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中國太平保險控股有限公司

China Taiping Insurance Holdings Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code:966)

ANNOUNCEMENT

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

The Board of Directors of China Taiping Insurance Holdings Company Limited is pleased to announce the unaudited interim financial results of the Company and its subsidiaries for the six months ended 30 June 2016 as follows, which should be read in conjunction with the Management Discussion and Analysis set out below:

MANAGEMENT DISCUSSION AND ANALYSIS

2016 First Half Business Operations and Consolidated Results

Large Increase in New Business Value, and Initial Success in the “Boutique Strategy”

- Total premium reached HK\$93.9 billion, increased by 10.0% over the Last Period
- Total assets were over HK\$508.2 billion, increased by 4.1% over the 2015 year-end
- Profit attributable to owners was HK\$3.1 billion, decreased by 47.1% over the Last Period, the decrease was lower than market average
- Owners' equity was HK\$53 billion, decreased by 3.6% over the 2015 year-end
- Life Insurance's new business value was HK\$5.24 billion, increased by 61.3% over the Last Period (increased by 74.8% in terms of RMB)
- The combined ratio of property and casualty insurance and reinsurance business continued to be stable, continue in achieving underwriting profit

PRC Insurance Businesses¹ Continued to Develop Steadily

- Direct premium of the life insurance² increased by 21.5% over the Last Period
- Number of life insurance agent increased by 5.4% as compared to the beginning of the year, monthly per capita number of policies increased by 15.6% over the Last Period, monthly per capita production of premium from life insurance agents was RMB26,700, resulting a 69.0% increase in premium from new policies over the Last Period; high productivity (RMB300,000 regular premium above) agents increased by more than 70.6% over the Last Period
- Bancassurance regular premium from new policies increased by 38.2% over the Last Period, with nearly 70% were payment terms of 10 years or above
- Short term group staff benefit business increased by 33.9% over the Last Period, with short term health insurance increased by 41.9% over the Last Period
- Four persistency ratios of the individual agency and bancassurance lines were industry-leading; loss ratio of short-term group insurance was kept in a satisfactory level
- Total premium of the PRC property and casualty insurance increased by 17.1% over the Last Period. Direct premium increased by 15.6% over the Last Period, faster than market average by 7.1 percentage points, the proportion of non-motor insurance increased by 4.4 percentage points
- Balance of pension assets under management was over RMB114.6 billion, increased by 10.0% over the 2015 year-end

¹Calculated in RMB

²Including TPL and TPP

2016 First Half Business Operations and Consolidated Results (Continued)

Strength of International Operations Continued to Enhance

- The loss ratio of CTPI (HK) remained at a relatively low level, continue in achieving underwriting profit
- TP Macau continued to maintain its leading market share, the combined ratio decreased over the Last Period and remained at an outstanding level, with underwriting profit increased by 9.9% over the Last Period
- The combined ratio of TP Singapore decreased over the Last Period and remained at a relatively low level, with underwriting profit increased by 76.3% over the Last Period
- The total premium of TP UK increased rapidly, with an aggregate increase of 54.5% over the Last Period, continue in achieving underwriting profit
- The total premium of TP Indonesia increased by 12.8% over the Last Period, with the combined ratio decreased over the Last Period, the underwriting profit increased by 12.9% over the Last Period
- Property and Casualty Reinsurance business of TPRe continued its growth, with the combined ratio at a relatively low level, and that of long-term life reinsurance continued to grow, with its premium income increased by 22.4% over the Last Period

Asset Management Scale Continued to Achieve a Fast Growth, Realising Sound Investment Yield for Domestic Debt Securities in the PRC

- The Group's invested assets have realised a total investment income of HK\$9.351 billion, with an annualised investment yield of 4.69%
- Asset under management from third-party asset management business amounted to HK\$266.9 billion, increased by 14.2% over the 2015 year-end
- The investment yield for domestic debt securities were higher than industry averages. For the six months ended 2016, the investment yield for