZHAO Yonggang	Executive director and president	Beneficial owner	A shares	12,900 (L)	0.00 (L)	0.00 (L)

(L) denotes a long position

The detailed shareholdings of directors, supervisors and senior management are set out in the section “Directors, Supervisors and Senior Management” of this report. Save as disclosed in this report, as at 30 June 2024, the directors of the Company were not aware that there was any directors, supervisors or senior management of the Company who had any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company or which was required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions.

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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 aware, as at 30 June 2024, the following persons (excluding the directors, supervisors or senior management of the Company) had an interest or short position in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which, pursuant to Section 336 of the SFO, shall be entered in the register maintained by the Company:

Name of substantial shareholders	Capacity	Type of shares	Number of shares	Percentage of shareholdings in the class of shares issued (%) ^{note 1}	Percentage of the total shares issued (%) ^{note 1}
Schroders PLC ^{note 2}	Investment manager	H shares	221,321,934 (L)	7.97 (L)	2.30 (L)
	Beneficial owner	H shares	192,068,400 (L)	6.92 (L)	2.00 (L)
上海国际集团有限公司 ^{note 3}	Interest of corporation controlled by 上海国际集团有限公司	H shares	6,428,400 (L)	0.23 (L)	0.07(L)
	Interest of corporation controlled by JPMorgan Chase & Co.	H shares	13,285,573 (L) 9,684,848 (S)	0.48 (L) 0.34 (S)	0.14 (L) 0.10 (S)
JPMorgan Chase & Co. ^{note 4}	Investment manager	H shares	136,507,321 (L)	4.92 (L)	1.42 (L)
	Person having a security interest in shares	H shares	1,152,087(L)	0.04 (L)	0.01 (L)
	Approved lending agent	H shares	45,019,991 (L) 45,019,991 (P)	1.62 (L) 1.62 (P)	0.47 (L) 0.47 (P)
BlackRock, Inc. ^{note 5}	Interest of corporation controlled by BlackRock, Inc.	H shares	147,163,980 (L) 3,021,400 (S)	5.30 (L) 0.11 (S)	1.53 (L) 0.03 (S)

(L) denotes a long position; (S) denotes a short position; (P) denotes a lending pool

Notes:

- As at 30 June 2024, the Company issued a total of 9,620,341,455 shares, including 6,845,041,455 A shares and 2,775,300,000 H shares.
- Pursuant to Part XV of the SFO, as at 30 June 2024, Schroders PLC is deemed or taken to be interested in a total of 221,321,934 H shares (long position) of the Company. Among which, 1,091,200 H shares (long position) were held through derivatives, categorised as held through cash settled unlisted derivatives. The details of the shareholding interests of the companies directly or indirectly controlled by Schroders PLC are set out below:

Name of controlled company	Number of shares
Schroder Administration Limited	221,321,934 (L)
Schroder International Holdings Limited	221,321,934 (L)
Schroder Investment Management (Hong Kong) Limited	21,355,600 (L)
Schroder Investment Management (Singapore) Ltd.	81,889,800 (L)
Schroder Investment Management Limited	80,906,800 (L)
Schroder Investment Management Limited	37,169,734 (L)
Schroder Investment Management North America Limited	37,169,734 (L)

(L) denotes a long position

Corporate governance

Report of the Board of Directors and significant events

3. Pursuant to Part XV of the SFO, as at 30 June 2024, 上海国际集团有限公司 is deemed or taken to be interested in a total of 198,496,800 H shares (long position) of the Company. The details of the shareholding interests of the company directly or indirectly controlled by 上海国际集团有限公司 are set out below:

Name of controlled company	Number of shares
上海國際集團(香港)有限公司	6,428,400 (L)

(L) denotes a long position

4. Pursuant to Part XV of the SFO, as at 30 June 2024, JPMorgan Chase & Co. is deemed or taken to be interested in a total of 195,964,972 H shares (long position), 9,684,848 H shares (short position) and 45,019,991 H shares (lending pool) of the Company. Among which, 261,000 H shares (long position) and 798,000 H shares (short position) were held through derivatives, categorised as held through physically settled listed derivatives; 15,600 H shares (short position) were held through derivatives, categorised as held through cash settled listed derivatives; 266,909 H shares (long position) and 1,294,897 H shares (short position) were held through derivatives, categorised as held through physically settled unlisted derivatives; 7,906,800 H shares (long position) and 4,338,359 H shares (short position) were held through derivatives, categorised as held through cash settled unlisted derivatives. The details of the shareholding interests of the companies directly or indirectly controlled by JPMorgan Chase & Co. are set out below:

Name of controlled company	Number of shares
JPMorgan Asset Management (China) Company Limited	556,800 (L)
JPMorgan Asset Management (Taiwan) Limited	4,880,200 (L)
J.P. Morgan SE	29,640 (L)
J.P. Morgan Securities LLC	892,212 (L)
	892,212 (S)
JPMORGAN ASSET MANAGEMENT (UK) LIMITED	272,200 (L)
J.P. Morgan Investment Management Inc.	7,212,721 (L)
	22,995 (L)
	22,995 (S)
JPMorgan Chase Bank, National Association	47,839,191 (L)
JPMorgan Asset Management (Asia Pacific) Limited	120,759,200 (L)
	13,499,813 (L)
J.P. MORGAN SECURITIES PLC	8,769,641 (S)
JPMorgan Asset Management Holdings Inc.	133,681,121 (L)
JPMorgan Chase Holdings LLC	134,596,328 (L)
	915,207 (S)
JPMorgan Asset Management (Asia) Inc.	125,639,400 (L)
J.P. Morgan International Finance Limited	13,529,453 (L)
	8,769,641 (S)
JPMorgan Chase Bank, National Association	13,529,453 (L)
	8,769,641 (S)
J.P. Morgan Broker-Dealer Holdings Inc.	915,207 (L)
	915,207 (S)
JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED	272,200 (L)
	22,995 (L)
J.P. Morgan Securities LLC	22,995 (S)
	13,499,813 (L)
J.P. MORGAN CAPITAL HOLDINGS LIMITED	8,769,641 (S)

(L) denotes a long position; (S) denotes a short position

5. Pursuant to Part XV of the SFO, as at 30 June 2024, BlackRock, Inc. is deemed or taken to be interested in a total of 147,163,980 H shares (long position) and 3,021,400 H shares (short position) of the Company. Among which, 5,131,800 H shares (long position) and 1,841,400 H shares (short position) were held through derivatives, categorised as held through cash settled unlisted derivatives. The details of the shareholding interests of the companies directly or indirectly controlled by BlackRock, Inc. are set out below:

Name of controlled company	Number of shares
Trident Merger, LLC	1,020,985 (L)
BlackRock Investment Management, LLC	702,985 (L)
BlackRock Investment Management, LLC	318,000 (L)
BlackRock Holdco 2, Inc.	146,142,995 (L) 3,021,400 (S)
BlackRock Financial Management, Inc.	139,824,195 (L) 1,613,400 (S)
BlackRock Financial Management, Inc.	6,318,800 (L) 1,408,000 (S)
BlackRock Holdco 4, LLC	93,554,405 (L) 1,369,000 (S)
BlackRock Holdco 6, LLC	93,554,405 (L) 1,369,000 (S)
BlackRock Delaware Holdings Inc.	93,554,405 (L) 1,369,000 (S)
BlackRock Institutional Trust Company, National Association	35,732,205 (L) 1,369,000 (S)
BlackRock Fund Advisors	57,822,200 (L)
BlackRock International Holdings, Inc.	46,269,790 (L) 244,400 (S)
BR Jersey International Holdings L.P.	45,615,190 (L) 244,400 (S)
BlackRock Lux Finco S.à r.l.	3,294,767 (L)
BlackRock Japan Holdings GK	3,294,767 (L)
BlackRock Japan Co., Ltd.	3,294,767 (L)
BlackRock Holdco 3, LLC	36,184,774 (L) 244,400 (S)
BlackRock Canada Holdings ULC	654,600 (L)
BlackRock Asset Management Canada Limited	654,600 (L)
BlackRock Australia Holdco Pty. Ltd.	1,721,400 (L)
BlackRock Investment Management (Australia) Limited	1,721,400 (L)
BlackRock (Singapore) Holdco Pte. Ltd.	7,709,016 (L)
BlackRock HK Holdco Limited	7,515,816 (L)
BlackRock Asset Management North Asia Limited	4,221,049 (L)
BlackRock Cayman 1 LP	36,184,774 (L) 244,400 (S)
BlackRock Cayman West Bay Finco Limited	36,184,774 (L) 244,400 (S)
BlackRock Cayman West Bay IV Limited	36,184,774 (L) 244,400 (S)
BlackRock Group Limited	36,184,774 (L) 244,400 (S)
BlackRock Finance Europe Limited	13,189,718 (L)
BlackRock (Netherlands) B.V.	144,800 (L)

Name of controlled company	Number of shares
BlackRock (Netherlands) B.V.	6,927,506 (L)
BlackRock Advisors (UK) Limited	18,600 (L)
BlackRock International Limited	2,703,943 (L)
BlackRock Group Limited-Luxembourg Branch	20,291,113 (L) 244,400 (S)
BlackRock Luxembourg Holdco S.à r.l.	20,291,113 (L) 244,400 (S)
BlackRock Investment Management Ireland Holdings Unlimited Company	20,118,113 (L)
BlackRock Asset Management Ireland Limited	20,118,113 (L)
BLACKROCK (Luxembourg) S.A.	136,800 (L) 244,400 (S)
BlackRock Investment Management (UK) Limited	1,757,400 (L)
BlackRock Investment Management (UK) Limited	4,341,412 (L)
BlackRock (Netherlands) B.V. – German Branch – Frankfurt BlackRock	144,800 (L)
BlackRock Asset Management Deutschland AG	144,800 (L)
BlackRock Fund Managers Limited	1,757,400 (L)
BlackRock Life Limited	2,703,943 (L)
BlackRock (Singapore) Limited	193,200 (L)
BlackRock UK Holdco Limited	36,200 (L)
BlackRock Asset Management Schweiz AG	36,200 (L)
EG Holdings Blocker, LLC	702,985 (L)
Amethyst Intermediate, LLC	702,985 (L)
Aperio Holdings, LLC	702,985 (L)
Aperio Holdings, LLC	702,985 (L)
Aperio Group, LLC	702,985 (L)

(L) denotes a long position; (S) denotes a short position

Save as disclosed above, as at 30 June 2024, the directors of the Company were not aware that there was any other person (other than the directors, supervisors or senior management of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required, pursuant to Section 336 of the SFO, to be entered in the register maintained by the Company.

Specifics on the shareholdings by the Company's top 10 shareholders are set out in the section "Changes in the Share Capital and Shareholders' Profile" of this report.

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Purchase, redemption or sale of the Company's listed securities

During the reporting period, neither the Company nor its subsidiaries purchased, sold or redeemed any listed securities of the Company (including any treasury shares). As at the end of the reporting period, the Company did not hold any treasury shares.



Changes in the share capital
and shareholders' profile

1

Changes in share capital

The table below shows the Company's share capital as at the end of the reporting period:

Unit: share

	Before change		Increase or decrease (+ or -)				After change		
	Amount	Percentage (%)	New shares issued	Bonus shares	Transfer from reserves	Others	Sub-total	Amount	Percentage (%)
1. Shares with selling restrictions									
(1) State-owned shares	-	-	-	-	-	-	-	-	-
(2) State-owned enterprises shares	-	-	-	-	-	-	-	-	-
(3) Other domestic shares held by	-	-	-	-	-	-	-	-	-
legal entities	-	-	-	-	-	-	-	-	-
natural persons	-	-	-	-	-	-	-	-	-
(4) Foreign shares held by	-	-	-	-	-	-	-	-	-
legal entities	-	-	-	-	-	-	-	-	-
natural persons	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
2. Shares without selling restrictions									
(1) Ordinary shares denominated in RMB	6,845,041,455	71.15	-	-	-	-	-	6,845,041,455	71.15
(2) Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
(3) Overseas listed foreign shares (H share)	2,775,300,000	28.85	-	-	-	-	-	2,775,300,000	28.85
(4) Others	-	-	-	-	-	-	-	-	-
Total	9,620,341,455	100.00	-	-	-	-	-	9,620,341,455	100.00
3. Total number of shares	9,620,341,455	100.00	-	-	-	-	-	9,620,341,455	100.00

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Shareholders

(I) Number of shareholders and their shareholdings

As at the end of the reporting period, the Company had no shares with selling restrictions.

Unit: share

Total number of shareholders as at the end of the reporting period: 96,851 (including 92,880 A share holders and 3,971 H shareholders)

Shares held by top 10 shareholders as at the end of the reporting period

Name of shareholders	Nature of shareholders	Percentage of the shareholding	Total number of shares held	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up period	Type of shares
HKSCC Nominees Limited	Overseas legal entity	28.82%	2,772,542,057	-41,050	-	-	H Share
Shenergy (Group) Co., Ltd.	Domestic legal entity	14.05%	1,352,129,014	-	-	-	A Share
Hwabao Investment Co., Ltd.	Domestic legal entity	13.35%	1,284,277,846	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	Domestic legal entity	6.34%	609,929,956	-	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	Domestic legal entity	4.87%	468,828,104	-	-	-	A Share
HKSCC	Others	2.84%	272,872,196	+36,346,204	-	-	A Share
China Securities Finance Co., Ltd.	Others	2.82%	271,089,843	-	-	-	A Share
Shanghai International Group	Domestic legal entity	1.66%	160,000,000	-	-	-	A Share
Yunnan Hehe (Group) Co., Ltd.	Domestic legal entity	0.95%	91,868,387	-	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	Domestic legal entity	0.95%	90,949,460	+1,211,700	-	-	A Share
Description of the stock repurchase accounts of the top 10 shareholders	None.						
Description of the aforesaid shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	Entrusted by its parent company, China Baowu Steel Group, Hwabao Investment Co., Ltd. exercises the voting rights corresponding to 68,818,407 ordinary shares (A share) of China Baowu Steel Group. Apart from this, the Company is not aware of any other proxy voting rights, entrusted voting rights, and waiver of voting rights of the aforesaid shareholders.						
Description of related relations or concerted actions among the aforesaid shareholders	HKSCC Nominees Limited and HKSCC are related, as the former is a wholly-owned subsidiary of the latter. Shanghai State-Owned Assets Operation Co., Ltd. is a wholly-owned subsidiary of Shanghai International Group, they act in concert. As is confirmed by relevant shareholders regarding the Company's inquiry, the Company is not aware of any other related relations or concerted actions among the above-mentioned shareholders.						
Description of securities margin trading and refinancing business by top 10 shareholders and top 10 shareholders without selling restrictions.	As at the beginning of the reporting period, the number of shares held by Shanghai Jiushi (Group) Co., Ltd. was 89,737,760, a shareholding percentage of 0.93%, and the number of shares lent and yet to be returned by Shanghai Jiushi was 1,211,700, representing 0.01% of the total share capital of the Company. As at the end of the reporting period, all the shares lent by Shanghai Jiushi (Group) Co., Ltd. had been returned.						

Notes:

- As at the end of the reporting period, the Company did not issue any preferred shares.
- The shareholding of the top 10 shareholders is based on the lists of registered shareholders provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch (A share) and Computershare Hong Kong Investor Services Limited (H share) respectively. The nature of A shareholders is the same as the nature of their accounts registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch.
- The shares held by HKSCC Nominees Limited are held on behalf of its clients. As SEHK does not require such shareholders to disclose to HKSCC Nominees Limited whether the shares held by them are subject to pledge or lock-up period, HKSCC Nominees Limited is unable to calculate, or make available such data. Pursuant to Part XV of the SFO, a Substantial Shareholder is required to give notice to SEHK and the Company on the occurrence of certain events including a change in the nature of its interest in shares such as the pledging of its shares. As at the end of the reporting period, the Company is not aware of any such notices from Substantial Shareholders under Part XV of the SFO.
- HKSCC is the nominal holder of shares traded through Shanghai-Hong Kong Connect Programme.

(II) Controlling shareholders or de facto controllers

The ownership structure of the Company is diversified. The ultimate controllers of the Company's major shareholders do not exercise control over the Company and the Company has no controlling shareholder, nor de facto controllers.

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Shareholdings of the Company's directors, supervisors and senior management

Unit: share

Name	Position	Type of shares	Shareholding at the beginning of the reporting period	Increase in shareholding during the reporting period	Decrease in shareholding during the reporting period	Shareholding at the end of the reporting period	Reason for the change
FU Fan	Chairman, executive director	H share	175,000	-	-	175,000	-
ZHAO Yonggang	Executive director, president	A share	12,900	-	-	12,900	-
		A share	5,900	-	-	5,900	-
YU Bin	Vice President	H share	125,800	44,000	-	169,800	Secondary market transaction
		A share	15,000	-	-	15,000	-
MA Xin	Vice President	H share	100,000	-	-	100,000	-
		Departed Directors, Supervisors and Senior Management					
KONG Qingwei	Chairman, executive director	A share	28,800	-	-	28,800	-
		H share	21,800	-	-	21,800	-
SHENG Yafeng	Director of Greater Bay Area Development	A share	10,800	-	-	10,800	-

Notes:

- In January 2024, Mr. FU Fan's appointment qualification to serve as Chairman of the board of the Company was approved by the NFRA, and on the same day, Mr. FU Fan ceased to serve as president of the Company.
- Following his appointment at the 29th session of the 9th Board of Directors of the Company and the approval by the NFRA, Mr. ZHAO Yonggang formally assumed his duties as president of the Company in January 2024. Elected at the 1st extraordinary general meeting of 2024 and approved by the NFRA, Mr. ZHAO assumed his duties as Executive Director of the Company in April 2024.
- In January 2024, Mr. KONG Qingwei ceased to serve as Chairman and Executive Director of the Board of Directors of the Company due to retirement. In January 2024, due to job changes, Mr. SHENG Yafeng ceased to serve as Director of Greater Bay Area Development of the Company.



Directors, supervisors and
senior management

1

Directors

As of the end of the reporting period, the Company had 13 Directors. Among them, there were 2 Executive Directors, Mr. FU Fan, and Mr. ZHAO Yonggang; 6 Non-executive Directors, Mr. HUANG Dinan, Mr. WANG Tayu, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LU Qiaoling, and Mr. John Robert DACEY; 5 Independent Non-executive Directors, Ms. LIU Xiaodan, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I, David, and Mr. JIANG Xuping. The relevant changes were as follows:

Name	New Position	Notes
FU Fan	Chairman	In December 2023, Mr. FU Fan was elected as Chairman of the 9th Board of Directors at the 29th meeting of the 9th Board of Directors of the Company. In January 2024, the appointment qualification of Mr. FU Fan to serve as Chairman of the Company was approved by the NFRA.
ZHAO Yonggang	Executive Director	In February 2024, Mr. ZHAO Yonggang was elected at the first extraordinary general meeting of 2024 as Executive Director of the 10th Board of Directors of the Company. In April 2024, the appointment qualification of Mr. ZHAO Yonggang to serve as Executive Director of the Company was approved by the NFRA.
CHIN Hung I, David	Independent Non-executive Director	In November 2023, Mr. CHIN Hung I, David was elected at the first extraordinary general meeting of 2023 as Independent Non-executive Director of the 9th Board of Directors of the Company. In February 2024, the appointment qualification of Mr. CHIN Hung I, David to serve as Independent Director of the Company was approved by the NFRA.

Name	Cessation of office	Notes
KONG Qingwei	Chairman, Executive Director	In December 2023, Mr. FU Fan was elected as Chairman of the 9th Board of Directors at the 29th meeting of the 9th Board of Directors of the Company. Mr. KONG Qingwei continued to perform the duties as Chairman of the Board of Directors of the Company until the appointment qualification of Mr. FU Fan was approved by the NFRA. In January 2024, Mr. FU Fan's qualification to serve as Chairman of the Company was approved by the NFRA, and on the same day, Mr. KONG Qingwei ceased to serve as Chairman of the Board of Directors and Executive Director due to retirement.
WU Junhao	Non-executive Director	In February 2024, Mr. WU Junhao ceased to serve as the Non-executive Director of the Company due to expiration of his term of office.
CHEN Jizhong	Independent Non-executive Director	In October 2023, Mr. CHEN Jizhong resigned from his position as Independent Non-executive Director of the Company due to personal reasons. Mr. CHEN Jizhong continued to perform his duties until the appointment qualification of the new independent director was approved by the NFRA. In February 2024, the appointment qualification of Mr. CHIN Hung I, David to serve as Independent Director of the Company was approved by the NFRA. Mr. CHIN succeeded Mr. CHEN Jizhong as Independent Non-executive Director of the 9th Board of Directors of the Company. On the same day, Mr. CHEN Jizhong ceased to serve as Director of the Company.

2

Supervisors

As of the end the of reporting period, the Company had 3 Supervisors. Among them, there were two Shareholder Representative Supervisors, Mr. ZHU Yonghong and Mr. LU Ning; and one Employee Representative Supervisor, Mr. GU Qiang. The relevant changes were as follows:

Name	Cessation of office	Note
Ji Zhengrong	Vice Chairman of the Board of Supervisors, Employee Representative Supervisor	In February 2024, Mr. Ji Zhengrong ceased to serve as Vice Chairman of the Board of Supervisors and Employee Representative Supervisor of the Company due to retirement.

3

Senior management

As of the end the of reporting period, the Company had 11 members of senior management. They were Mr. FU Fan, Chairman, Mr. ZHAO Yonggang, President, Mr. YU Bin and Mr. MA Xin, Vice Presidents, Mr. ZHANG Yuanhan, Chief Actuary and Finance Responsible Person, Mr. ZHANG Weidong, Compliance Responsible Person, General Counsel and Chief Risk Officer, Mr. CHEN Wei, Administrative Director, Mr. SU Shaojun, Board Secretary, Mr. SU Gang, Chief Investment Officer, Mr. ZHOU Xiaonan, Chief Internal Auditor and Internal Audit Responsible Person, and Mr. ZHANG Yuhua, Market Development Director. The relevant changes were as follows:

Name	New Position	Notes
ZHAO Yonggang	President	In December 2023, the 29th meeting of the 9th Board of Directors of the Company approved the appointment of Mr. ZHAO Yonggang as President of the Company. In January 2024, the appointment qualification of Mr. ZHAO Yonggang to serve as President of the Company was approved by the NFRA.
ZHANG Weidong	Chief Risk Officer	In April 2024, the 3rd session of the 10th Board of Directors of the Company agreed to appoint Mr. ZHANG Weidong as the Company's Chief Risk Officer.

Name	Cessation of office	Changes
FU Fan	President	In January 2024, Mr. FU Fan ceased to serve as President of the Company due to work arrangement.
SHENG Yafeng	Director of Greater Bay Area Development	In January 2024, Mr. SHENG Yafeng ceased to serve as Director of Greater Bay Area Development due to work transfer.

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Changes in the information about the Company's Directors, Supervisors and Senior Management

In January 2024, Mr. WANG Tayu, Non-executive Director of the Company, ceased to be director of J-Yuan Trust Co., Ltd.; in March 2024, Mr. WANG Tayu ceased to be director of Shanghai Fintech Co., Ltd. In January 2024, Mr. CHEN Ran, Non-executive Director of the Company, began to serve as senior vice president of Baowu Equipment Intelligent Technology Co., Ltd., and ceased to serve as deputy general manager of Hwabao Investment Co., Ltd.; in February 2024, Mr. CHEN Ran ceased to serve as chairman of Shanghai Ouyeel Jincheng Financial Information Service Co., Ltd. In July 2024, Mr. John Robert DACEY, Non-executive Director of the Company, began to serve as director of FWD Management Holdings Ltd, and ceased to serve as director of FWD Group Ltd and director of FWD Ltd. Mr. SU Gang, Chief Investment Officer of the Company, began to serve as chairman of CPIC Capital in March and began to serve as director of Changjiang Pension in April 2024. Mr. ZHANG Weidong, Compliance Responsible Person, General Counsel, and Chief Risk Officer of the Company, ceased to serve as director of CPIC Life in February 2024, and began to serve as chairmen of the Board of Supervisors of CPIC P/C and CPIC Life in March and May, respectively.



Corporate governance

1

Corporate governance

The Company has established a corporate governance system comprising the SGM, the Board of Directors, the Board of Supervisors and the senior management in accordance with the provisions of relevant laws and regulations such as the Company Law of the PRC, the Securities Law of the PRC and the Insurance Law of the PRC, and has formed operational mechanisms with coordination and checks and balances among the governing body, the decision-making body, the supervisory body and the executive body. The Company improves its corporate governance structure by constant optimisation of its Group management structure, realignment of internal resources and increased interaction with the capital market.

Under the Articles of Association, the main responsibilities of the SGM are: to formulate the Company's strategic direction and investment plans; elect and replace directors and supervisors other than those who are employees of the Company and decide their remuneration; consider and approve annual financial budgets and financial accounts; consider and approve profit distribution plans and loss compensation plans of the Company; adopt proposals regarding increase or decrease in the registered capital of the Company and any merger, separation, dissolution or liquidation or change of corporate form of the Company; consider and approve the listing of all or any part of the shares on stock exchanges as well as any proposed issuance of bonds or other securities of the Company; adopt proposals regarding engagement and dismissal of the accountant of the Company which conducts statutory audits of the Company on a regular basis; amend the Articles of Association.

Under the Articles of Association, the Board of Directors is accountable to the SGM and exercises, among others, the following powers: to convene annual general meetings and implement their resolutions; determine the business and operation plans and investment plans of the Company; formulate annual financial budgets and financial accounts; formulate profit distribution and loss compensation plans; formulate proposals on increase or decrease in the registered share capital, issuance of bonds, or listing of other securities of the Company; appointment or dismissal of President, appointment or dismissal of Board Secretary based on

Chairman's nomination, appointment or dismissal of Chief Internal Auditor and Internal Audit Responsible Person based on nomination of Chairman or the Audit and Related Party Transactions Control Committee, appointment or dismissal of Vice President, Chief Actuary, General Counsel, Finance Responsible Person, Compliance Responsible Person and other senior executives based on President's nomination and determine their remunerations; and develop the basic policies and systems of the Company.

As of the end of the reporting period, the Company had 13 Directors, including 2 Executive Directors, 6 Non-executive Directors, and 5 Independent Non-executive Directors. The number of directors and composition of the Board of Directors are in compliance with regulatory rules and requirements.

Under the Articles of Association, the Board of Supervisors is vested by law to exercise the following rights and powers: examine the finances of the Company; supervise behaviours of directors, president, vice presidents and other senior management during their performance of duties; review financial information including financial reports, operation reports and profit distribution plans to be submitted to the SGM; propose to convene extraordinary sessions of the SGM and propose resolutions to it; conduct investigation when detecting any major abnormality in the Company's operation.

As of the end of the reporting period, the Company had 3 Supervisors, including 2 Shareholder Representative Supervisors and 1 Employee Representative Supervisor. The number of supervisors and composition of the Board of Supervisors comply with regulatory rules and requirements.

During the reporting period, the Company held 2 shareholder general meetings, 5 Board meetings, and 3 meetings of the Board of Supervisors. Relevant resolutions were announced on the websites of the SSE and SEHK, and relevant information disclosure media in accordance with regulatory requirements.

On 29 February 2024, the Company held the 1st Extraordinary General Meeting of 2024, which considered and approved resolutions including the Resolution on Election of Directors of the 10th Board of Directors of China Pacific Insurance (Group) Co., Ltd. and Resolution on Election of Shareholders Representative Supervisors of the 10th Board of Supervisors of China Pacific Insurance (Group) Co., Ltd. The shareholders attending the meeting held a total of 6,113,356,952 voting shares, accounting for 63.55% of the Company's total voting shares. All the resolutions of this meeting were passed (for

details, please refer to the announcements published on the websites of SSE, SEHK, LSE and the Company).

On 6 June 2024, the Company held its 2023 Annual General Meeting, at which resolutions including the Resolution on the Report of Board of Directors for 2023 of China Pacific Insurance (Group) Co., Ltd., the Resolution on the 2023 Annual Report of China Pacific Insurance (Group) Co., Ltd., and the Resolution on the 2023 Annual Financial Report of China Pacific Insurance (Group) Co., Ltd. were considered and approved. The shareholders attending the meeting held a total of 6,058,953,052 voting shares, accounting for 62.98% of the Company's total voting shares. All the resolutions of this meeting were passed (for details, please refer to the announcements published on the websites of SSE, SEHK, LSE and the Company).

At present, there are 5 special committees under the Board of Directors of the Company, namely, the Strategic and Investment Decision-Making & ESG Committee, the Audit and Related Party Transactions Control Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Technological Innovation and Consumer Rights Protection Committee. These special committees conduct in-depth research on professional topics and put forward recommendations to the Board of Directors. On 29 February 2024, the Company convened the 1st Session of the 10th Board of Directors, which approved Work Rules on the Board Audit and Related Party Transactions Control Committee and Work Rules on the Board Risk Management Committee.

During the reporting period, the Strategic and Investment Decision-Making & ESG Committee held 3 meetings, at which directors expressed views and made recommendations on important matters such as profit distribution and the Sustainable Development Report for 2023.

During the reporting period, the Audit and Related Party Transactions Control Committee held 5 meetings and reviewed resolutions including the 2023 Annual Report, the First Quarter Report of 2024, the 2023 Annual Comprehensive Audit Report and material related party transactions of the Company. The Committee discussed and agreed with the external auditors on the schedule for audit of the financial report of the Company for the year 2023, based on overall requirements for the preparation of the annual report of the Company. It held a meeting to review the financial statements prepared by the Company and issued a written opinion on it before the external auditors commenced their work on-site. While maintaining adequate and timely communication with

the external auditors, it held a meeting to conduct a second review of the financial report of the Company after issuance of preliminary audit opinions by the external auditors. The Committee then issued its written opinion on the report and agreed to submit it to the Board of Directors for consideration.

During the reporting period, the Nomination and Remuneration Committee convened 4 meetings to review such matters as the Resolution on Performance Appraisal Results for 2023, and Resolution on Appointment of Mr. ZHAO Yonggang as President of the Company.

During the reporting period, the Risk Management Committee convened 2 meetings to review resolutions on the risk assessment report, the compliance report, and the solvency report of the Company, etc.

During the reporting period, the Technological Innovation and Consumer Rights Protection Committee held 1 meeting and reviewed the Resolution on the 2023 Consumer Rights Protection Work Report and Priorities for Consumer Rights Protection for 2024.

The 10th Board of Directors of the Company has 5 Independent Non-executive Directors, which consist of professionals in accounting, finance, auditing and legal affairs. The proportion of Independent Non-executive Directors exceeded one-third of all board members, in compliance with applicable regulatory requirements and the provisions of the Articles of Association.

The Company's Independent Non-executive Directors possess the required expertise and work experience and are able to perform their duties strictly in accordance with the requirements of applicable laws and regulations, regulatory documents, the Articles of Association and Provisions on Performance of Duties by Independent Non-executive Directors. They have made comments and suggestions on a wide range of aspects such as corporate governance, business operation, risk management and internal control. They have faithfully performed their duties, played a meaningful role and offered an independent and impartial perspective in the Company's decision making process, and safeguarded the interests of the Company and all shareholders, particularly minority shareholders.

In December 2023, as per regulatory requirements and in view of its realities and needs, the Company revised the Articles of Association, changed the Audit Committee to the Audit and Related Party Transactions Control Committee, and changed the Risk Management and Related Party Transactions Control Committee to the Risk Management Committee, in

tandem with amendments to a series of documents attached such as Rules of Procedure for Shareholders' General Meeting, Rules of Procedure for Meetings of the Board of Directors and Rules of Procedure for Meetings of the Board of Supervisors. On 29 February 2024, the Company convened the 1st Extraordinary General Meeting of 2024, which considered and approved the aforementioned amendments. In April 2024, such amendments were approved by NFRA.

During the reporting period, in compliance with Provisions on Independent Directors of Listed Companies and in view of its realities, the Company revised the Articles of Association. The amendments were considered and approved by the 2023 Annual General Meeting on 6 June 2024, pending approval of NFRA.

During the reporting period, the Company was in compliance with all code provisions set out in Part 2 of Corporate Governance Code and substantially all of the recommended best practices in Part 2 of the Corporate Governance Code.

The Company has adopted and implemented the Model Code for Securities Transactions for the securities transactions of its directors and supervisors. After specific inquiry by the Company, all of its directors and supervisors confirmed that they complied with the Code of Conduct set out under the Model Code for Securities Transactions throughout the reporting period. During the reporting period, the Company was not aware of any activities of its directors or supervisors that were not in full compliance with the Model Code for Securities Transactions. There is no mutual directorship among the Company's board directors.

Under the Articles of Association, the Company's senior management exercises the following powers: organise the implementation of Board resolutions and reports to the Board of Directors; be responsible for the Company's business management, organise the implementation of the Company's annual business plan and investment plan; draft the organisational plan and develop the basic management systems of the Company; formulate the Company's basic rules; appoint or dismiss managers other than those that fall within the remit of the Board of Directors; other powers granted by the Articles of Association and Board of Directors; and other duties prescribed by insurance regulators or the law.

As of the end of the reporting period, the Company had 11 members of senior management. According to the Articles of Association, the Company's senior management includes the Executive Director, President, Vice President, Chief Actuary, Chief Internal Auditor, General Counsel, Chief Risk Officer, Board Secretary, Finance Responsible Person, Compliance Responsible Person, Internal Audit Responsible Person, as well as other management personnel as determined by the Board of Directors. Please refer to the "Directors, supervisors and senior management" section of this report for details.

2

Investor relations

The Company adhered to rules and policies such as the Investor Relations Management Measures and its implementing rules, and Regulations on Shareholder Communication to improve the reach, effectiveness and efficiency of two-way investor communication. After reviewing the current status of implementation of the above rules and regulations, and in view of measures taken to optimise channels of communication and investor feedback, the Company concluded that its policies on shareholder communication have been effectively enforced during the reporting period.

The Company is committed to building a diversified, investor-centred platform of communication. During the reporting period, it strived to foster a more interactive approach for investor meetings with flexible means of delivery, which improved connection with the global capital market. It went to great lengths to facilitate market communication with company management, organising major events such as the non-deal roadshow for 2023 annual results and Investor Meeting on 2023 Annual Report from the Perspective of New Accounting Standards; it held 75 IR events including strategy meetings, investor meetings, and visits from investors, over half of which were conducted face to face. The communication focused on the status of execution of the Company's strategies and guidance for outlook, so that investors can better assess the value of the Company.

The Company continues to provide fair treatment to all investors, particularly the protection of retail investors. It solicits questions from investors in advance before holding results announcements, which would then be answered by management during the events. Meanwhile, retail investors can access such events via video streaming, or post questions online, and will receive replies to all their questions on the same day. Moreover, to handle investors' inquiries, collect their comments and suggestions, the Company assigned personnel for IR hotline, fax, email, and the IR column on its official website. In the first half of 2024, it prepared and published 6 issues of Investor's Newsletters in both Chinese and English, and responded to 38 investor questions on the E-communication platform of the SSE, released 3 briefing documents on IR events, which provided easy, convenient access to latest information of the Company to the entire investor community regardless of investor types, geographies or time zones.

Moreover, to fully leverage IR programmes as a channel of two-way communication, the Company actively relays the voice of the capital market to management by means of capital market updates, special reports and seminars to help with management decision-making.

3

Information disclosure

The Company strictly abides by the regulatory rules of its listing venues, continues to enhance its transparency via efficient, compliant, well-organised information disclosure. During the reporting period, it prepared and released regular reports and interim announcements based on principles of truthfulness, accuracy, completeness, timeliness and fairness. In response to investors' needs, it continued to expand the scope of voluntary information disclosure, adopted new modes for disclosure and dissemination of non-financial information, and maintained continuity and consistency in information disclosure so that the results of its business development and its efforts in corporate social responsibility, particularly sustainable development can be communicated to investors and other stakeholders in a clear, concise, complete, effective and easy-to-understand manner, and in a way that reflects industry characteristics. That helped to improve the overall relevance and effectiveness of information disclosure. The Company continued to exercise control over insider information to ensure fair treatment of all securities markets and types of investors. During the reporting period, it closely followed latest regulatory developments, enriched the content of information disclosure in view of its own corporate governance as an insurance group and latest information disclosure requirements for the insurance industry. In the first half of 2024, the Company received no penalties from the securities regulator and committed no major errors or omissions in information disclosure.

4

Risk management

Risk management is a core element of the Company's operation and management. The Company has established an overarching risk management framework that covers all organizations and positions in which the Board of Directors bears the ultimate responsibility, management provides direct leadership, risk management departments execute and coordinate, and relevant functional departments closely work together. The board of directors of the subsidiaries shoulder the ultimate responsibility for their respective risk management systems and status of operation.

The Company coordinated efforts and put in place unified risk management objectives, risk management policies, key risk measurement tools, risk management planning and information systems, and provided guidance and oversight over subsidiaries in their risk management work. While maintaining their independence in risk governance and setting up necessary firewalls, each subsidiary adheres to the risk management objectives and policies, systems and processes, methods and tools of the Group and at the same time is responsible for managing their own business risks.



Environmental and social
responsibilities

We are committed to leveraging our insurance expertise and continuously innovating green insurance products and services to facilitate green, low-carbon transformation of the economy and society.

1

Promoting green development

(I) Innovating green insurance products

We have made sustained efforts in climate change response, environmental pollution control, clean energy, green transport and carbon market development to promote China's green and low-carbon transformation in a steady, progressive manner. In the first half of 2024, SA on green insurance we underwrote amounted to RMB56.1 trillion, with the debut of 5 industry-first products such as the price index insurance for cost of carbon emissions of EU shipping industry.

Catastrophe insurance. We explored locally customised protection models for urban and rural areas, with diverse catastrophe insurance solutions including those for relief assistance, those driven by innovation and those linked to indexes. During the reporting period, we offered a catastrophe risk cover of more than RMB500 billion.

Environmental pollution liability insurance. We engaged third-party environmental risk assessment organisations and used their expertise to provide sound risk-control recommendations and promote risk-reduction management. During the reporting period, we provided over RMB5 billion in SA of environmental pollution liability insurance to approximately 2,300 businesses. In February 2024, we jointly drafted and released the Model Terms & Clauses of Environmental Pollution Liability Insurance for the Shanghai Pudong New Area in collaboration with the Shanghai Institute of Environmental Sciences, and issued the first insurance policy of the kind in the industry.

Clean energy insurance. We provide cover against various types of natural disasters and accidents during the construction and operation of green energy projects in the field of hydro-power, photovoltaic power generation, and offshore wind power. We issued insurance policies for comprehensive cover of power storage projects, promoted R & D of insurance products for power storage performance and wind power generation. During the reporting period, SA on clean energy projects totalled about RMB2.9 trillion.

New energy vehicle auto insurance. We supported national strategies in new energy and continued to optimise the business model of NEV auto insurance.

Ecological carbon sink insurance. We launched a series of innovative ecological carbon sink insurance products, covering forests, grassland and wetland, etc., to improve ecological well-being with the power of insurance.

Carbon asset-related insurance. We launched carbon asset repurchase performance guarantee insurance and carbon asset registration liability insurance, the first insurance policies of their kind in the industry, which helped key emission-control enterprises to make better use of their carbon assets as finance facilities.

(II) Implementing green investment in an all-around way

CPIC continued to improve its ESG investment management system, carried out due diligence, conducted ESG evaluation of third-party investment managers to enhance its due diligence capabilities. It improved statistical standards on ESG investment, with labelling of “green investment” or “assets with high carbon emissions” for its portfolios, which supported statistical analysis by multiple dimensions.

The Company proactively explored innovation in green investment products, focusing on areas of energy saving, clean production, clean energy, environmental protection and green upgrading of infrastructure, with steady growth in scale of green investments.

Clean energy. The registered size of the Lushan Yuneng Debt Investment Scheme amounted to RMB5 billion, and RMB2 billion had been invested by the end of June 2024 for the construction of the Lushan Water Pump & Storage Power Station Project in Henan Province, which, when operational, will reduce the annual consumption of standard coal equivalents by 140,000 metric tons, equal to reducing CO₂ emissions by 310,000 metric tons.

Green upgrading of infrastructure. The registered size of the CPIC-Wuhan Metro Infrastructure Debt Investment Plan (Phase II) reached RMB3 billion. By the end of June 2024, RMB2.5 billion had been invested, and the plan obtained G1 (the highest) green certification from Lianhe Equator Environmental Assessment Co., Ltd. The registered size of the CPIC-Chengdu Railway Infrastructure Debt Investment Plan (Phase II) totalled RMB6.5 billion, and by the end of June 2024, RMB1.3 billion had been invested. As a “green transport” project, it promoted the reduction of carbon emissions and delivered social benefits, with G1 (the highest) green certification from Lianhe Equator Environmental Assessment Co., Ltd. The registered size of the CPIC-Guangzhou Metro Fangbai Inter-City (Green) Equity Investment Scheme was RMB3.66 billion. By the end of June 2024, a sum of RMB235 million had been invested. The plan was granted G1 green certification by China Chengxin Green Finance Technology. It was estimated that the project, when operational, will reduce CO₂ emissions by 66,838 metric tons, equal to the consumption of standard coal equivalents of 31,916 metric tons.

2

Eco-friendly operation

(I) Enhancing green operation management

We developed and launched a **carbon footprint management platform on the operational side**, completed a Group-wide carbon accounting, which enabled visualised display of carbon-emissions data along dimensions of branches, time and energy consumption. That helped with carbon-emissions reduction of the whole company.

We established an integrated model of “**physical objects + finance + carbon emissions**” for 6 key asset categories related to carbon emissions, with supportive management systems for physical assets, which enabled effective emissions control in a systematic, holistic manner.

We strengthened ESG management of suppliers, revised Policies on Management of Suppliers of China Pacific Insurance (Group) Co. Ltd, which incorporated ESG factors into the supplier evaluation matrix.

(II) Developing the Tan Pu Hui system

The Tan Pu Hui system of CPIC seeks to provide incentives for voluntary carbon-emissions reduction and promote green, low-carbon behaviours among customers by means of establishing customer carbon accounts and building insurance-related low-carbon scenarios. By the end of the reporting period, it had been rolled out in 24 CPIC branch offices, such as those in Shanghai, Zhejiang, Beijing, Jiangxi, Guangxi, Guangdong, Jiangsu and Sichuan, with more than 366,000 users.

The Company is not in a high-polluting industry. During the reporting period, it received no administrative penalties due to breach of environmental regulations and there were no complaints against it over environmental issues.

3

Supporting rural invigoration

CPIC leveraged its insurance expertise, stepped up support for rural development, rural construction and rural governance and explored long-term mechanisms for rural invigoration.

(I) Assistance to rural areas

Sending employees to rural villages. We regularly visited villages designated for help, cared about employees stationed there. As of the end of June 2024, 262 employees were stationed in rural villages and another 63 employees served as first secretary (or leader) of local task forces in 23 provinces, autonomous regions and provincial-level municipalities.

Developing tailor-made solutions. We customised insurance products for people who have a higher risk of returning to poverty in Youzhong Banner, Ulancharu, Inner Mongolia, with SA exceeding RMB100 million; to increase farmers' income and consolidate achievements in anti-poverty efforts, we helped with the sales of farm produce by various means - purchase by the Company for employee benefits, or by the cafeteria of the Company, or via Tai Xiang Gou, an e-commerce platform.

(II) Agricultural insurance

We strived to improve the quality and efficiency of agricultural insurance, developed a total of 704 agricultural insurance products in the first half of 2024, spanning the whole range of agriculture, forestry, animal husbandry and fishery. In the reporting period, CPIC provided more than RMB762.1 billion in various types of agricultural risk cover to nearly 22.83 million rural households, and paid out about RMB5.64 billion in 1.157 million insurance claims.

Supporting food security. We continued to roll out full cost indemnity insurance for the 3 staple crops and crop income insurance, with cumulative SA of RMB92.49 billion involving 6.884 million insurance policies by the end of the reporting period.

Ensuring reliable supply of key farm produce. Given local needs for development of niche agribusiness, we rolled out local specialty insurance programmes under “one county, one specialty product”, and “one county, multiple specialty products”. We provided risk cover of RMB4 billion for oil crops such as soybeans, rapeseed and peanuts; of RMB2.7 billion for planting of and income from natural rubber in Hainan, Yunnan and Guangdong; of over RMB6.2 billion in aquatic farming, price and weather index insurance in Guangdong, Hubei and Shandong.

Exploring industry chain insurance. In Gansu, we tailor-made an integrated solution of “agricultural insurance + futures + farm supplies + technical support + sales support” for local specialty apple business; in Shanxi, we focused on pig farming and initially established a five-in-one model of “live-stock insurance + loans against collateral”. The new model engaged leading pig-farming businesses, small- and medium-sized farmers, banks, provincial-level guarantors and insurers, which helped small- and medium-sized agricultural businesses access loans of over RMB80 million via “green-channel” financing and credit-enhancing services.

Improving disaster prevention and mitigation via technology. Through technological empowerment, we put in place an integrated mode of disaster response and risk reduction covering insurance, prevention, reduction, relief and compensation. We rolled out digital platforms, which covered the full process of crop surveillance, weather forecast, pest early-warning, loss adjustment and claims management. Digitalisation has been instrumental in building a modern disaster mitigation and prevention system for agriculture, and under the new paradigm agricultural production no longer has to respond passively to whims of nature.

Other
information





1

Original copy of the signed review report from the accountant's firm

2

Original copies of all publicly disclosed announcements and documents of the Company during the reporting period

Financial report

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CIAL STATEMENTS
dated Balance Sheet
dated Income Statement
dated Statement of Changes in Equity

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Review Report

Ernst & Young Hua Ming (2024) Zhuan Zi No. 70015004_B13

China Pacific Insurance (Group) Co., Ltd.

To the Shareholders of China Pacific Insurance (Group) Co., Ltd.,

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

We have reviewed the accompanying interim financial statements of China Pacific Insurance (Group) Co., Ltd. (hereinafter "CPIC"), which comprise the interim consolidated and company balance sheets as at 30 June 2024, the interim consolidated and company income statements, the interim consolidated and company statements of changes in equity and the interim consolidated and company cash flow statements for the six-month period then ended, and the notes to the interim financial statements. Management of CPIC is responsible for the preparation of these interim financial statements in accordance with the requirements of Accounting Standard for Business Enterprises No.32 Interim Financial Reporting ("CAS 32"). Our responsibility is to issue a review report on these interim financial statements based on our review.

We conducted our review in accordance with Review Standard for Chinese Certified Public Accountants No.2101 Review of Financial Statements. This Standard requires that we plan and perform the review to obtain limited assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with CAS 32.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant:

Guo Hangxiang

Chinese Certified Public Accountant:

Wang Ziqing

Beijing,

The People's Republic of China

29 August 2024

INTERIM CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

ASSETS	Note V	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash at bank and on hand	1	42,128	31,455
Derivative financial assets		16	17
Securities purchased under agreements to resell	2	22,397	2,808
Term deposits	3	170,474	165,501
Financial investments:		2,180,493	2,009,336
Financial assets at fair value through profit or loss	4	647,822	581,602
Financial assets at amortised cost	5	67,467	82,334
Debt investments at fair value through other comprehensive income	6	1,343,839	1,247,435
Equity investments at fair value through other comprehensive income	7	121,365	97,965
Insurance contract assets	15	-	335
Reinsurance contract assets	16	42,095	39,754
Long-term equity investments	8	23,126	23,184
Restricted statutory deposits	9	7,014	7,105
Investment properties		10,379	10,667
Fixed assets		18,425	18,925
Construction in progress		2,851	2,459
Right-of-use assets		2,998	3,365
Intangible assets		7,108	7,117
Goodwill		1,357	1,357
Deferred income tax assets	10	5,372	7,076
Other assets	11	17,255	13,501
TOTAL ASSETS		2,553,488	2,343,962

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

INTERIM CONSOLIDATED BALANCE SHEET (continued)

AS AT 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

LIABILITIES AND EQUITY	Note V	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Derivative financial liabilities		43	21
Securities sold under agreements to repurchase	12	97,788	115,819
Premium received in advance		5,812	17,026
Employee benefits payable		6,609	9,247
Taxes payable	13	3,490	3,536
Bonds payable	14	10,102	10,285
Insurance contract liabilities	15	2,077,445	1,872,620
Commission and brokerage payable		6,712	5,861
Insurance premium reserves		700	251
Lease liabilities		2,785	3,095
Deferred income tax liabilities	10	1,560	1,119
Other liabilities		46,786	37,378
Total liabilities		2,259,832	2,076,258
Issued capital	17	9,620	9,620
Capital reserves	18	79,946	79,950
Other comprehensive income	34	10,482	7,992
Surplus reserves	19	5,114	5,114
General reserves	20	25,536	25,462
Retained profits	21	136,612	121,448
Equity attributable to shareholders of the parent		267,310	249,586
Non-controlling interests		26,346	18,118
Total equity		293,656	267,704
TOTAL LIABILITIES AND EQUITY		2,553,488	2,343,962

The financial statements are signed by the persons below:

FU Fan
Legal representative

ZHANG Yuanhan
Principal in charge of accounting

XU Zhen
Head of accounting department

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

INTERIM CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Operating income		194,634	175,539
Insurance revenue	22	137,019	134,064
Interest income	23	27,769	29,320
Investment income	24	6,893	4,376
Including: Share of (losses)/profits of associates and joint ventures		(124)	407
Gains on derecognition of financial assets measured at amortised cost		4	-
Other income		86	175
Gains arising from changes in fair value	25	20,945	5,333
Exchange gains		32	407
Other operating income	26	1,889	1,863
Gains on disposal of assets		1	1
Operating expenses		(165,187)	(152,566)
Insurance service expenses	27	(116,298)	(114,898)
Allocation of reinsurance premiums		(7,962)	(7,985)
Less: Recoveries of insurance service expenses from reinsurers		7,602	7,013
Insurance finance expenses for insurance contracts issued		(44,030)	(29,983)
Less: Reinsurance finance income for reinsurance contracts held		1,036	548
Changes in insurance premium reserves		(449)	(474)
Interest expenses	28	(1,192)	(1,227)
Commission and brokerage expenses		(15)	(52)
Taxes and surcharges	29	(178)	(200)
Operating and administrative expenses	30	(3,065)	(3,631)
Impairment losses on financial assets	31	52	(1,183)
Other operating expenses	32	(688)	(494)
Operating profit		29,447	22,973
Add: Non-operating income		24	48
Less: Non-operating expenses		(76)	(65)
Profit before tax		29,395	22,956
Less: Income tax	33	(3,537)	(4,209)

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

INTERIM CONSOLIDATED INCOME STATEMENT (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Net profit		25,858	18,747
Classified by continuity of operations:			
Net profit from continuing operations		25,858	18,747
Net profit from discontinued operations		-	-
Classified by ownership of the equity:			
Attributable to shareholders of the parent		25,132	18,332
Non-controlling interests		726	415
Other comprehensive income/(loss)	34		
Other comprehensive income/(loss) that will not be reclassified to profit or loss:			
Changes in the fair value of equity investments at fair value through other comprehensive income		5,831	1,672
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss		(748)	(548)
Other comprehensive income/(loss) that will be reclassified to profit or loss:		(2,628)	3,094
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method		4	(46)
Changes in the fair value of debt instruments at fair value through other comprehensive income		50,673	18,136
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income		(98)	612
Exchange differences on translation of foreign operations		7	32
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss		(53,195)	(15,640)
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss		(19)	-
Other comprehensive income/(loss)		2,455	4,218
Total comprehensive income		28,313	22,965
Attributable to shareholders of the parent		27,541	22,475
Attributable to non-controlling interests		772	490
Earnings per share	35		
Basic earnings per share (RMB per share)		2.61	1.91
Diluted earnings per share (RMB per share)		2.61	1.91

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2024 (Unaudited)								
	Attributable to shareholders of the parent							Non-controlling interests	Total equity
	Issued capital	Capital reserves	Other comprehensive income	Surplus reserves	General reserves	Retained profits	Sub-total		
Balance at the beginning of the period	9,620	79,950	7,992	5,114	25,462	121,448	249,586	18,118	267,704
Movements in the current period									
Net profit	-	-	-	-	-	25,132	25,132	726	25,858
Other comprehensive income/(loss) (Note V 34)	-	-	2,409	-	-	-	2,409	46	2,455
Total comprehensive income	-	-	2,409	-	-	25,132	27,541	772	28,313
Other equity changes caused by equity method accounting	-	(2)	-	-	-	-	(2)	-	(2)
Capital invested and reduced by holders	-	(2)	-	-	-	-	(2)	8,002	8,000
Capital invested by holders of equity investments at fair value through other comprehensive income	-	(2)	-	-	-	-	(2)	8,002	8,000
Profit distribution	-	-	-	-	74	(9,887)	(9,813)	(546)	(10,359)
Appropriations to general reserves	-	-	-	-	74	(74)	-	-	-
Profit distribution to shareholders	-	-	-	-	-	(9,813)	(9,813)	(231)	(10,044)
Profit distribution to holders of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(315)	(315)
Transfer of other comprehensive income to retained profits	-	-	81	-	-	(81)	-	-	-
Balance at the end of the period	9,620	79,946	10,482	5,114	25,536	136,612	267,310	26,346	293,656

	For the six months ended 30 June 2023 (Unaudited)								
	Attributable to shareholders of the parent							Non-controlling interests	Total equity
	Issued capital	Capital reserves	Other comprehensive income	Surplus reserves	General reserves	Retained profits	Sub-total		
Balance at the end of the previous year	9,620	79,665	6,368	5,114	22,474	105,205	228,446	5,682	234,128
Add: Changes in accounting policies	-	-	102	-	218	1,563	1,883	28	1,911
Balance at the beginning of the period	9,620	79,665	6,470	5,114	22,692	106,768	230,329	5,710	236,039
Movements in the current period									
Net profit	-	-	-	-	-	18,332	18,332	415	18,747
Other comprehensive income/(loss) (Note V 34)	-	-	4,143	-	-	-	4,143	75	4,218
Total comprehensive income	-	-	4,143	-	-	18,332	22,475	490	22,965
Other equity changes caused by equity method accounting	-	(1)	-	-	-	-	(1)	-	(1)
Profit distribution	-	-	-	-	66	(9,879)	(9,813)	(274)	(10,087)
Appropriations to general reserves	-	-	-	-	66	(66)	-	-	-
Profit distribution to shareholders	-	-	-	-	-	(9,813)	(9,813)	(274)	(10,087)
Balance at the end of the period	9,620	79,664	10,613	5,114	22,758	115,221	242,990	5,926	248,916

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

Note V	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Cash flows from operating activities		
Cash received from premium of insurance contracts issued	253,730	245,011
Net cash received from reinsurance contracts issued	-	786
Net decrease in policy loans	1,498	1,406
Refund of taxes and surcharges	57	10
Cash received relating to other operating activities	2,887	3,166
Sub-total of cash inflows	258,172	250,379
Cash paid for claims under insurance contracts issued	(92,514)	(86,208)
Net cash paid under reinsurance contracts issued	(740)	-
Net cash paid under reinsurance contracts held	(586)	(3,052)
Cash paid for commission and brokerage expenses	(17,669)	(17,504)
Cash paid to and on behalf of employees	(14,930)	(14,835)
Payments of taxes and surcharges	(5,667)	(7,649)
Cash paid relating to other operating activities	(36,141)	(35,872)
Sub-total of cash outflows	(168,247)	(165,120)
Net cash flows from operating activities	89,925	85,259
Cash flows from investing activities		
Cash received from disposal of investments	372,772	331,299
Cash received from returns on investments and interest income	35,093	39,775
Net cash received from disposal of subsidiaries and other business entities	48	1,716
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	14	72
Sub-total of cash inflows	407,927	372,862
Cash paid to acquire investments	(448,159)	(405,794)
Net cash paid to acquire subsidiaries and other business entities	(161)	(760)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(1,380)	(1,016)
Cash paid relating to other investing activities	(13)	(787)
Sub-total of cash outflows	(449,713)	(408,357)
Net cash flows used in investing activities	(41,786)	(35,495)

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Cash flows from financing activities			
Cash received from capital contributions		8,000	-
Cash received from bonds issued		-	9,998
Cash received relating to other financing activities		3,667	10,451
Sub-total of cash inflows		11,667	20,449
Cash repayments of borrowings		(8,218)	(5,000)
Cash payments for distribution of dividends, profits or interest expenses		(1,416)	(11,017)
Decrease in securities sold under agreements to repurchase, net		(19,201)	(47,840)
Cash paid relating to other financing activities		(803)	(735)
Sub-total of cash outflows		(29,638)	(64,592)
Net cash flows used in financing activities		(17,971)	(44,143)
Effects of exchange rate changes on cash and cash equivalents		39	377
Net increase in cash and cash equivalents		30,207	5,998
Add: Cash and cash equivalents at the beginning of the period		33,740	53,809
Cash and cash equivalents at the end of the period	36	63,947	59,807

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

INTERIM COMPANY BALANCE SHEET

AS AT 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

ASSETS	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash at bank and on hand	5,839	6,286
Securities purchased under agreements to resell	2,400	-
Term deposits	6,753	5,457
Financial investments:	52,857	55,550
Financial assets at fair value through profit or loss	17,041	17,255
Financial assets at amortised cost	7,566	12,644
Debt investments at fair value through other comprehensive income	23,772	23,140
Equity investments at fair value through other comprehensive income	4,478	2,511
Long-term equity investments	70,494	71,250
Investment properties	3,052	3,123
Fixed assets	967	1,035
Construction in progress	3	3
Right-of-use assets	322	371
Intangible assets	227	237
Deferred income tax assets	-	64
Other assets	9,436	470
Total assets	152,350	143,846
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	-	2,026
Employee benefits payable	165	244
Taxes payable	19	103
Lease liabilities	363	416
Deferred income tax liabilities	257	-
Other liabilities	10,432	778
Total liabilities	11,236	3,567
Issued capital	9,620	9,620
Capital reserves	79,312	79,312
Other comprehensive income	1,042	423
Surplus reserves	4,810	4,810
Retained profits	46,330	46,114
Total equity	141,114	140,279
TOTAL LIABILITIES AND EQUITY	152,350	143,846

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

INTERIM COMPANY INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Operating income	11,070	11,958
Interest income	895	1,038
Investment income	9,482	10,365
Including: Share of losses of associates and joint ventures	(7)	(1)
Other income	6	3
Gains arising from changes in fair value	334	9
Exchange gains	27	226
Other operating income	326	317
Operating expenses	(885)	(964)
Interest expenses	(19)	(13)
Taxes and surcharges	(39)	(40)
Operating and administrative expenses	(718)	(783)
Impairment losses on financial assets	10	(46)
Other operating expenses	(119)	(82)
Operating profit	10,185	10,994
Add: Non-operating income	6	-
Less: Non-operating expenses	(16)	(9)
Profit before tax	10,175	10,985
Less: Income tax	(148)	(173)
Net profit	10,027	10,812
Classified by continuity of operations:		
Net profit from continuing operations	10,027	10,812
Net profit from discontinued operations	-	-
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss:	275	(25)
Changes in the fair value of equity investments at fair value through other comprehensive income	275	(25)
Other comprehensive income/(loss) that will be reclassified to profit or loss:	346	90
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	1	-
Changes in the fair value of debt instruments at fair value through other comprehensive income	348	55
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	(3)	35
Other comprehensive income/(loss)	621	65
Total comprehensive income	10,648	10,877

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

INTERIM COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2024 (Unaudited)					
	Issued capital	Capital reserves	Other comprehensive income	Surplus reserves	Retained profits	Total equity
Balance at the beginning of the period	9,620	79,312	423	4,810	46,114	140,279
Movements in the current period	-	-	619	-	216	835
Net profit	-	-	-	-	10,027	10,027
Other comprehensive income/(loss)	-	-	621	-	-	621
Total comprehensive income	-	-	621	-	10,027	10,648
Profit distribution	-	-	-	-	(9,813)	(9,813)
Profit distribution to shareholders	-	-	-	-	(9,813)	(9,813)
Transfer of other comprehensive income to retained profits	-	-	(2)	-	2	-
Balance at the end of the period	9,620	79,312	1,042	4,810	46,330	141,114

	For the six months ended 30 June 2023 (Unaudited)					
	Issued capital	Capital reserves	Other comprehensive income	Surplus reserves	Retained profits	Total equity
Balance at the end of the previous year	9,620	79,312	546	4,810	44,796	139,084
Add: Changes in accounting policies	-	-	(157)	-	142	(15)
Balance at the beginning of the period	9,620	79,312	389	4,810	44,938	139,069
Movements in the current period	-	-	65	-	999	1,064
Net profit	-	-	-	-	10,812	10,812
Other comprehensive income/(loss)	-	-	65	-	-	65
Total comprehensive income	-	-	65	-	10,812	10,877
Profit distribution	-	-	-	-	(9,813)	(9,813)
Profit distribution to shareholders	-	-	-	-	(9,813)	(9,813)
Balance at the end of the period	9,620	79,312	454	4,810	45,937	140,133

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

INTERIM COMPANY CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Cash flows from operating activities		
Cash received relating to other operating activities	335	312
Sub-total of cash inflows	335	312
Cash paid to and on behalf of employees	(406)	(430)
Payments of taxes and surcharges	(164)	(169)
Cash paid relating to other operating activities	(418)	(504)
Sub-total of cash outflows	(988)	(1,103)
Net cash flows used in operating activities	(653)	(791)
Cash flows from investing activities		
Cash received from disposal of investments	11,984	14,432
Cash received from returns on investments and interest income	1,261	11,193
Sub-total of cash inflows	13,245	25,625
Cash paid to acquire investments	(8,528)	(11,369)
Net cash paid to acquire subsidiaries and other business entities	-	(750)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(67)	(69)
Sub-total of cash outflows	(8,595)	(12,188)
Net cash flows from investing activities	4,650	13,437
Cash flows from financing activities		
Cash payments for distribution of dividends, profits or interest expenses	(14)	(9,790)
Decrease in securities sold under agreements to repurchase, net	(2,025)	(1,969)
Cash paid relating to other financing activities	(33)	(18)
Sub-total of cash outflows	(2,072)	(11,777)
Net cash flows used in financing activities	(2,072)	(11,777)
Effects of exchange rate changes on cash and cash equivalents	27	271
Net increase in cash and cash equivalents	1,952	1,140
Add: Cash and cash equivalents at the beginning of the period	6,286	6,610
Cash and cash equivalents at the end of the period	8,238	7,750

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

I. GENERAL INFORMATION

China Pacific Insurance (Group) Co., Ltd. (the “Company”) was restructured from China Pacific Insurance Co., Ltd. in October 2001 pursuant to the approval of the State Council of the People’s Republic of China (the PRC) and Circular [2001] No. 239 issued by the former China Insurance Regulatory Commission (the “CIRC”). After the restructuring, the Company obtained a business licence (No. 1000001001110) on 24 October 2001 newly issued by the former State Administration for Industry and Commerce of the PRC, and had an original issued capital of RMB 2,006.39 million, with its registered address and headquarters in Shanghai. The Company increased its issued capital to RMB 6,700 million through issuance of new shares to its then existing shareholders and new shareholders in 2002 and from February to April 2007.

In December 2007, the Company conducted a public offering of 1,000 million A shares on the Shanghai Stock Exchange to increase its issued capital to RMB 7,700 million. On 25 December 2007, the Company’s A shares were listed and traded on the Shanghai Stock Exchange.

In December 2009, the Company conducted a global offering of overseas listed foreign shares (“H shares”). Upon the completion of the H share offering, the issued capital was increased to RMB 8,600 million. On 23 December 2009, the Company’s H shares were listed and traded on the Hong Kong Stock Exchange.

In November 2012, the Company conducted a non-public offering of 462 million H shares. Upon completion of the H share offering, the issued capital was increased to RMB 9,062 million, and the Company received the approval from the former CIRC in December 2012 for the change of its registered capital. The Company obtained the business licence (registration No. 100000000011107) on 5 February 2013. The Company renewed its business licence on 15 December 2015, and its unified social credit code is No. 91310000132211707B.

In June 2020, the Company issued 102,873,300 Global Depositary Receipts (“GDRs”) on the London Stock Exchange (the “LSE”) and became listed on the LSE. In July 2020, the Company further issued 8,794,991 GDRs. Each GDR represents five A shares of the Company. After the GDR issuance, the issued capital of the Company was increased to approximately RMB 9,620 million.

The authorised business scope of the Company includes investing in insurance enterprises; supervising and managing the domestic and overseas reinsurance businesses of subsidiaries and their utilisation of funds; and participating in approved international insurance activities. The principal activities of the Company and its subsidiaries (the “Group” or “CPIC Group”) are property and casualty insurance businesses, life and health insurance businesses, pension and annuity insurance businesses, as well as investments with insurance funds, etc.

Major subsidiaries included in the consolidation scope in the current period are detailed in Note IV.

II. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Accounting Standards for Business Enterprises - Basic Standards, the specific accounting standards promulgated and revised subsequently, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Interpretation of Accounting Standards for Business Enterprises and other relevant provisions (hereinafter collectively referred to as "CASs") promulgated by the Ministry of Finance of the People's Republic of China. These interim financial statements are presented and disclosed in accordance with the requirements of CAS No. 32 - Interim Financial Reporting promulgated by the Ministry of Finance of the People's Republic of China, Standard on the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 3 - Content and Format of Interim Reports (revised in 2021) promulgated by the China Securities Regulatory Commission ("CSRC") and Appendix XVI of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Therefore, they do not include all information and disclosures in the annual financial statements.

The financial statements have been prepared on a going concern basis.

They have been prepared under the historical cost convention, other than financial instruments that have been measured at fair values, insurance contracts and reinsurance contracts held that have been measured primarily based on actuarial methods. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant regulations.

The accounting policies applied in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023. These financial statements should be read in conjunction with the Group's financial statements for 2023.

III. TAXES

The main types of taxes and tax rates applicable to the Group in China are set out below:

Corporate income tax	-	25% on its taxable income under current tax laws and relevant regulations
Value-added tax ("VAT")	-	The taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of the current period) determined under current tax laws and relevant regulations, applicable tax rates: 3%, 5%, 6%, 9% or 13%
City maintenance and construction tax	-	1%, 5% or 7% of the VAT actually paid
Educational supplementary tax	-	3% of the VAT actually paid
Local educational supplementary tax	-	2% of the VAT actually paid

The main types of taxes and tax rates of payable by the Group with regard to its overseas businesses are paid in accordance with relevant regulations of local tax laws.

The taxes to be paid by the Group will be verified by relevant tax authorities.

IV. SCOPE OF CONSOLIDATION

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2024 are as follows:

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
China Pacific Property Insurance Co., Ltd. ("CPIC Property")	Joint stock limited company	Property and casualty insurance	Shanghai	The PRC	19,948,088	19,948,088	98.50	-	98.50	
China Pacific Life Insurance Co., Ltd. ("CPIC Life")	Joint stock limited company	Life and health insurance	Shanghai	The PRC	8,628,200	8,628,200	98.29	-	98.29	
Pacific Asset Management Co., Ltd. ("CPIC Asset Management")	Limited liability company	Investment management	Shanghai	Shanghai	2,100,000	2,100,000	80.00	19.67	100.00	
China Pacific Insurance Co., (H.K.) Ltd. ("CPIC H.K.")	Limited liability company	Property and casualty insurance	Hong Kong	Hong Kong	HK\$ 250,000 thousand	HK\$ 250,000 thousand	100.00	-	100.00	
Shanghai Pacific Insurance Real Estate Management Co., Ltd. ("CPIC Real Estate")	Limited liability company	Real estate management	Shanghai	Shanghai	115,000	115,000	100.00	-	100.00	
Changjiang Pension Insurance Co., Ltd. ("Changjiang Pension")	Joint stock limited company	Pension fund and insurance asset management	Shanghai	Shanghai	3,000,000	3,000,000	-	61.10	62.16	
CPIC Investment Management (H.K.) Company Limited ("CPIC Investment (H.K.)")	Limited liability company	Investment management	Hong Kong	Hong Kong	HK\$ 200,000 thousand	HK\$ 200,000 thousand	12.25	87.46	100.00	
City Island Developments Limited ("City Island")	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	US\$ 50,000	US\$ 1,000	-	98.29	100.00	
Great Winwick Limited*	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	US\$ 50,000	US\$ 100	-	98.29	100.00	
Great Winwick (Hong Kong) Limited *	Limited liability company	Investment holding	Hong Kong	Hong Kong	HK\$ 10,000	HK\$ 1	-	98.29	100.00	
Newscott Investments Limited *	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	US\$ 50,000	US\$ 100	-	98.29	100.00	
Newscott (Hong Kong) Investments Limited *	Limited liability company	Investment holding	Hong Kong	Hong Kong	HK\$ 10,000	HK\$ 1	-	98.29	100.00	
Shanghai Xin Hui Property Development Co., Ltd. * ("Xin Hui Property")	Limited liability company	Real estate	Shanghai	Shanghai	US\$ 15,600 thousand	US\$ 15,600 thousand	-	98.29	100.00	
Shanghai He Hui Property Development Co., Ltd. * ("He Hui Property")	Limited liability company	Real estate	Shanghai	Shanghai	US\$ 46,330 thousand	US\$ 46,330 thousand	-	98.29	100.00	
Pacific Insurance Online Services Technology Co., Ltd. ("CPIC Online Services")	Limited liability company	Consulting services, etc.	Shandong	The PRC	200,000	200,000	100.00	-	100.00	
Tianjin Trophy Real Estate Co., Ltd. ("Tianjin Trophy")	Limited liability company	Real estate	Tianjin	Tianjin	353,690	353,690	-	98.29	100.00	

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2024 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
Pacific Insurance Senior Living Investment Management Co., Ltd. ("CPIC Senior Living Investment")	Limited liability company	Senior living property investment and management, etc.	Shanghai	Shanghai	5,000,000	5,000,000	-	98.29	100.00	
Pacific Health Insurance Co., Ltd. ("CPIC Health")	Joint stock limited company	Health insurance	Shanghai	The PRC	3,600,000	3,600,000	85.05	14.69	100.00	
Pacific Anxin Agricultural Insurance Co., Ltd. ("PAAIC")	Joint stock limited company	Property and casualty insurance	Shanghai	The PRC	1,080,000	1,080,000	-	66.76	67.78	
Pacific Medical & Healthcare Management Co., Ltd. ("Pacific Medical & Healthcare")	Limited liability company	Medical consulting services, etc.	Shanghai	Shanghai	1,000,000	1,000,000	-	98.29	100.00	
Pacific Insurance Agency Co., Ltd. ("Pacific Insurance Agency")	Limited liability company	Insurance agency	Shanghai	Shanghai	50,000	50,000	-	100.00	100.00	
CPIC Fund Management Co., Ltd. ("CPIC Funds")	Limited liability company	Fund management	Shanghai	Shanghai	150,000	150,000	-	50.83	51.00	
CPIC Senior Living Development (Chengdu) Co., Ltd. ("Chengdu Project Company")	Limited liability company	Senior living property investment and construction, etc.	Chengdu	Chengdu	1,000,000	987,000	-	98.29	100.00	
CPIC Senior Living Development (Hangzhou) Co., Ltd. ("Hangzhou Project Company")	Limited liability company	Senior living property investment and construction, etc.	Hangzhou	Hangzhou	1,200,000	1,006,000	-	98.29	100.00	
CPIC Senior Living Development (Xiamen) Co., Ltd. ("Xiamen Project Company")	Limited liability company	Senior living property investment and construction, etc.	Xiamen	Xiamen	900,000	900,000	-	98.29	100.00	
Pacific Care Home (Chengdu) Senior Living Service Co., Ltd. ("Pacific Care Home at Chengdu")	Limited liability company	Seniors care and health consultation, etc.	Chengdu	Chengdu	60,000	43,000	-	98.29	100.00	
CPIC Senior Living Development (Nanjing) Co., Ltd. ("Nanjing Project Company")	Limited liability company	Senior living property investment and construction, etc.	Nanjing	Nanjing	702,000	443,556	-	98.29	100.00	(1)
Pacific Care Home (Dali) Co., Ltd. ("Pacific Care Home at Dali")	Limited liability company	"Migrant-style" senior living, etc.	Dali	Dali	608,000	608,000	-	74.70	76.00	

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2024 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
CPIC (Shanghai) Senior Care Development Co., Ltd. ("Shanghai (Putuo) Project Company")	Limited liability company	Senior living property investment and construction, etc.	Shanghai	Shanghai	250,000	250,000	-	98.29	100.00	
Pacific Care Home (Hangzhou) Senior Living Service Co., Ltd. ("Pacific Care Home at Hangzhou")	Limited liability company	Seniors care and health consultation, etc.	Hangzhou	Hangzhou	60,000	35,200	-	98.29	100.00	(2)
CPIC Senior Living Development (Wuhan) Co., Ltd. ("Wuhan Project Company")	Limited liability company	Senior living property investment and construction, etc.	Wuhan	Wuhan	980,000	980,000	-	98.29	100.00	
CPIC Capital Company Limited. ("CPIC Capital")	Limited liability company	Private equity investment fund management services	Shanghai	Shanghai	100,000	100,000	-	99.67	100.00	
Shanghai Chongming Pacific Care Home Senior Living Service Co., Ltd. ("Pacific Care Home at Shanghai (Chongming)")	Limited liability company	"Migrant-style" senior living, etc.	Shanghai	Shanghai	1,253,000	1,070,000	-	98.29	100.00	
Shanghai (Putuo) Pacific Care Home Senior Living Service Co., Ltd. ("Pacific Care Home at Shanghai (Putuo)")	Limited liability company	Seniors care, nursing service and health consultation, etc.	Shanghai	Shanghai	30,000	23,000	-	98.29	100.00	(3)
Beijing Borui Heming Insurance Agency Co., Ltd. ("Borui Heming")	Limited liability company	Insurance agency	Beijing	The PRC	52,000	52,000	-	98.29	100.00	
China Pacific Life Insurance (H.K.) Company Limited ("CPIC Life (H.K.)")	Limited liability company	Life and health insurance	Hong Kong	Hong Kong	HK\$ 1,000,000 thousand	HK\$ 1,000,000 thousand	-	98.29	100.00	
CPIC Senior Living Development (Qingdao) Co., Ltd. ("Qingdao Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Qingdao	Qingdao	227,000	193,000	-	98.29	100.00	
Pacific Care Home (Xiamen) Senior Living Service Co., Ltd. ("Pacific Care Home at Xiamen")	Limited liability company	Seniors care and health consultation, etc.	Xiamen	Xiamen	40,000	20,000	-	98.29	100.00	
CPIC Senior Living Development (Zhengzhou) Co., Ltd. ("Zhengzhou Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Zhengzhou	Zhengzhou	650,000	533,500	-	98.29	100.00	(4)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2024 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
CPIC Senior Living Development (Beijing) Co., Ltd. ("Beijing Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Beijing	Beijing	800,000	757,000	-	98.29	100.00	
Pacific Insurance Technology Co., Ltd. ("CPIC Technology")	Limited liability company	Technical services, cloud computing services, big data services	Shanghai	Shanghai	700,000	700,000	100.00	-	100.00	
Xinbaoyu (Guangzhou) Co., Ltd. ("Xinbaoyu")	Limited liability company	Business service, property management, and lease of non-residential real estate	Guangzhou	Guangzhou	3,650,000	3,649,990	-	98.46	100.00	
Pacific Insurance Technology Services (Wuhan) Co., Ltd. ("CPIC Technology Wuhan")	Limited liability company	Technical services, technical consulting services	Wuhan	Wuhan	100,000	100,000	-	100.00	100.00	
Pacific Health Management (Sanya) Co., Ltd. ("Sanya Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Sanya	Sanya	490,000	358,880	-	98.29	100.00	(5)
Pacific Care Home (Nanjing) Senior Living Service Co., Ltd. ("Pacific Care Home at Nanjing")	Limited liability company	Elderly services, health consulting services, etc.	Nanjing	Nanjing	30,000	7,000	-	98.29	100.00	
Shanghai (Jing'an) Pacific Care Home Senior Living Service Co., Ltd. ("Pacific Care Home at Shanghai (Jing'an)")	Limited liability company	"Migrant-style" senior living, etc.	Shanghai	Shanghai	426,367	426,367	-	98.29	100.00	
Pacific Care Home (Wuhan) Senior Living Service Co., Ltd. ("Pacific Care Home at Wuhan")	Limited liability company	Seniors care, nursing service and health consultation, etc.	Wuhan	Wuhan	30,000	3,500	-	98.29	100.00	(6)
Xiamen Yuanshen Rehabilitation Hospital Co., Ltd. ("Xiamen Yuanshen Hospital")	Limited liability company	Medical service, hospital management, etc.	Xiamen	Xiamen	160,000	160,000	-	98.29	100.00	(7)
CPIC Senior Living Development (Guangzhou) Co., Ltd. ("Guangzhou Project Company")	Limited liability company	Senior living property investment and construction, etc.	Guangzhou	Guangzhou	830,000	365,000	-	98.29	100.00	(8)
Ji'nan Yuanshen Rehabilitation Hospital Co., Ltd. ("Ji'nan Yuanshen Hospital")	Limited liability company	Medical service, hospital management, etc.	Ji'nan	Ji'nan	260,000	-	-	98.29	100.00	(9)

* Subsidiaries of City Island

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2024 are as follows: (continued)

(1) Nanjing Project Company

Nanjing Project Company is a wholly-owned subsidiary invested by CPIC Life, with a registered capital of RMB 702 million. As at 30 June 2024, the paid-up investment amount of CPIC Life had increased to approximately RMB 444 million.

(2) Pacific Care Home at Hangzhou

Pacific Care Home at Hangzhou is a wholly-owned subsidiary funded by CPIC Senior Living Investment, with a registered capital of RMB 60 million. As at 30 June 2024, the paid-up investment amount of CPIC Senior Living Investment had increased to approximately RMB 35 million.

(3) Pacific Care Home at Shanghai (Putuo)

Pacific Care Home at Shanghai (Putuo) is a wholly-owned subsidiary funded by CPIC Senior Living Investment, with a registered capital of RMB 30 million. As at 30 June 2024, the paid-up investment amount of CPIC Senior Living Investment had increased to approximately RMB 23 million.

(4) Zhengzhou Project Company

Zhengzhou Project Company is a wholly-owned subsidiary invested by CPIC Life, with a registered capital of RMB 650 million. As at 30 June 2024, the paid-up investment amount of CPIC Life had increased to approximately RMB 534 million.

(5) Sanya Project Company

Sanya Project Company is a wholly-owned subsidiary invested by CPIC Life, with a registered capital of RMB 490 million. As at 30 June 2024, the paid-up investment amount of CPIC Life had increased to approximately RMB 359 million.

(6) Pacific Care Home at Wuhan

Pacific Care Home at Wuhan is a wholly-owned subsidiary funded by CPIC Senior Living Investment, with a registered capital of RMB 30 million. As at 30 June 2024, the paid-up investment amount of CPIC Senior Living Investment had increased to approximately RMB 4 million.

(7) Xiamen Yuanshen Hospital

CPIC Yuanshen Rehabilitation Equity Investment Fund (Wuhan) Partnership (Limited Partnership) ("Yuanshen Fund") and Shanghai Yanfu Enterprise Management Consulting Partnership (Limited Partnership) ("Shanghai Yanfu"), which are the two consolidated structured entities of the Group, found the Yuanshen Hospital in together with a registered capital of RMB 160 million. As at 30 June 2024, Yuanshen Fund and Shanghai Yanfu have paid up the entire amount of the investment.

(8) Guangzhou Project Company

Guangzhou Project Company is a wholly-owned subsidiary funded by CPIC Life, obtained the business license of legal entity with the unified social credit code 91440106MAD94URB4D in January 2024, with a registered capital of RMB 830 million. As at 30 June 2024, the paid-up investment amount of CPIC Life had increased to approximately RMB 365 million.

(9) Ji'nan Yuanshen Hospital

CPIC Yuanshen Rehabilitation Equity Investment Fund (Wuhan) Partnership (Limited Partnership) and Shanghai Yanfu Enterprise Management Consulting Partnership (Limited Partnership), which are the two consolidated structured entities of the Group, found the Ji'nan Yuanshen Hospital in together, holding the percentage of equity with 99.96% and 0.04% respectively. Ji'nan Yuanshen Hospital obtained the business license for the legal entity with unified social credit code 91370102MADJXC1F2J in May 2024, with a registered capital of RMB 260 million. As at 30 June 2024, the capital contribution had not been paid-up.

IV. SCOPE OF CONSOLIDATION (continued)

2. As at 30 June 2024, material consolidated structured entities of the Group are as follows:

Name	Collective holding by the Group (%)	Product scale (units in RMB thousand)	Nature of business
China Pacific Changhang Equity Investment Fund (Wuhan) Partnership (Limited Partnership) (“China Pacific Changhang”)	99.98	8,501,505	Investing in equity investments, investment management and asset management activities with private funds (yet subject to related regulations of the Asset Management Association of China (“AMAC”)) (except for projects subject to approval according to law, independently carry out business activities that are not prohibited or restricted by laws and regulations with business license).
CPIC Zengyu Annually Open Pure Debt Type Launching Securities Investment Fund	79.26	8,426,809	Investing in financial instruments with high liquidity including national bonds, government bonds, local treasury bonds, financial bonds, enterprise bonds, corporate bonds, Central Bank bills, medium term notes, short-term commercial paper, super short-term commercial paper, SME private debt, asset-backed security, subordinated debt, the debt part of the convertible bonds, bonds repo, bank deposits (including agreement deposits, notice deposits and term deposits), NCDs, money market instrument, treasury bond futures and other financial instruments that laws and regulations or the CSRC allow funds to invest (yet subject to related regulations of the CSRC).
CPIC Zengfu Annually Open Pure Debt Type Launching Securities Investment Fund	100.00	7,732,184	Investing in financial instruments with high liquidity including national bonds, government bonds, local treasury bonds, financial bonds, enterprise bonds, corporate bonds, Central Bank bills, medium term notes, short-term commercial paper, super short-term commercial paper, SME private debt, asset-backed security, subordinated debt, the debt part of the convertible bonds, bonds repo, bank deposits (including agreement deposits, notice deposits and term deposits), NCDs, money market instrument, treasury bond futures and other financial instruments that laws and regulations or the CSRC allow funds to invest (yet subject to related regulations of the CSRC).
CPIC CSI 300 ETF Feeder Fund	67.59	6,076,741	Investing in Target ETF Shares, Underlying Index Constituents and their alternative constituents. In order to better achieve the investment objective of the Fund, the Fund may also invest in non-constituent stocks (including ChiNext and other stocks approved by the China Securities Regulatory Commission), bonds (treasury bonds, financial bonds, enterprise bonds, corporate bonds, subordinated bonds, convertible bonds (including convertible bonds for separate transactions), exchangeable bonds, Central Bank bills, short-term commercial paper, super short-term commercial paper, medium-term notes, SME private debt, etc.), asset-backed securities, bonds repo, NCDs, bank deposits, money market instruments, index futures, warrants and other financial instruments that laws and regulations or the CSRC allow funds to invest (yet subject to related regulations of the CSRC).
Pacific-Ningbo Rail Transit Infrastructure Debt Investment Plan	100.00	5,000,000	Investing in the second phase of Ningbo Rail Transit Line 3 project operated by Ningbo Rail Transit Group Co., Ltd. in the form of debt.

CPIC Asset Management, CPIC Funds and CPIC Capital, etc. are the asset managers of these consolidated structured entities included in the scope of the Group.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Cash at bank and on hand

	Currency	30 June 2024		
		Original currency	Exchange rate	RMB
Bank deposits	RMB	34,311	1.00000	34,311
	USD	860	7.12680	6,129
	HKD	575	0.91268	525
	Others			3
	Sub-total			40,968
Other cash balances	RMB	1,160	1.00000	1,160
	Sub-total			1,160
Total				42,128

	Currency	31 December 2023		
		Original currency	Exchange rate	RMB
Cash	RMB	2	1.00000	2
	Sub-total			2
Bank deposits	RMB	24,825	1.00000	24,825
	USD	754	7.08270	5,340
	HKD	208	0.90622	188
	Others			2
	Sub-total			30,355
Other cash balances	RMB	1,098	1.00000	1,098
	Sub-total			1,098
Total				31,455

As at 30 June 2024, the Group's cash at bank and on hand deposited overseas amounted equivalent to RMB 1,901 million (31 December 2023: amounted equivalent to RMB 884 million). Under PRC's foreign exchange regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business after obtaining approval from foreign exchange regulatory authorities.

As at 30 June 2024, RMB 255 million were time deposits with original maturity of no more than three months (31 December 2023: RMB 549 million).

As at 30 June 2024, RMB 568 million in the Group's cash at bank and on hand balance were restricted for special-purpose use (31 December 2023: RMB 520 million).

Bank deposits comprise current deposits and short-term time deposits. Current deposits earn interest at rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at respective short-term time deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash at bank and on hand approximate their fair values.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

2. Securities purchased under agreements to resell

	30 June 2024	31 December 2023
Securities - bonds		
Inter-bank market	20,731	2,019
Stock exchange	1,666	789
Sub-total	22,397	2,808
Less: Impairment provisions	-	-
Total	22,397	2,808

The Group does not sell or re-pledge the collateral underlying the securities purchased under agreements to resell.

3. Term deposits

Term to maturity	30 June 2024	31 December 2023
At amortised cost		
Within 3 months (inclusive)	590	4,664
3 months to 1 year (inclusive)	8,069	2,703
1 to 2 years (inclusive)	2,476	7,759
2 to 3 years (inclusive)	13,266	7,856
3 to 4 years (inclusive)	3,954	8,509
4 to 5 years (inclusive)	12,309	2,723
Less: Impairment provisions	(28)	(20)
Fair value through other comprehensive income		
Within 3 months (inclusive)	1,470	38,205
3 months to 1 year (inclusive)	16,677	5,845
1 to 2 years (inclusive)	16,152	16,585
2 to 3 years (inclusive)	33,166	28,607
3 to 4 years (inclusive)	23,756	21,464
4 to 5 years (inclusive)	38,617	20,101
Over 5 years	-	500
Including:		
Amortised cost	127,868	130,521
Accumulated changes in fair value	1,970	786
Total	170,474	165,501

As at 30 June 2024, the impairment provision recognised for term deposits at fair value through other comprehensive income was RMB 53 million (31 December 2023: RMB 56 million).

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

4. Financial assets at fair value through profit or loss

	30 June 2024	31 December 2023
Listed	213,283	198,622
Unlisted	434,539	382,980
Total	647,822	581,602
Bonds	265,098	199,951
Government bonds	10,426	2,889
Finance bonds	226,491	169,449
Corporate bonds	28,181	27,613
Stocks	175,270	161,345
Funds	67,113	65,817
Unlisted equity shares investments	66,512	62,919
Debt investment plans	45,243	44,676
Investment in asset management products	20,580	38,720
Others	8,006	8,174
Total	647,822	581,602

5. Financial assets at amortised cost

	30 June 2024	31 December 2023
Listed	4,094	3,902
Unlisted	64,783	79,809
Sub-total	68,877	83,711
Less: Impairment provisions	(1,410)	(1,377)
Net value	67,467	82,334
Bonds	23,491	25,688
Government bonds	15,976	15,944
Corporate bonds	7,515	9,744
Debt investment plans	34,658	42,846
Investment trust	6,731	11,000
Others	3,997	4,177
Sub-total	68,877	83,711
Less: Impairment provisions	(1,410)	(1,377)
Net value	67,467	82,334

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

6. Debt investments at fair value through other comprehensive income

	30 June 2024	31 December 2023
Listed	66,134	60,381
Unlisted	1,277,705	1,187,054
Total	1,343,839	1,247,435
Bonds	1,076,526	937,989
Government bonds	871,406	741,151
Finance bonds	66,787	64,922
Corporate bonds	138,333	131,916
Debt investment plans	164,894	186,881
Investment trust	59,244	80,073
Preferred shares	32,898	33,020
Others	10,277	9,472
Total	1,343,839	1,247,435
Including:		
Amortised cost	1,173,134	1,143,108
Accumulated changes in fair value	170,705	104,327

As at 30 June 2024, the impairment provision for the Group's debt investment at fair value through other comprehensive income was RMB 3,803million (31 December 2023: RMB 3,929 million).

7. Equity investments at fair value through other comprehensive income

	30 June 2024	31 December 2023
Stocks	45,982	27,110
Preferred shares	12,727	12,597
Perpetual bonds	28,587	28,477
Others	34,069	29,781
Total	121,365	97,965
Including:		
Cost	111,265	95,710
Accumulated changes in fair value	10,100	2,255

The equity investments at fair value through other comprehensive income, designated by the Group, are non-trading equity investments with the primary objective of being held for a long time or obtaining dividends during the holding period.

For the six months ended 30 June 2024, the Group disposed equity investments at fair value through other comprehensive income of RMB 2.158 billion because of the optimisation of asset allocation and asset and liability management. Due to the sale of the above equity investments, RMB 68 million transferred from other comprehensive income to retained profits.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

8. Long-term equity investments

	30 June 2024	31 December 2023
Joint ventures		
Shanghai Ruiyongjing Real Estate Development Co., Ltd. (“Ruiyongjing Real Estate”)	9,748	9,785
Others	47	47
Sub-total	9,795	9,832
Associates		
Taijiashan Health Industry Equity Investment Fund (Shanghai) LLP. (“Taijiashan”)	2,948	3,018
Yangtze River Delta Synergy Industry Investment Fund	2,534	2,684
Shanghai Hi-Tech Park United Development Co., Ltd.	1,873	1,873
Shanghai Sci-Tech Innovation Centre Capital II LLP.	1,459	1,311
Shanghai Lingang GLP International Logistics Development Co., Ltd.	1,053	1,053
Shanghai Biomedical Industry Equity Investment Fund LLP.	943	965
Jiaxing Yishang Equity Investment Partnership LLP.	917	939
Others	1,604	1,509
Sub-total	13,331	13,352
Total	23,126	23,184

9. Restricted statutory deposits

	30 June 2024	31 December 2023
CPIC Property	3,990	3,989
CPIC Life	1,726	1,726
CPIC Health	720	720
PAAIC	280	320
Sub-total	6,716	6,755
Add: Interest receivables	300	352
Less: Impairment provisions	(2)	(2)
Total	7,014	7,105

In accordance with relevant provision of Insurance Law of the PRC, CPIC Property, CPIC Life, CPIC Health and PAAIC should place 20% of their issued capital as restricted statutory deposits, respectively.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

10. Deferred income tax assets and liabilities

	30 June 2024		31 December 2023	
	Deferred income tax	Temporary differences	Deferred income tax	Temporary differences
Deferred income tax assets				
Insurance contract liabilities /assets	38,131	152,524	22,300	89,200
Changes in fair value of financial instruments	127	508	184	736
Commission and brokerage expenses	846	3,384	790	3,160
Provision for asset impairment	630	2,520	611	2,444
Deductible losses	8,759	35,036	3,198	12,792
Lease liabilities	696	2,785	774	3,095
Others	2,620	10,480	2,215	8,860
Sub-total	51,809	207,237	30,072	120,287
Deferred income tax liabilities				
Changes in fair value of financial instruments	(46,112)	(184,448)	(22,126)	(88,504)
Adjustment in fair value arising from acquisition of subsidiaries	(782)	(3,128)	(797)	(3,188)
Right-of-use assets	(749)	(2,998)	(841)	(3,365)
Others	(354)	(1,416)	(351)	(1,404)
Sub-total	(47,997)	(191,990)	(24,115)	(96,461)

Deferred income tax assets and liabilities of the Group set out as the net amount after offsetting:

	30 June 2024		31 December 2023	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred income tax assets	(46,437)	5,372	(22,996)	7,076
Deferred income tax liabilities	46,437	(1,560)	22,996	(1,119)

Details of movements in deferred income tax assets and liabilities are as follows:

	Insurance contract liabilities / assets	Changes in fair value of financial instruments	Commission and brokerage expenses	Provision for asset impairment	Deductible losses	Adjustment in fair value arising from acquisition of subsidiaries	Others	Total
Balance of 31 December 2022	17,507	(4,092)	522	3,093	1,383	(828)	1,508	19,093
Changes in accounting policy of new financial instruments standards	-	(8,492)	-	(2,743)	-	-	-	(11,235)
Balance of 1 January 2023	17,507	(12,584)	522	350	1,383	(828)	1,508	7,858
Recognised in profit or loss	(7,543)	3,255	268	569	1,815	31	271	(1,334)
Recognised in equity	12,336	(12,613)	-	(308)	-	-	18	(567)
Balance of 31 December 2023	22,300	(21,942)	790	611	3,198	(797)	1,797	5,957
Recognised in profit or loss	(2,156)	(4,966)	56	(14)	5,561	15	312	(1,192)
Recognised in equity	17,991	(19,054)	-	33	-	-	104	(926)
Other changes	(4)	(23)	-	-	-	-	-	(27)
Balance of 30 June 2024	38,131	(45,985)	846	630	8,759	(782)	2,213	3,812

As at 30 June 2024, the deductible temporary differences and deductible losses not recognised as deferred income tax assets by the Group amounted to RMB 15.4 billion (31 December 2023: RMB 13.2 billion).

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

11. Other assets

		30 June 2024	31 December 2023
Other receivables	(1)	12,283	9,990
Improvements of right-of-use assets		954	1,052
Others		4,018	2,459
Total		17,255	13,501

(1) Other receivables

		30 June 2024	31 December 2023
Due from external undertakings		3,087	2,630
Receivable from securities sold but not settled		2,552	1,801
Due from related parties*		1,772	1,772
Due from agents		281	175
Deposits		279	289
Co-insurance premium receivables		71	60
Prepaid tax		11	20
Others		4,552	3,562
Sub-total		12,605	10,309
Less: Provision for bad debts		(322)	(319)
Net value		12,283	9,990

* As at 30 June 2024, the payments made by the Group on behalf of Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd. ("Binjiang-Xiangrui") for the purchase of land and related taxes and expenses amounted to approximately RMB 1,772 million (31 December 2023: RMB 1,772 million), which accounting for 14% (31 December 2023: 17%) of the total other receivables.

The category of provision for bad debts of other receivables is analysed as below:

	30 June 2024			
	Ending balance	% of total balance	Provision for bad debts	Provision percentage
Considered on the grouping basis	12,605	100%	(322)	3%

	31 December 2023			
	Ending balance	% of total balance	Provision for bad debts	Provision percentage
Considered on the grouping basis	10,309	100%	(319)	3%

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

11. Other assets (continued)

(1) Other receivables (continued)

The aging of other receivables and related provisions for bad debts are analysed as follows:

Aging	30 June 2024			
	Ending balance	% of total balance	Provision for bad debts	Net value
Within 3 months (inclusive)	6,251	50%	(36)	6,215
3 months to 1 year (inclusive)	3,226	26%	(18)	3,208
1 to 3 years (inclusive)	1,072	8%	(118)	954
Over 3 years	2,056	16%	(150)	1,906
Total	12,605	100%	(322)	12,283

Aging	31 December 2023			
	Ending balance	% of total balance	Provision for bad debts	Net value
Within 3 months (inclusive)	5,700	55%	(54)	5,646
3 months to 1 year (inclusive)	1,854	18%	(15)	1,839
1 to 3 years (inclusive)	887	9%	(117)	770
Over 3 years	1,868	18%	(133)	1,735
Total	10,309	100%	(319)	9,990

The five largest other receivables of the Group are as follows:

	30 June 2024	31 December 2023
Total amount of the five largest other receivables	2,923	2,572
Total provision for bad debts	(3)	(2)
% of total other receivables	23%	25%

The account balance does not include any amount attributable to shareholders holding 5% or more of the voting rights of the Company.

12. Securities sold under agreements to repurchase

	30 June 2024	31 December 2023
Securities - bonds		
Inter-bank market	82,285	91,646
Stock exchange	15,503	24,173
Total	97,788	115,819

As at 30 June 2024, the Group's bonds with par value of approximately RMB 86,165 million (31 December 2023: approximately RMB 97,966 million) were pledged for the inter-bank securities sold under agreements to repurchase.

As at 30 June 2024, the Group's bonds with par value of approximately RMB 15,495 million (31 December 2023: approximately RMB 24,080 million) were pledged for the stock exchange securities sold under agreements to repurchase.

Securities sold under agreements to repurchase are generally repurchased within 12 months from the date the securities are sold.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

13. Taxes payable

	30 June 2024	31 December 2023
Corporate income tax	1,875	1,792
Unpaid VAT	537	533
Withholding individual income tax	204	163
Others	874	1,048
Total	3,490	3,536

14. Bonds payable

On 9 March 2023, CPIC Property issued a 10-year capital replenishment bond with a total face value of RMB 7 billion in the interbank market. CPIC Property has a conditional option to redeem the bond at the end of the fifth interest-bearing year. The capital replenishment bond pays interest at an initial coupon rate of 3.72% per annum. If CPIC Property does not exercise the early redemption option, the annual coupon rate for the next five years would increase to 4.72%.

On 3 April 2023, CPIC Property issued a 10-year capital replenishment bond with a total face value of RMB 3 billion in the interbank market. CPIC Property has a conditional option to redeem the bond at the end of the fifth interest-bearing year. The capital replenishment bond pays interest at an initial coupon rate of 3.55% per annum. If CPIC Property does not exercise the early redemption option, the annual coupon rate for the next five years would increase to 4.55%.

Issuer	31 December 2023	Issuance	Amortisation of bond premium or discount	Interest accrued in the period	Interest payment/Reimbursement in the period	30 June 2024
CPIC Property	10,285	-	-	183	(366)	10,102

15. Insurance contract liabilities/(assets)

The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows:

	30 June 2024	31 December 2023
Insurance contract liabilities		
Liabilities for remaining coverage	1,973,007	1,777,394
Including: Excluding loss component	1,959,268	1,761,400
Loss component	13,739	15,994
Liabilities for incurred claims	104,438	95,226
Total insurance contract liabilities	2,077,445	1,872,620
Insurance contract assets		
Liabilities for remaining coverage	-	(3,069)
Including: Excluding loss component	-	(3,480)
Loss component	-	411
Liabilities for incurred claims	-	2,734
Total insurance contract assets	-	(335)
Net liabilities of insurance contracts	2,077,445	1,872,285

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

15. Insurance contract liabilities/(assets) (continued)

The analysis by measurement component of contracts not measured under the premium allocation approach is as follows:

	30 June 2024	31 December 2023
Insurance contract liabilities		
Present value of future cash flows	1,589,349	1,401,980
Risk adjustment for non-financial risk	21,672	19,403
Contractual service margin	335,404	325,726
Net liabilities of insurance contracts	1,946,425	1,747,109

The impact on the balance sheet of insurance contracts not measured under the premium allocation approach that were initially recognised in the period is as follows:

	For the six months ended 30 June 2024		
	Group of onerous contracts initially recognised in the period	Others	Total
Insurance acquisition cash flows	2,767	11,589	14,356
Others	24,075	73,736	97,811
Present value of future cash outflows	26,842	85,325	112,167
Present value of future cash inflows	(26,504)	(96,202)	(122,706)
Risk adjustment for non-financial risk	255	1,332	1,587
Contractual service margin	-	9,545	9,545
Impact of insurance contracts initially recognised in the current period	593	-	593

	For the six months ended 30 June 2023		
	Group of onerous contracts initially recognised in the period	Others	Total
Insurance acquisition cash flows	2,915	11,416	14,331
Others	25,613	70,760	96,373
Present value of future cash outflows	28,528	82,176	110,704
Present value of future cash inflows	(27,985)	(91,740)	(119,725)
Risk adjustment for non-financial risk	417	1,569	1,986
Contractual service margin	-	7,995	7,995
Impact of insurance contracts initially recognised in the current period	960	-	960

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

16. Reinsurance contract assets/(liabilities)

The analysis of reinsurance contract assets for remaining coverage and for incurred claims is as follows:

	30 June 2024	31 December 2023
Reinsurance contract assets		
Assets for remaining coverage	13,745	15,169
Including: Excluding loss-recovery component	12,367	13,549
Loss-recovery component	1,378	1,620
Assets for incurred claims	28,350	24,585
Total reinsurance contract assets	42,095	39,754
Net assets of reinsurance contract	42,095	39,754

The analysis by measurement component of contracts not measured under premium allocation approach is as follows:

	30 June 2024	31 December 2023
Reinsurance contract assets		
Present value of future cash flows	10,828	9,234
Risk adjustment for non-financial risk	199	188
Contractual service margin	2,935	2,649
Total reinsurance contract assets	13,962	12,071
Net assets of reinsurance contract	13,962	12,071

17. Issued capital

Shares of the Company as well as the percentages of shareholding are shown below:

	As at 1 January 2024		Increase/(Decrease) of number of shares		As at 30 June 2024	
	Number of shares	Percentage of shareholding	Newly issued	Others	Number of shares	Percentage of shareholding
I. Shares with trading restrictions						
Shares held by domestic non-state owned legal persons	-	0%	-	-	-	0%
Sub-total	-	0%	-	-	-	0%
II. Shares without trading restrictions						
Ordinary shares denominated in RMB	6,844	71%	-	-	6,844	71%
Foreign shares listed overseas	2,776	29%	-	-	2,776	29%
Sub-total	9,620	100%	-	-	9,620	100%
III. Total	9,620	100%	-	-	9,620	100%

As at 30 June 2024, the number of shares which the Company issued and fully paid at RMB 1 each is 9,620 million.

As at 31 December 2023, the number of shares which the Company issued and fully paid at RMB 1 each is 9,620 million.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

18. Capital reserves

	30 June 2024	31 December 2023
Capital premium	79,008	79,008
Impact of capital injection to subsidiaries, etc.	2,105	2,105
Impact of equity transactions with non-controlling interests	(131)	(131)
Impact of other changes in the equity of investees accounted for using the equity method	349	351
Redistribution of cumulative changes in fair value of available-for-sale financial assets when purchasing equity from non-controlling interests	(1,413)	(1,413)
Impact of phased business combinations	28	28
Impact of capital invested by holders of equity investments at fair value through other comprehensive income	(2)	-
Others	2	2
Total	79,946	79,950

Capital reserves mainly represents share premiums from issuance of shares and the deemed disposal of an equity interest in CPIC Life to certain foreign investors in December 2005, and the subsequent repurchase of the shares mentioned above in the same subsidiary by the Company in April 2007. In addition, the Company issued GDRs and listed them on the LSE in 2020 which also increased the capital reserves.

19. Surplus reserves

	Statutory surplus reserve (the "SSR")
As at 1 January 2023	5,114
Appropriations	-
As at 31 December 2023 and 30 June 2024	5,114

20. General reserves

In accordance with relevant regulations, general risk provisions should be made to cover catastrophic risks or losses as incurred by companies engaged in the insurance, banking, trust, securities, futures, fund management, leasing and financial guarantee businesses. Companies undertaking insurance activities are required to set aside 10% of their net profit to general reserves, while companies undertaking asset management activities are required to set aside 10% of their management fee income to the risk reserves until the balance reaches 1% of the balance of products under management.

In accordance with relevant regulations, as part of the profit distribution and as presented in their annual financial statements, the Group's subsidiaries engaged in the above-mentioned businesses make appropriations to their general reserves on the basis of their annual net profit, year-end risk assets or management fee income from products under management where appropriate. Such general reserves cannot be used for dividends distribution or conversion to capital.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

21. Profit distribution and retained profits

According to the Articles of Association of the Company, the amount of retained profits available for distribution of the Company should be the amount determined under CASs, or determined under CASs if permissible by local rules where the Company is listed. According to the Articles of Association of the Company and applicable laws and regulations, the Company's profit distribution is made the following order:

- (1) Making up for losses brought forward from prior years;
- (2) Appropriating to SSR at 10% of the net profit;
- (3) Making appropriation to the discretionary surplus reserve ("DSR") in accordance with the resolution of the general shareholders' meeting; and
- (4) Paying dividends to shareholders.

The Company can cease the appropriation to SSR when SSR accumulates to more than 50% of the registered capital. The SSR may be used to make up for losses, if any, and, subject to the approval of the general shareholders' meeting, may also be converted into capital to make to fund an issue of new shares to shareholders on a proportionate basis. However, the conversion of SSR to capital should not bring the retained SSR to below 25% of the registered capital.

The balance of SSR reached 50% of the respective registered capital. The Company did not set aside SSR for the six months ended 30 June 2024.

After making necessary appropriations to the SSR, the Company and its subsidiaries in the PRC may also appropriate a portion of their net profit to the DSR upon the approval of the shareholders in general meetings. Subject to the approval of the shareholders, the DSR may be used to offset accumulated losses, if any, and may be converted into capital. The Company did not set aside DSR for the six months ended 30 June 2024.

Pursuant to the resolution of the 2nd meeting of the 10th Board of Directors of the Company held on 28 March 2024, a final dividend of approximately RMB 9,813 million (equivalent to annual cash dividend of RMB 1.02 per share (including tax)) was proposed. The profit distribution plan was approved by the shareholders of the Company at the general meeting on 6 June 2024.

22. Insurance revenue

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Insurance contracts not measured under the premium allocation approach		
Amounts relating to the changes in the liability for remaining coverage:	30,867	30,806
Amortisation of contractual service margin	13,091	13,314
Changes in the risk adjustment for non-financial risk	674	729
Insurance service expenses expected to be incurred in the period	16,026	15,701
Experience adjustments for premium receipts that relate to current or past services	1,076	1,062
Amortisation of insurance acquisition cash flows	10,901	10,818
Sub-total of insurance contracts not measured under the premium allocation approach	41,768	41,624
Insurance contracts measured under the premium allocation approach	95,251	92,440
Total of insurance revenue	137,019	134,064

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

23. Interest income

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Interest income of debt investments at fair value through other comprehensive income	22,719	22,587
Interest income of term deposits	2,932	4,114
Interest income of financial assets at amortised cost	1,714	2,100
Interest income of restricted statutory deposits	122	151
Interest income of securities purchased under agreements to resell	66	131
Others	216	237
Total	27,769	29,320

24. Investment income

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Realised gains/(losses)		
Financial instruments held for trading and other financial instruments at fair value through profit or loss	(4,979)	(4,996)
Debt investments at fair value through other comprehensive income	1,009	228
Derivatives	9	(8)
Financial assets at amortised cost	4	-
Gains during the holding period		
Financial instruments held for trading and other financial instruments at fair value through profit or loss	8,480	6,448
Dividend income from equity investments at fair value through other comprehensive income	2,494	2,297
Share of (losses)/profits of associates and joint ventures	(124)	407
Total	6,893	4,376

As at the balance sheet date, there was no significant restriction on the repatriation of the Group's investment income.

25. Gains arising from changes in fair value

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Stock investments	8,945	160
Bond investments	8,687	2,365
Fund investments	2,149	1,116
Derivatives	(23)	(208)
Others	1,187	1,900
Total	20,945	5,333

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

26. Other operating income

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Income from management fee	1,237	1,132
Rental income from investment properties	346	367
Others	306	364
Total	1,889	1,863

27. Insurance service expenses

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Insurance contracts not measured under the premium allocation approach		
Incurred claims and other expenses in the period	15,157	16,828
Amortisation of insurance acquisition cash flows	10,901	10,818
Recognition and reversals of loss component	71	805
Changes in fulfilment cash flows related to liabilities for incurred claims	(937)	(2,219)
Sub-total	25,192	26,232
Insurance contracts measured under the premium allocation approach		
Incurred claims and other expenses in the period	74,319	71,626
Amortisation of insurance acquisition cash flows	23,385	22,056
Recognition and reversals of loss component	(1,983)	(112)
Changes in fulfilment cash flows related to liabilities for incurred claims	(4,615)	(4,904)
Sub-total	91,106	88,666
Total	116,298	114,898

28. Interest expenses

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Securities sold under agreements to repurchase	903	829
Debt	187	287
Interest expenses on lease liabilities	46	42
Others	56	69
Total	1,192	1,227

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

29. Taxes and surcharges

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
City maintenance and construction tax	189	212
Educational surcharge	139	156
Others	221	233
Less: Insurance acquisition cash flows incurred in the period	(347)	(369)
Other insurance fulfilment cash flows incurred in the period	(24)	(32)
Total	178	200

30. Operating and administrative expenses

The Group's operating and administrative fee details by item are as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Payroll and welfare benefits	10,805	11,142
Professional service fees	2,771	1,781
Advertising expenses (including business publicity expenses)	2,668	3,119
Outsourcing service fees	1,509	1,294
Insurance security funds withdrawal	1,318	1,264
General office and travel expenses	1,033	1,139
Depreciation of fixed assets	600	666
Depreciation of right-of-use assets	585	643
Amortisation of intangible assets	554	562
Property management fees	365	363
Consulting and audit fees	337	265
Labour costs	294	334
Amortisation of other long-term assets	210	201
Compulsory automobile rescue fund	65	78
Rent for short-term and low-value asset leases	30	27
Others	1,956	3,947
Sub-total	25,100	26,825
Less: Insurance acquisition cash flows incurred in the period	(15,721)	(17,777)
Other insurance fulfilment cash flows incurred in the period	(6,314)	(5,417)
Total	3,065	3,631

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

31. Impairment losses on financial assets

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Impairment loss of debt investments at fair value through other comprehensive income	(122)	887
Impairment loss of financial assets at amortised cost	33	277
Impairment loss of term deposits	5	(17)
Impairment loss of others	32	36
Total	(52)	1,183

32. Other operating expenses

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Depreciation of investment properties	217	189
Interest expenses for policyholders' investment contract liabilities	45	47
Others	426	258
Total	688	494

33. Income tax

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Current income tax	2,345	2,643
Deferred income tax	1,192	1,566
Total	3,537	4,209

The relationship between income tax expenses and total profit is shown below:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Total profit	29,395	22,956
Taxes calculated at the statutory tax rate of 25%	7,349	5,739
Income tax adjustment for prior years	(375)	(26)
Non-taxable income	(4,189)	(3,169)
Non-deductible expenses	208	184
Others	544	1,481
Income tax calculated at applicable tax rates	3,537	4,209

The income tax of the Group is provided at applicable tax rate in accordance with the estimated taxable income obtained in Mainland China. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/ jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

34. Other comprehensive income/(loss)

	Other comprehensive income in balance sheet			Other comprehensive income/(loss) in income statement					
	1 January 2024	Attributable to the Company - net of tax	30 June 2024	Amount incurred before income tax	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to profit or loss in current period	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to retained profits in current period	Less: Income tax	Attributable to the Company - net of tax	Attributable to non-controlling interests - net of tax
Other comprehensive income/(loss) that will not be reclassified to profit or loss									
Changes in the fair value of equity investments at fair value through other comprehensive income	1,653	5,791	7,444	7,775	-	68	(1,944)	5,791	108
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss	(1,390)	(723)	(2,113)	(997)	-	13	249	(723)	(12)
Other comprehensive income/(loss) that will be reclassified to profit or loss									
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(100)	4	(96)	5	-	-	(1)	4	-
Changes in the fair value of debt instruments at fair value through other comprehensive income	78,160	49,813	127,973	68,733	(950)	-	(17,110)	49,813	860
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	3,045	(96)	2,949	(126)	(5)	-	33	(96)	(2)
Exchange differences on translation of foreign operations	60	7	67	7	-	-	-	7	-
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss	(73,431)	(52,287)	(125,718)	(71,510)	579	-	17,736	(52,287)	(908)
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss	(5)	(19)	(24)	(25)	-	-	6	(19)	-
Total	7,992	2,490	10,482	3,862	(376)	81	(1,031)	2,490	46

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

34. Other comprehensive income/(loss) (continued)

	Other comprehensive income in balance sheet			Other comprehensive income/(loss) in income statement						
	1 January 2023	Attributable to the Company - net of tax	30 June 2023	Amount incurred before income tax	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to profit or loss in current period	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to retained profits in current period	Less: Income tax	Attributable to the Company - net of tax	Attributable to non-controlling interests - net of tax	
Other comprehensive income/(loss) that will not be reclassified to profit or loss										
Changes in the fair value of equity investments at fair value through other comprehensive income	593	1,636	2,229	2,230	-	-	(558)	1,636	36	
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss	(715)	(536)	(1,251)	(731)	-	-	183	(536)	(12)	
Other comprehensive income/(loss) that will be reclassified to profit or loss										
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(47)	(45)	(92)	(61)	-	-	15	(45)	(1)	
Changes in the fair value of debt instruments at fair value through other comprehensive income	42,188	17,828	60,016	24,364	(157)	-	(6,071)	17,828	308	
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	2,136	602	2,738	893	(58)	-	(223)	602	10	
Exchange differences on translation of foreign operations	45	31	76	32	-	-	-	31	1	
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss	(37,730)	(15,373)	(53,103)	(20,924)	53	-	5,231	(15,373)	(267)	
Total	6,470	4,143	10,613	5,803	(162)	-	(1,423)	4,143	75	

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

35. Earnings per share

(1) Basic earnings per share

Basic earnings per share was calculated by dividing the net profit of the current period attributable to the shareholders of the parent by the weighted average number of ordinary shares issued by the Company.

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Consolidated net profit for the period attributable to shareholders of the parent	25,132	18,332
Weighted average number of ordinary shares in issue (million shares)	9,620	9,620
Basic earnings per share (RMB per share)	2.61	1.91

(2) Diluted earnings per share

The Company had no dilutive potential ordinary shares during the six-month periods ended 30 June 2024 and 2023.

36. Cash and cash equivalents

	30 June 2024	31 December 2023
Cash:		
Cash at bank and on hand	-	2
Cash at bank readily available for payments	40,397	29,833
Other cash balances readily available for payments	1,159	1,097
Cash equivalents:		
Investments with an initial term within 3 months	22,391	2,808
Total	63,947	33,740

VI. SEGMENT INFORMATION

The Group presents segment information based on its major operating segments.

For management purpose, the Group is organised into business units based on their products and services. Different operating segments provide products and services with different risks and rewards.

The Group's operating segments are listed as follows:

- The life and health insurance segment (mainly including CPIC Life, CPIC Health and CPIC Life (H.K.)) offers a wide range of life and health insurance in RMB and foreign currencies;
- The property and casualty insurance segment (including CPIC Property, PAAIC and CPIC H.K.) provides a wide range of property and casualty insurance in RMB and foreign currencies;
- Other businesses segment mainly provides corporation management and asset management services.

Intersegment sales and transfers are measured based on the actual transaction price.

More than 99% of the Group's revenue is derived from its operations in Mainland China. More than 99% of the Group's assets are located in Mainland China.

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2024				
	Life and health insurance	Property and casualty insurance	Others	Eliminations	Total
Insurance revenue	42,985	94,298	-	(264)	137,019
Interest income	24,195	2,420	1,162	(8)	27,769
Investment income	7,156	611	9,536	(10,410)	6,893
Including: Share of profits/(losses) of associates and joint ventures	120	14	(246)	(12)	(124)
Other income	22	31	33	-	86
Gains arising from changes in fair value	17,782	1,035	2,148	(20)	20,945
Exchange (losses)/gains	(8)	13	27	-	32
Other operating income	686	131	4,256	(3,184)	1,889
Gains on disposal of assets	1	-	-	-	1
Operating income	92,819	98,539	17,162	(13,886)	194,634
Insurance service expenses	(27,224)	(89,263)	-	189	(116,298)
Allocation of reinsurance premiums	(370)	(7,878)	-	286	(7,962)
Less: Recoveries of insurance service expenses from reinsurers	515	7,201	-	(114)	7,602
Insurance finance expenses for insurance contracts issued	(41,996)	(1,585)	-	(449)	(44,030)
Less: Reinsurance finance income for reinsurance contracts held	646	404	-	(14)	1,036
Others	(2,190)	(1,332)	(5,090)	3,077	(5,535)
Operating expenses	(70,619)	(92,453)	(5,090)	2,975	(165,187)
Operating profit	22,200	6,086	12,072	(10,911)	29,447
Add: Non-operating income	3	15	6	-	24
Less: Non-operating expenses	(17)	(42)	(17)	-	(76)
Profit before tax	22,186	6,059	12,061	(10,911)	29,395
Less: Income tax	(1,950)	(1,228)	(346)	(13)	(3,537)
Net profit for the period	20,236	4,831	11,715	(10,924)	25,858

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2024				
	Life and health insurance	Property and casualty insurance	Others	Eliminations	Total
Supplementary information:					
Capital expenditure	165	174	1,041	-	1,380
Depreciation and amortisation	984	758	481	-	2,223
Impairment losses on financial assets	(79)	37	(10)	-	(52)
As at 30 June 2024					
Long-term equity investments	113,147	244	72,064	(162,329)	23,126
Financial assets*	1,891,753	140,642	149,597	(1,483)	2,180,509
Reinsurance contract assets	15,268	28,065	-	(1,238)	42,095
Term deposits	132,043	30,029	8,402	-	170,474
Others	60,079	35,231	56,199	(14,225)	137,284
Segment assets	2,212,290	234,211	286,262	(179,275)	2,553,488
Insurance contract liabilities	1,947,885	130,781	-	(1,221)	2,077,445
Bonds payable	-	10,102	-	-	10,102
Securities sold under agreements to repurchase	84,957	9,492	3,339	-	97,788
Others	26,051	23,084	41,242	(15,880)	74,497
Segment liabilities	2,058,893	173,459	44,581	(17,101)	2,259,832

*Financial assets include derivative financial assets, financial assets at fair value through profit or loss, financial assets at amortised cost, debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income.

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2023				
	Life and health insurance	Property and casualty insurance	Others	Eliminations	Total
Insurance revenue	43,669	90,486	-	(91)	134,064
Interest income	25,231	2,796	1,298	(5)	29,320
Investment income	4,228	632	10,848	(11,332)	4,376
Including: Share of profits/(losses) of associates and joint ventures	576	14	(170)	(13)	407
Other income	15	37	123	-	175
Gains arising from changes in fair value	2,870	652	1,814	(3)	5,333
Exchange gains	91	91	225	-	407
Other operating income	748	115	4,117	(3,117)	1,863
Gains on disposal of assets	1	-	-	-	1
Operating income	76,853	94,809	18,425	(14,548)	175,539
Insurance service expenses	(28,543)	(86,526)	-	171	(114,898)
Allocation of reinsurance premiums	(1,036)	(7,183)	-	234	(7,985)
Less: Recoveries of insurance service expenses from reinsurers	481	6,685	-	(153)	7,013
Insurance finance expenses for insurance contracts issued	(28,202)	(1,387)	-	(394)	(29,983)
Less: Reinsurance finance income for reinsurance contracts held	293	268	-	(13)	548
Others	(3,087)	(1,556)	(5,574)	2,956	(7,261)
Operating expenses	(60,094)	(89,699)	(5,574)	2,801	(152,566)
Operating profit	16,759	5,110	12,851	(11,747)	22,973
Add: Non-operating income	2	46	-	-	48
Less: Non-operating expenses	(20)	(36)	(9)	-	(65)
Profit before tax	16,741	5,120	12,842	(11,747)	22,956
Less: Income tax	(2,795)	(1,041)	(396)	23	(4,209)
Net profit for the period	13,946	4,079	12,446	(11,724)	18,747

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2023				
	Life and health insurance	Property and casualty insurance	Others	Eliminations	Total
Supplementary information:					
Capital expenditure	263	165	710	-	1,138
Depreciation and amortisation	1,158	777	505	-	2,440
Impairment losses on financial assets	749	390	44	-	1,183
As at 31 December 2023					
Long-term equity investments	105,822	230	72,062	(154,930)	23,184
Financial assets*	1,730,738	133,180	146,721	(1,286)	2,009,353
Insurance contract assets	-	335	-	-	335
Reinsurance contract assets	13,378	27,660	-	(1,284)	39,754
Term deposits	133,197	24,487	7,817	-	165,501
Others	38,972	32,097	39,535	(4,769)	105,835
Segment assets	2,022,107	217,989	266,135	(162,269)	2,343,962
Insurance contract liabilities	1,748,571	125,266	-	(1,217)	1,872,620
Bonds payable	-	10,285	-	-	10,285
Securities sold under agreements to repurchase	102,584	5,228	8,007	-	115,819
Others	38,475	20,768	24,619	(6,328)	77,534
Segment liabilities	1,889,630	161,547	32,626	(7,545)	2,076,258

*Financial assets include derivative financial assets, financial assets at fair value through profit or loss, financial assets at amortised cost, debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income.

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Major related parties

As at 30 June 2024, the Company's major related parties comprise:

- (1) Subsidiaries of the Company;
- (2) Investors who exert significant influence on the Company;
- (3) Joint ventures and associates of the Company;
- (4) Key management personnel of the Company and close family members of such individuals;
- (5) Enterprise annuity fund established by the Group; and
- (6) Legal entities or other organisations other than the Company and its holding subsidiaries, in which the Company's associated natural persons serve as directors and senior management personnel.

Except for being controlled by the state together with the Company, an enterprise that has no other related party relations with the Company is not a related party to the Company.

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related party relationships

(1) Related parties controlled by the Company

Related parties controlled by the Company are mainly subsidiaries of the Company. Their basic information and relationships with the Company are set out in Note IV.

(2) The movements of registered capital and the percentages of the equity or shares held by the Company are as follows:

Name of investee	Registered capital			Shares or equity held by the Company		
	1 January 2024	Movements for the current period	30 June 2024	1 January 2024	Movements for the current period	30 June 2024
CPIC Property	19,948	-	19,948	98.50%	-	98.50%
CPIC Life	8,628	-	8,628	98.29%	-	98.29%
CPIC Asset Management	2,100	-	2,100	99.67%	-	99.67%
Changjiang Pension	3,000	-	3,000	61.10%	-	61.10%
CPIC H.K.	HKD 250 million	-	HKD 250 million	100.00%	-	100.00%
CPIC Real Estate	115	-	115	100.00%	-	100.00%
CPIC Investment (H.K.)	HKD 200 million	-	HKD 200 million	99.71%	-	99.71%
City Island	USD 50,000	-	USD 50,000	98.29%	-	98.29%
Great Winwick Limited	USD 50,000	-	USD 50,000	98.29%	-	98.29%
Great Winwick (Hong Kong) Limited	HKD 10,000	-	HKD 10,000	98.29%	-	98.29%
Newscott Investments Limited	USD 50,000	-	USD 50,000	98.29%	-	98.29%
Newscott (Hong Kong) Investments Limited	HKD 10,000	-	HKD 10,000	98.29%	-	98.29%
Xin Hui Property	USD 15,600 thousand	-	USD 15,600 thousand	98.29%	-	98.29%
He Hui Property	USD 46,330 thousand	-	USD 46,330 thousand	98.29%	-	98.29%
CPIC Online Services	200	-	200	100.00%	-	100.00%
Tianjin Trophy	354	-	354	98.29%	-	98.29%
CPIC Senior Living Investment	5,000	-	5,000	98.29%	-	98.29%
CPIC Health	3,600	-	3,600	99.74%	-	99.74%
PAAIC	1,080	-	1,080	66.76%	-	66.76%
Pacific Medical & Healthcare	1,000	-	1,000	98.29%	-	98.29%
CPIC Funds	150	-	150	50.83%	-	50.83%
Pacific Insurance Agency	50	-	50	100.00%	-	100.00%
Chengdu Project Company	1,000	-	1,000	98.29%	-	98.29%
Hangzhou Project Company	1,200	-	1,200	98.29%	-	98.29%
Xiamen Project Company	900	-	900	98.29%	-	98.29%
Pacific Care Home at Chengdu	60	-	60	98.29%	-	98.29%

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related party relationships (continued)

(2) The movements of registered capital and the percentage of the equity or shares held by the Company are as follows:
(continued)

Name of investee	Registered capital			Shares or equities held by the Company		
	1 January 2024	Movements for the current period	30 June 2024	1 January 2024	Movements for the current period	30 June 2024
Nanjing Project Company	702	-	702	98.29%	-	98.29%
Pacific Care Home at Dali	608	-	608	74.70%	-	74.70%
Shanghai (Putuo) Project Company	250	-	250	98.29%	-	98.29%
Pacific Care Home at Hangzhou	60	-	60	98.29%	-	98.29%
Wuhan Project Company	980	-	980	98.29%	-	98.29%
CPIC Capital	100	-	100	99.67%	-	99.67%
Pacific Care Home at Shanghai (Chongming)	1,253	-	1,253	98.29%	-	98.29%
Pacific Care Home at Shanghai (Putuo)	30	-	30	98.29%	-	98.29%
Borui Heming	52	-	52	98.29%	-	98.29%
CPIC Life (H.K.)	HKD 1,000 million	-	HKD 1,000 million	98.29%	-	98.29%
Qingdao Project Company	227	-	227	98.29%	-	98.29%
Pacific Care Home at Xiamen	40	-	40	98.29%	-	98.29%
Zhengzhou Project Company	650	-	650	98.29%	-	98.29%
Beijing Project Company	800	-	800	98.29%	-	98.29%
CPIC Technology	700	-	700	100.00%	-	100.00%
Xinbaoyu	3,650	-	3,650	98.46%	-	98.46%
CPIC Technology Wuhan	100	-	100	100.00%	-	100.00%
Sanya Project Company	490	-	490	98.29%	-	98.29%
Pacific Care Home at Nanjing	30	-	30	98.29%	-	98.29%
Pacific Care Home at Shanghai (Jing'an)	426	-	426	98.29%	-	98.29%
Pacific Care Home at Wuhan	30	-	30	98.29%	-	98.29%
Xiamen Yuanshen Hospital	160	-	160	98.29%	-	98.29%
Guangzhou Project Company	-	830	830	-	98.29%	98.29%
Ji'nan Yuanshen Hospital	-	260	260	-	98.29%	98.29%

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related party relationships (continued)

(3) Other major related parties

Name of entity	Relationship with the Company
Hwabao Investments Co., Ltd.	Shareholder with over 5% voting rights of the Company
Shenergy (Group) Company Limited	Shareholder with over 5% voting rights of the Company
Shanghai State-Owned Assets Operation Co., Ltd.	Shareholder with over 5% voting rights of the Company
China Baowu Steel Group Corporation Limited	Parent company of shareholders holding over 5% voting rights of the Company
Shanghai International Group Co., Ltd.	Parent company of shareholders holding over 5% voting rights of the Company
Baoshan Iron & Steel Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Baowu Carbon Technology Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Shanghai Baoxin Software Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Taiyuan Iron & Steel (Group) Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Hwabao WP Fund Management Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Shanghai International Group Asset Management Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Hainan Shenergy New Energy Co., Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Shanghai Gas Co., Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Shenergy Company Limited	Subsidiary of shareholders holding over 5% voting rights of the Company
Shanghai LNG Company Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Binjiang-Xiangrui	Joint venture of the Company
Ruiyongjing Real Estate	Joint venture of the Company
Shanghai Juche Information Technology Co., Ltd. (“Juche”)	Associate of the Company
Zhongdao Automobile Rescue Industry Co., Ltd. (“Zhongdao”)	Associate of the Company
Shanghai Shantai Healthcare and Technology Company Limited (“Shantai Healthcare”)	Associate of the Company
Shanghai Guangci Memorial Hospital Co., Ltd. (“Guangci Hospital”)	Associate of the Company
The Company’s enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Property’s enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Life’s enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Asset Management’s enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Online Services’ enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Health’s enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Senior Living Investment’s enterprise annuity plan	Enterprise annuity fund established by the Group
PAAIC’s enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Real Estate’s enterprise annuity plan	Enterprise annuity fund established by the Group
Pacific Medical & Healthcare’s enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Fund’s enterprise annuity plan	Enterprise annuity fund established by the Group
Pacific Insurance Agency enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Technology enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Capital enterprise annuity plan	Enterprise annuity fund established by the Group
Orient Securities Company Limited (“Orient Securities”)	Company of which the Group’s related natural persons serve as directors or senior management personnel
Swiss Reinsurance Company Ltd	Company of which the Group’s related natural persons serve as directors or senior management personnel
Hwabao Trust Co., Ltd.	Company of which the Group’s related natural persons serve as directors or senior management personnel
Shanghai Haiyan Investment Management Co., Ltd.	Company of which the Group’s related natural persons serve as directors or senior management personnel in the past 12 months

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties

3.1 Major transactions between the Group and related parties

The transaction amount for the period was calculated since the entity was identified as a related party of the Group.

(1) Sale of insurance contracts

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Baoshan Iron & Steel Co., Ltd.	16	16
Hainan Shenergy New Energy Co., Ltd.	11	-
Shenergy Company Limited	4	3
Orient Securities	3	3
Shanghai Gas Co., Ltd.	2	2
Taiyuan Iron & Steel (Group) Co., Ltd.	2	2
Shanghai International Group Co., Ltd.	1	2
Shanghai International Group Asset Management Co., Ltd.	1	1
Shanghai State-Owned Assets Operation Co., Ltd.	1	1
Baowu Carbon Technology Co., Ltd.	1	1
Shanghai Baoxin Software Co., Ltd.	1	1
Shanghai LNG Company Ltd.	1	1
China Baowu Steel Group Corporation Limited	-	1
Total	44	34

Sale of insurance contracts to shareholders who individually own more than 5% of voting rights of the Company and the shareholders' parent company was RMB 2 million for the six months ended 30 June 2024 (For the six months ended 30 June 2023: RMB 4 million).

The Group's above related party transactions were entered into based on normal commercial terms during the normal course of insurance business. For the six months ended 30 June 2024 and 30 June 2023, the proportion of the scale premium of related parties to the total scale premium of the Group's was less than 1%.

(2) Fund subscription and redemption transactions

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Hwabao WP Fund Management Co., Ltd.	210	121

(3) Transaction of asset management products

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Hwabao Trust Co., Ltd.	11	31

(4) Transaction of selling and buying bonds

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Orient Securities	41	410
Shanghai International Group Co., Ltd.	120	-
Total	161	410

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.1 Major transactions between the Group and related parties (continued)

(5) Distribution of cash dividends

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Shenergy (Group) Company Limited	1,427	1,379
Hwabao Investments Co., Ltd.	1,310	1,310
Shanghai State-Owned Assets Operation Co., Ltd.	665	622
Shanghai Haiyan Investment Management Co., Ltd.	514	478
Total	3,916	3,789

Distribution of cash dividends to shareholders who individually own more than 5% of voting rights of the Company was RMB 3,402 million for the six months ended 30 June 2024 (For the six months ended 30 June 2023: RMB 3,311 million).

(6) Premiums ceded to reinsurers (amounts incurred)

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Swiss Reinsurance Company Ltd	2,129	2,069

(7) Expense recoveries from reinsurers (amounts incurred)

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Swiss Reinsurance Company Ltd	571	632

(8) Claim recoveries from reinsurers (amounts incurred)

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Swiss Reinsurance Company Ltd	1,045	961

(9) Remuneration of key management

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Salary and other benefits	11	11

(10) The related party transactions between the Group and the established enterprise annuity funds during the periods are as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Contribution to the enterprise annuity plans	325	236

(11) The major related party transactions between the Group and joint ventures during the periods are as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Binjiang-Xiangrui		
Fees for leasing office buildings of Binjiang-Xiangrui	41	42
Ruiyongjing Real Estate		
Fees for leasing office buildings of Ruiyongjing Real Estate	61	-
Grant loans	332	172

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.1 Major transactions between the Group and related parties (continued)

(12) The major related party transactions between the Group and associates during the periods are as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Purchase services		
Zhongdao	99	90
Juche	67	58
Shantai Healthcare	65	17
Guangci Hospital	7	-
Total	238	165

3.2 Major transactions between the Company and related parties

(1) The major related party transactions between the Company and subsidiaries during the periods are as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Purchase of insurance contracts		
CPIC Health	6	-
CPIC Property	3	5
Total	9	5
Rental income from office buildings		
CPIC Property	48	48
CPIC Technology	16	18
CPIC Life	6	9
Changjiang Pension	4	4
CPIC Senior Living Investment	2	2
CPIC Health	1	1
CPIC Asset Management	1	-
Pacific Medical & Healthcare	1	-
Total	79	82
Shared service centre fees		
CPIC Life	20	32
CPIC Property	34	28
CPIC Asset Management	2	2
CPIC Health	2	1
CPIC Technology	1	1
CPIC Senior Living Investment	1	1
CPIC Online Services	1	1
Total	61	66
Equipment rental fee		
CPIC Technology	46	-
Asset management fee		
CPIC Asset Management	14	9
Technology service fee		
CPIC Technology	148	127

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.2 Major transactions between the Company and related parties (continued)

(1) The major related party transactions between the Company and subsidiaries during the periods are as follows: (continued)

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Medical examination fee		
CPIC Health	2	-
Entrusted management fees		
CPIC Real Estate	2	4
Rental fees		
CPIC Property	2	3
CPIC Life	1	1
Xinbaoyu	1	-
Total	4	4
Dividend income from subsidiaries		
CPIC Life	6,869	5,852
CPIC Property	1,965	4,027
CPIC Asset Management	369	320
CPIC Real Estate	49	-
CPIC Technology	11	-
Total	9,263	10,199

The rents of the office buildings charged by the Company from CPIC Property, CPIC Technology, CPIC Life, Changjiang Pension, CPIC Senior Living Investment, CPIC Health, CPIC Asset Management and Pacific Medical & Healthcare are determined at the prices negotiated by both parties. The shared service centre fees charged by the Company from CPIC Life, CPIC Property, CPIC Asset Management, CPIC Health, CPIC Technology, CPIC Senior Living Investment and CPIC Online Services are based on the costs of the service providers and distributed in the proportion mutually agreed by both parties. The equipment rental fee paid by CPIC Technology to the Company is determined at the price negotiated by both parties. The asset management fee charged by CPIC Asset Management to the Company is determined by considering the type of entrusted assets, the size of the entrusted assets and the actual operating costs. The technology service fee charged by CPIC Technology to the Company is determined at the price negotiated by both parties. The medical examination fee charged by CPIC Health to the Company is determined at the price negotiated by both parties. The entrusted management fees charged by CPIC Real Estate to the Company is determined at the price negotiated by both parties. The rental fees charged by CPIC Property, CPIC Life and Xinbaoyu to the Company are determined at the price negotiated by both parties.

(2) The major related party transactions between the Company and other related party of the Group during the periods are as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Fees for leasing office buildings		
Binjiang-Xiangrui	27	20

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Receivables from and payables to related parties

(1) Receivables and payables between the Company and its subsidiaries are as follows:

	30 June 2024	31 December 2023
Dividends receivable		
CPIC Life	6,869	-
CPIC Property	1,735	-
CPIC Asset Management	369	-
Total	8,973	-
Other receivables		
CPIC Property	126	136
CPIC Life	77	90
CPIC Technology	61	40
CPIC Asset Management	3	2
CPIC Health	2	3
CPIC Senior Living Investment	2	1
CPIC Online Services	1	1
Changjiang Pension	1	-
Pacific Medical & Healthcare	1	-
Total	274	273
Other payables		
CPIC Technology	108	172
CPIC Asset Management	15	22
CPIC Real Estate	-	6
Total	123	200

(2) Receivables and payables between the Group and its joint ventures are as follows:

	30 June 2024	31 December 2023
Other receivables		
Ruiyongjing Real Estate	124	124
Binjiang-Xiangrui	1,772	1,772
Total	1,896	1,896
Other payables		
Ruiyongjing Real Estate	19	9
Binjiang-Xiangrui	290	266
Total	309	275
Debt investment at fair value through other comprehensive income		
Ruiyongjing Real Estate	5,838	5,312

The receivable due from Binjiang-Xiangrui is interest-free with no determined maturity date.

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Receivables from and payables to related parties (continued)

(3) Receivables and payables between the Group and other related parties arising from reinsurance are as follows:

	30 June 2024	31 December 2023
Receivables from Swiss Reinsurance Company Ltd	1,229	1,186
Payables to Swiss Reinsurance Company Ltd	1,017	361

VIII. CONTINGENCIES

In light of the nature of the insurance business, the Group makes estimates for contingencies and legal proceedings in the ordinary course of business, both in the capacity as plaintiff or defendant in litigation and as claimant or respondent in arbitration proceedings. Legal proceedings mostly involve claims on the Group's insurance policies. Provisions have been made for the probable losses to the Group, including those claims where directors can reasonably estimate the outcome of the litigations taking into account legal advice, if any. No provision is made for contingencies and legal proceedings when the outcome cannot be reasonably estimated or the probability of loss is extremely low.

In addition to the legal proceedings of the above natures, as at 30 June 2024, the Group was the defendant in certain pending litigations. Provisions were made for the possible losses based on best estimate by the Group and the Group would only be contingently liable for any claim that is in excess of the provision made. No provision was made for contingencies and legal proceedings when the outcome cannot be reasonably estimated by the management or the probability of loss is extremely low.

IX. COMMITMENTS

1. Major projects with capital commitments

		30 June 2024	31 December 2023
Capital commitments			
Contracted, but not provided for	(1)(2)(3)(4)(5)(6)	16,975	14,289
Authorised, but not contracted for	(1)	5,626	8,337
		22,601	22,626

As at 30 June 2024, major projects with capital commitments were as follows:

- (1) CPIC Life and CPIC Senior Living Investment obtained the use rights of 15 parcels of land located at Wenjiang District in Chengdu, Sichuan, etc, and set up 15 project companies named Chengdu Project Company, etc, accordingly as the owners of the land use rights to parcels of land and construction development subjects for the construction project "CPIC Home". The estimated total investment of the above project is approximately RMB 16,212 million. As at 30 June 2024, the cumulative amount incurred was approximately RMB 8,001 million. Of the balance, approximately RMB 1,449 million was disclosed as a capital commitment contracted but not provided for and approximately RMB 5,626 million was disclosed as a capital commitment authorised but not contracted for.

IX. COMMITMENTS (continued)

1. Major projects with capital commitments (continued)

- (2) CPIC Life and the third party joined together to bid for the use right of the land located at Huangpu District, Shanghai. All parties set up a project company named Ruiyongjing Real Estate as the owner of the land use right to this parcel of land and construction development subject. The estimated total investment of Ruiyongjing Real Estate is approximately RMB 21,400 million, CPIC Life agreed to provide additional loan of no more than RMB 250 million for Ruiyongjing Real Estate. The registered capital of Ruiyongjing Real Estate is RMB 14,050 million, of which CPIC Life shall make a contribution of RMB 9,835 million, representing 70% of the registered capital. In addition, CPIC Life will provide shareholder's loans to Ruiyongjing Real Estate, which are estimated to be approximately RMB 7,600 million. The total amount of the above two contributions to be made by CPIC Life is estimated to be RMB 17,435 million. As at 30 June 2024, CPIC Life has cumulatively made a capital contribution of RMB 15,107 million. Of the balance, RMB 2,328 million was disclosed as a capital commitment contracted but not provided for.
- (3) CPIC Life and a third party jointly established Taijiashan. The total investment of this project is approximately RMB 5,050 million among which CPIC Life subscribed capital contribution of RMB 5,000 million, accounting for 99.01% of the capital. As at 30 June 2024, CPIC Life has cumulatively made a capital contribution of RMB 2,700 million. Of the balance, RMB 2,300 million was disclosed as a capital commitment contracted but not provided for.
- (4) CPIC Life and CPIC Capital together subscribed 99.99% of the shares of Nanjing Taibao Xinhui Zhiyuan Equity Investment Fund Management Partnership (Limited Partnership) ("Xinhui Zhiyuan"). As at 30 June 2024, Xinhui Zhiyuan has invested in 5 equity investment funds with a total subscribed contribution of RMB 4,320 million, paid-in contribution of approximately RMB 1,600 million, and uncontributed capital of approximately RMB 2,720 million, which is listed as a capital commitment contracted but not provided for.
- (5) CPIC Life and CPIC Capital together subscribed 99.98% of the shares of China Pacific Changhang. As at 30 June 2024, China Pacific Changhang has invested in 2 unlisted equity and 18 equity investment funds (not including consolidated structured entities included in the scope of the Group) with a total subscribed contribution of RMB 6,657 million, paid-in contribution of RMB 3,857 million, and uncontributed capital of RMB 2,800 million, which is listed as a capital commitment contracted but not provided for.
- (6) The Company, CPIC Life and CPIC Capital together subscribed 90.90% of the shares of CPIC Health Industry Private Investment Fund (Shanghai) Partnership (Limited Partnership) ("CPIC Health Fund"). As at 30 June 2024, CPIC Health Fund has invested in 21 equity investment funds (not including consolidated structured entities included in the scope of the Group), with a total subscribed contribution of RMB 5,010 million, paid-in contribution of approximately RMB 3,258 million, and uncontributed capital of approximately RMB 1,752 million, which is listed as a capital commitment contracted but not provided for.

2. Operating lease rental receivables

The Group leases its investment properties under various rental agreements. Future minimum lease receivables under non-cancellable operating leases are as follows:

	30 June 2024	31 December 2023
Within 1 year (inclusive 1 year)	613	379
1 to 2 years (inclusive 2 years)	383	290
2 to 3 years (inclusive 3 years)	195	146
3 to 5 years (inclusive 5 years)	86	85
More than 5 years	45	72
	1,322	972

X. RISK MANAGEMENT

1. Insurance risk

(1) Category of insurance risk and concentration of insurance risk

The risk under an insurance contract arises from the possibility of occurrence of an insured event and the uncertainty of the amount as well as time of any resulting claim. The major risk the Group faces under such contracts is that the actual claims payments and the costs of claims settlement exceed the carrying amount of insurance contract reserves, which are affected by factors such as claim frequency, severity of claim, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

Insurance risk could occur due to any of the following factors:

Occurrence risk - the possibility that the number of insured events will differ from that expected;

Severity risk - the possibility that the cost of the events will differ from that expected;

Development risk - the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

The above risk exposure is mitigated by the diversification across a large portfolio of insurance contracts. The variability of risks is also reduced by careful selection and implementation of underwriting strategy and guidelines, as well as the use of reinsurance arrangements.

The businesses of the Group mainly comprise long-term life insurance contracts (mainly including life insurance and long-term health insurance), short-term life insurance contracts (mainly including short-term health insurance and accident insurance) and property and casualty insurance contracts. For contracts where death is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. For property and casualty insurance contracts, claims are often affected by natural disasters, calamities, terrorist attacks, etc.

Currently, the Group's insurance risk does not vary significantly in relation to the locations of the risks insured by the Group whilst undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

There would be no significant mitigating terms and conditions that reduce the insured risk accepted for contracts with fixed and guaranteed benefits and fixed future premiums. Meanwhile, insurance risk is also affected by the policyholders' rights to terminate the contract, to pay reduced premiums, to refuse to pay premiums or to avail the guaranteed annuity option. Thus, the resultant insurance risk is subject to the policyholders' behaviour and decisions.

In order to manage insurance risks more effectively, the Group manages insurance risks through reinsurance to reduce the effect of potential losses to the Group. Three major types of reinsurance agreements, ceding on a quota share basis or a surplus basis or excess reinsurance, are usually used to cover insurance liability risk, with retention limits varying by product line and territory. The reinsurance contract basically covers all insurance contracts with risk liability. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders. The Group's placement of reinsurance is diversified such that neither it is dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

X. RISK MANAGEMENT (continued)

1. Insurance risk (continued)

(2) Assumptions

Long-term life insurance contracts

Material judgement is required in choosing discount rate assumption, insurance incident occurrence rate assumption (mainly including mortality and morbidity), surrender rate assumption, expense assumption and policy dividend assumption relating to long-term life insurance contracts. These measurement assumptions are based on current information available at the balance sheet date.

Property and casualty and short-term life insurance contracts

The calculation for liability for incurred claims is based on the Group's past claim development experience, including assumptions in respect of average claim costs, claim expenses, inflation factors and number of claims for each accident period. Additional qualitative judgement is used to assess the extent to which past trends may not apply in the future (for example, changes in external factors such as one-off events, public attitudes to claims, market factors such as economic conditions, judicial decisions and government legislation, as well as changes in internal factors such as portfolio mix, policy conditions and claims handling procedures).

Other key assumptions include risk adjustment for non-financial risk, delays in settlement, etc.

2. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk principally comprises three types of risks, namely interest rate risk arising from market interest rates, price risk arising from market prices and currency risk arising from foreign exchange rates.

The following policies and procedures are in place to mitigate the Group's exposure to market risk:

- A market risk policy of the Group setting out the assessment and determination of what constitutes market risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Risk Management Committee of the Group. The policy is reviewed regularly by the management of the Group for pertinence and for changes in the risk environment.
- With proper asset allocation and risk limits on portfolio level, the Group ensures both that assets are sufficient for specific insurance contract liabilities and that assets are held to deliver income and gains expected by policyholders.

(1) Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates.

Since the Group operates principally in Mainland China, the Group has only limited exposure to currency risk, which arises primarily from certain insurance policies denominated in foreign currencies, bank deposits and securities denominated in the foreign currency.

X. RISK MANAGEMENT (continued)

2. Market risk (continued)

(2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and floating rate instruments. The policy also requires it to manage the maturity of interest-bearing financial assets and interest-bearing financial liabilities. Interest on floating rate instruments is generally repriced once a year. Interest on fixed rate instruments is priced on initial recognition of related financial instruments and remains constant until maturity date.

The Group is not exposed to significant concentration risks.

(3) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), regardless of whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Financial investments exposed to market price risk mainly consist of stocks and equity investment funds under financial assets at fair value through profit or loss and equity investments at fair value through other comprehensive income. The Group's price risk policy requires it to manage such risk by setting and monitoring investment objectives, adopting related strategies and managing fluctuations arising from price risk in operating performance.

3. Credit risk

Credit risk is the risk that one party to a financial instrument or an insurance contract will cause a financial loss to the other party by failing to discharge an obligation.

The Group is exposed to credit risks primarily associated with deposit arrangements with commercial banks, financial assets at amortised cost, debt investments at fair value through other comprehensive income, securities purchased under agreements to resell, reinsurance contract assets and other assets.

Due to the restriction of The National Administration of Financial Regulation, majority of the Group's financial assets are government bonds, government institutional bonds, corporate bonds, term deposits, debt investment plans and wealth management products. Term deposits are placed with national commercial banks or comparatively sound financial institutions, and most of corporate bonds, debt investment plans and wealth management products are guaranteed by qualified institutions. Hence, the related credit risk of the investment should be regarded as relatively low. Meanwhile, the Group will perform credit assessments and risk appraisals for each investment before signing contracts, and determine to invest in those programs released by highly rated issuers and project initiators.

For securities purchased under agreements to resell and policy loans, there is a security pledge and the maturity period is less than one year. Premium receivables from life insurance are mainly renew premium within grace period. Hence, the related credit risk should not have significant impact on the Group's consolidated financial statements. The Group grants a short credit period and arranges instalment payment to reduce the property and casualty insurance businesses credit risk. The Group performs regular credit assessment of the reinsurance companies. Reinsurance of the Group is mainly entered into with highly rated reinsurance companies.

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

The Group mitigates credit risk by utilising credit control policies, undertaking credit analysis on potential investments, and imposing aggregate counterparty exposure limits.

Measurement of expected credit loss

In accordance with the new accounting standard for financial instruments, the Group applies the “expected credit loss model” to measure the impairment of financial assets such as financial assets at amortised cost and debt investments at fair value through other comprehensive income.

Criteria for judging significant changes in credit risk

Under the new financial instruments accounting standard, the Group assesses at each balance sheet date whether the credit risk of the relevant financial instruments has changed significantly since its initial recognition when considering the credit risk stages of financial assets. When determining the impairment stage of financial assets, the Group fully considers all reasonable and well-founded information, including forward-looking information, that reflects whether there has been a significant change in its credit risk. The main factors to be considered are regulatory and operating environment, internal and external credit rating, solvency, operating capacity, etc. The Group based on individual financial instruments or portfolios of financial instruments with similar credit risk characteristics to determine the stage classification of financial instruments by comparing the credit risks of the financial instruments at the reporting date with initial recognition.

The Group sets quantitative and qualitative criteria to determine whether the credit risk of financial instruments has changed significantly since the initial recognition, mainly including changes in the debtor's probability of default (“PD”), changes in credit risk classification, and other circumstances indicating significant changes in credit risk. In determining whether the credit risk of a financial instrument has changed significantly since the initial recognition, the Group considers overdue more than 30 days as one of the criteria for a significant increase in credit risk in accordance with the requirements of the standard.

Definition of financial assets that are credit-impaired

The criteria adopted by the Group in determining whether credit impairment has incurred are consistent with internal credit risk management objectives for the relevant financial instruments, taking into account quantitative and qualitative indicators. When assessing whether a debtor has incurred credit impairment, the Group mainly considers the following factors:

- The debtor is more than 90 days overdue after the due date of payment in the contract;
- Internal credit rating is a default rating;
- For economic or contractual reasons related to the debtor's financial difficulties, the creditor gives the debtor concessions that the creditor would not otherwise consider;
- Significant financial difficulties of the issuer or debtor;
- Breach of contract by the debtor, such as default or overdue payment of interest or principal;
- The debtor is likely to go bankrupt or other financial restructuring;
- Financial difficulties of the issuer or debtor lead to the disappearance of an active market for that financial asset;
- Purchase or originate a financial asset at a significant discount that reflects the fact that a credit loss has occurred.

Credit impairment of financial assets may be caused by a combination of multiple events, not necessarily by individually identifiable events.

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

Measurement of expected credit loss (continued)

Parameters of the expected credit loss measurement

The models, parameters and assumptions used in measuring expected credit loss are described as follows:

Impairment provisions are measured in terms of expected credit losses over the next 12 months or throughout the lifetime of the assets, based on whether there has been a significant increase in credit risk and whether the asset has undergone credit impairment. The expected credit loss is the result of discounting the product of the company's exposure at default ("EAD"), PD and rate of loss given default ("LGD") under reasonable and evidence-based forward-looking information that can be obtained without undue cost or effort.

- i) EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime;
- ii) PD is the likelihood that the debtor will not be able to meet its payment obligations in the next 12 months or throughout the remaining lifetime;
- iii) LGD is the Group's expectation of the percentage of loss on the EAD will be lost. LGD varies depending on the type of counterparty, the manner and priority of recourse, and the availability of collateral or other credit support.

When assessing whether the credit risk of a financial instrument has increased significantly since its initial recognition, the Group takes into account changes in the risk of default over the expected lifetime of the financial instruments. The lifetime PD is derived from the 12-month PD based on the maturity information. Impairment for assets assessed on a collective basis are based on observable historical data and on the assumption that assets with the same credit rating and in the same portfolio for collective assessment are in the same situation. The above analysis is based on industry experience and supported by historical data.

Credit risk exposure

Without regard to the impact of guarantees or other credit enhancement methods, the carrying amount of financial assets in the Group's balance sheet reflects its maximum credit risk exposure at the balance sheet date.

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

Credit risk exposure (continued)

The following table sets out the credit risk exposure of financial instruments under the scope of the expected credit loss assessment:

	30 June 2024			
	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash at bank and on hand	42,128	-	-	42,128
Securities purchased under agreements to resell	22,397	-	-	22,397
Term deposits	169,477	997	-	170,474
Financial Investments:				
Financial assets at amortised cost	65,099	1,506	862	67,467
Debt investments at fair value through other comprehensive income	1,336,088	4,689	3,062	1,343,839
Restricted statutory deposits	7,014	-	-	7,014
Others	14,775	678	129	15,582
Total	1,656,978	7,870	4,053	1,668,901

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash at bank and on hand	31,455	-	-	31,455
Securities purchased under agreements to resell	2,808	-	-	2,808
Term deposits	165,501	-	-	165,501
Financial Investments:				
Financial assets at amortised cost	81,291	155	888	82,334
Debt investments at fair value through other comprehensive income	1,243,368	1,147	2,920	1,247,435
Restricted statutory deposits	7,105	-	-	7,105
Others	10,523	683	28	11,234
Total	1,542,051	1,985	3,836	1,547,872

As at 30 June 2024 and 31 December 2023, the collaterals for the financial assets that have suffered credit impairment were mainly stocks and equity investments.

The Group closely monitors collaterals for financial assets that have undergone credit impairment.

X. RISK MANAGEMENT (continued)

4. Liquidity risk

Liquidity risk is the risk of capital shortage in the performance of obligations associated with financial liabilities.

Liquidity risk may result from the surrender, reduction or early termination of insurance contracts in other forms, the indemnity and payment, and the daily expenses of the Group. Where permitted by the regulatory framework and market environment, the Group seeks to manage the liquidity risk mainly by matching the term of investment assets with the maturity of corresponding insurance liabilities and maintaining sufficient liquidity of investment assets, so as to repay debts and provide funds for investment activities in a timely manner.

The following policies and procedures are in place to mitigate the Group's exposure to liquidity risk:

- Setting up a liquidity risk policy for the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored, and exposures and breaches of the policy are reported to the Company's Risk Management Committee. The policy is regularly reviewed by the management of the Group for pertinence and for changes in the risk environment;
- Setting out guidelines on asset allocation, portfolio limit structures and the maturity profiles of assets, in order to ensure that sufficient funding is available for the Group to meet insurance and investment contract obligations;
- Setting up emergency fund plans which specify the sources of emergency funds, the minimum amount of daily reserve funds, and the specific events that would trigger such plans.

The tables below summarise the maturity profiles of the main financial assets and financial liabilities of the Group based on undiscounted contractual cash flows and remaining maturity of expected cash flows:

	30 June 2024					Total
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	
Financial assets:						
Cash at bank and on hand	41,873	255	-	-	-	42,128
Derivative financial assets	-	16	-	-	-	16
Securities purchased under agreements to resell	-	22,398	-	-	-	22,398
Term deposits	-	28,145	159,421	-	-	187,566
Financial investments:						
Financial assets at fair value through profit or loss	417	22,477	62,555	285,181	374,179	744,809
Financial assets at amortised cost	-	15,833	20,808	49,721	4,495	90,857
Debt investments at fair value through other comprehensive income	-	119,646	291,598	1,752,210	-	2,163,454
Equity investments at fair value through other comprehensive income	-	-	-	-	124,030	124,030
Restricted statutory deposits	-	2,357	5,149	-	-	7,506
Others	764	12,562	2,732	-	7	16,065
Sub-total	43,054	223,689	542,263	2,087,112	502,711	3,398,829

X. RISK MANAGEMENT (continued)

4. Liquidity risk (continued)

The tables below summarise the maturity profiles of the main financial assets and financial liabilities of the Group based on undiscounted contractual cash flows and remaining maturity of expected cash flows: (continued)

	30 June 2024					Total
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	
Financial liabilities:						
Derivative financial liabilities	-	2	41	-	-	43
Securities sold under agreements to repurchase	-	97,788	-	-	-	97,788
Bonds payable	-	367	11,101	-	-	11,468
Commission and brokerage payable	867	5,192	635	18	-	6,712
Lease liabilities	-	978	1,526	599	-	3,103
Others	712	40,921	1,961	-	-	43,594
Sub-total	1,579	145,248	15,264	617	-	162,708
Net amount	41,475	78,441	526,999	2,086,495	502,711	3,236,121

	31 December 2023					Total
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	
Financial assets:						
Cash at bank and on hand	30,906	549	-	-	-	31,455
Derivative financial assets	-	17	-	-	-	17
Securities purchased under agreements to resell	-	2,809	-	-	-	2,809
Term deposits	-	52,866	124,687	587	-	178,140
Financial investments:						
Financial assets at fair value through profit or loss	454	26,543	55,426	200,178	367,031	649,632
Financial assets at amortised cost	-	17,859	34,492	56,912	-	109,263
Debt investments at fair value through other comprehensive income	-	96,126	347,151	1,604,815	-	2,048,092
Equity investments at fair value through other comprehensive income	-	4,662	25,680	1,033	69,488	100,863
Restricted statutory deposits	-	3,883	3,648	-	-	7,531
Others	958	8,612	2,112	-	2	11,684
Sub-total	32,318	213,926	593,196	1,863,525	436,521	3,139,486

X. RISK MANAGEMENT (continued)

4. Liquidity risk (continued)

The tables below summarise the maturity profiles of the main financial assets and financial liabilities of the Group based on undiscounted contractual cash flows and remaining maturity of expected cash flows: (continued)

	31 December 2023					Total
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	
Financial liabilities:						
Derivative financial liabilities	-	10	11	-	-	21
Securities sold under agreements to repurchase	-	115,892	-	-	-	115,892
Bonds payable	-	367	11,468	-	-	11,835
Commission and brokerage payable	994	4,160	693	14	-	5,861
Lease liabilities	-	1,021	1,772	731	-	3,524
Others	405	31,660	1,814	-	-	33,879
Sub-total	1,399	153,110	15,758	745	-	171,012
Net amount	30,919	60,816	577,438	1,862,780	436,521	2,968,474

5. Operational risk

Operational risk is the risk of loss arising from existed issues on internal procedures, employees and information system failure, and impacts from the external events. When controls fail to perform, operational risk can affect the steady development and reputation of the company, give rise to legal or regulatory matters, or lead to financial loss to the Group.

The Group is exposed to many types of operational risks, including inadequate, or failure to obtain, proper authorisations or supporting documentation to comply with operational and informational system procedures that prevent frauds or errors by employees.

Through the establishment and implementation of internal control manuals, continuous optimisation of information systems, and monitoring and response to potential risks, the Group has established a long-term internal control mechanism to mitigate the impact of operational risks on the Group.

The following internal control measures are in place to mitigate the Group's exposure to operational risk:

- Setting up effective segregation of duties, access controls, authorisation and reconciliation procedures and user and authority controls for information system;
- Adopting supervisory measures such as compliance checks, risk investigations and internal audits;
- Regularly carrying out risk and internal control self-assessment and implementing rectification of defects;
- Implementing staff education and appraisals.

X. RISK MANAGEMENT (continued)

6. Mismatching risk of assets and liabilities

Mismatching risk of assets and liabilities is the risk due to the Group's inability to match its assets with its liabilities on the basis of duration, cash flow and investment return. Under the current regulatory and market environment, the Group is lack of investment in assets with a duration of sufficient length to match the duration of its medium and long-term life insurance liabilities. When the current regulatory and market environment permits, the Group will increase the profile of securities with fixed investment returns and lengthen the duration of its assets to narrow the gap of duration and investment returns of the existing assets and liabilities.

In order to further enhance the management of matching of assets and liabilities, the Group has the Asset-Liability Management Committee to make significant decisions on asset-liability management. The committee has an asset-liability working group which analyses the extent of matching of assets with liabilities.

7. Capital management risk

Capital management risk primarily refers to the risk of insufficient solvency as a result of the operation and administration of the Company or certain external events.

It is the Group's objective to maintain a strong credit rating and adequate solvency in order to support its business objectives and to maximise shareholder value. The specific measures are as follows:

- Managing its capital requirements by assessing shortfalls between reported and targeted capital levels on a regular basis;
- Stepping up efforts to maintain multiple sources of financing in order to meet solvency margin needs arising from future expansion in business activities;
- Continuously and proactively adjusting the portfolio of insurance business, optimising asset allocation and improving asset quality to enhance operating performance and the profitability.

The table below summarises the core capital, actual capital and minimum required capital of the Group and its major insurance subsidiaries determined according to solvency supervision rules:

Group	30 June 2024	31 December 2023
Core capital	329,888	303,908
Actual capital	479,771	456,938
Minimum required capital	190,778	178,017
Core solvency margin ratio	173%	171%
Comprehensive solvency margin ratio	251%	257%

CPIC Life	30 June 2024	31 December 2023
Core capital	193,741	173,981
Actual capital	328,318	312,005
Minimum required capital	159,919	148,723
Core solvency margin ratio	121%	117%
Comprehensive solvency margin ratio	205%	210%

X. RISK MANAGEMENT (continued)

7. Capital management risk (continued)

The table below summarises the core capital, actual capital and minimum required capital of the Group and its major insurance subsidiaries determined according to solvency supervision rules: (continued)

CPIC Property	30 June 2024	31 December 2023
Core capital	52,375	47,415
Actual capital	66,793	61,775
Minimum required capital	30,359	28,898
Core solvency margin ratio	173%	164%
Comprehensive solvency margin ratio	220%	214%

CPIC Health	30 June 2024	31 December 2023
Core capital	3,184	3,134
Actual capital	3,755	3,488
Minimum required capital	1,469	1,352
Core solvency margin ratio	217%	232%
Comprehensive solvency margin ratio	256%	258%

PAAIC	30 June 2024	31 December 2023
Core capital	2,874	2,836
Actual capital	3,191	3,128
Minimum required capital	908	831
Core solvency margin ratio	317%	341%
Comprehensive solvency margin ratio	351%	376%

XI. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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 value 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 at bank and on hand, derivative financial assets, securities purchased under agreements to resell, term deposits, financial assets at fair value through profit or loss, financial assets at amortised cost, debt investments at fair value through other comprehensive income, equity investments at fair value through other comprehensive income and restricted statutory deposits, etc.

The Group's financial liabilities mainly include securities sold under agreements to repurchase and bonds payable.

XI. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value of financial assets and liabilities not carried at fair value

The following table summarises the carrying values and estimated fair values of financial assets at amortised cost and bonds payable whose fair values are not presented in the consolidated balance sheet.

	30 June 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Financial assets at amortised cost	67,467	71,587	82,334	84,956
Financial liabilities:				
Bonds payable	10,102	10,494	10,285	10,462

The carrying amounts of other financial assets and financial liabilities approximate their fair values.

XII. FAIR VALUE MEASUREMENT

Determination of fair value and fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The levels of the fair value hierarchy are as follows:

- (1) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");
- (2) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ("Level 2"); and
- (3) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

The level of fair value calculation is determined by the lowest level input with material significance in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

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 Chinese interbank market are classified as Level 2 when they are valued at recent quoted prices from Chinese interbank market or from valuation service providers. Substantially most financial instruments classified within Level 2 of the fair value hierarchy of the Group 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. All significant inputs are observable in the market.

XII. FAIR VALUE MEASUREMENT (continued)

Determination of fair value and fair value hierarchy (continued)

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determination to classify fair value measures within Level 3 of the valuation hierarchy is generally based on the significance of the unobservable factors to the overall fair value measurement, and valuation methodologies such as discounted cash flow models and other similar techniques. The Group's valuation team may choose to apply internally developed valuation method to the assets or liabilities being measured, determine the main inputs for valuation, and analyse the change of the valuation and report it to management. Key inputs involved in internal valuation services are not based on observable market data. They reflect assumptions made by management based on judgements and experiences.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

	30 June 2024			Total fair value
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Term deposits measured at fair value	-	-	129,838	129,838
Financial assets at fair value through profit or loss				
- Stocks	175,238	-	32	175,270
- Funds	60,130	6,983	-	67,113
- Bonds	8,549	256,132	417	265,098
- Others	11,107	7,675	121,559	140,341
	255,024	270,790	122,008	647,822
Debt investments at fair value through other comprehensive income				
- Bonds	1,556	1,071,818	3,152	1,076,526
- Others	-	888	266,425	267,313
	1,556	1,072,706	269,577	1,343,839
Equity investments at fair value through other comprehensive income				
- Stocks	42,325	-	3,657	45,982
- Preferred stocks	-	12,727	-	12,727
- Others	-	28,636	34,020	62,656
	42,325	41,363	37,677	121,365
Derivative financial assets				
	-	16	-	16
Liabilities measured at fair value				
Derivative financial liabilities	-	43	-	43
Assets for which fair values are disclosed				
Financial assets at amortised cost (Note XI)	41	26,402	45,144	71,587
Investment properties	-	-	15,739	15,739
Liabilities for which fair values are disclosed (Note XI)				
Bonds payable	-	-	10,494	10,494

XII. FAIR VALUE MEASUREMENT (continued)

Determination of fair value and fair value hierarchy (continued)

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

	31 December 2023			Total fair value
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Term deposits measured at fair value	-	-	131,307	131,307
Financial assets at fair value through profit or loss				
- Stocks	160,555	-	790	161,345
- Funds	58,491	7,326	-	65,817
- Bonds	9,113	190,384	454	199,951
- Others	14,482	22,379	117,628	154,489
	242,641	220,089	118,872	581,602
Debt investments at fair value through other comprehensive income				
- Bonds	542	937,447	-	937,989
- Others	-	604	308,842	309,446
	542	938,051	308,842	1,247,435
Equity investments at fair value through other comprehensive income				
- Stocks	23,963	-	3,147	27,110
- Preferred stocks	-	12,597	-	12,597
- Others	-	28,477	29,781	58,258
	23,963	41,074	32,928	97,965
Derivative financial assets	-	17	-	17
Liabilities measured at fair value				
Derivative financial liabilities	-	21	-	21
Assets for which fair values are disclosed				
Financial assets at amortised cost (Note XI)	-	27,579	57,377	84,956
Investment properties	-	-	15,783	15,783
Liabilities for which fair values are disclosed (Note XI)				
Bonds payable	-	-	10,462	10,462

Valuation techniques

The fair value of the unquoted debt investments is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities, with appropriate adjustment where applicable.

The fair value of the equity investments has been determined using valuation techniques such as discounted cash flow method, comparison method of listed companies, recent transaction prices of the same or similar instruments, etc., with appropriate adjustments have been made where applicable, for example, for lack of liquidity using option pricing models.

The fair value of investment properties is determined using discounted cash flow method with unobservable inputs including estimated rental value per square metre per month and discount rate, etc. This method involves the projection of a series of cash flows from valuation date to economic life maturity date. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

XIII. EVENTS AFTER THE BALANCE SHEET DATE

The Group does not have significant post balance sheet events.

XIV. APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements have been approved for issue by the board of directors of the Company on 29 August 2024.

APPENDIX: SUPPLEMENTARY INFORMATION TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts expressed in RMB million unless otherwise specified)

I. NET ASSET RETURN AND EARNINGS PER SHARE

	For the six months ended 30 June 2024		
	Weighted average return on net assets	Earnings per share (RMB per share)	
		Basic	Diluted
Net profit attributable to shareholders of the parent	9.5%	2.61	2.61
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	9.5%	2.61	2.61

The Company had no dilutive potential ordinary shares during the six-month period ended 30 June 2024.

	For the six months ended 30 June 2023		
	Weighted average return on net assets	Earnings per share (RMB per share)	
		Basic	Diluted
Net profit attributable to shareholders of the parent	7.6%	1.91	1.91
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	7.6%	1.89	1.89

Net profit attributable to shareholders of the parent net of non-recurring profit or loss are listed as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Net profit attributable to shareholders of the parent	25,132	18,332
Add/(Less): Non-recurring profit or loss items		
Government grants recognised in current profit or loss	(46)	(176)
Gains on disposal of fixed assets, intangible assets and other long-term assets, including write-off of provision for assets impairment	(1)	(1)
Custody fees of entrusted operation	-	(27)
Other net non-operating income and expenses other than aforesaid items	53	45
Effect of income tax relating to non-recurring profit or loss	4	43
Net profit less non-recurring gains	25,142	18,216
Less: Net non-recurring profit or loss attributable to non-controlling interests	-	1
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	25,142	18,217



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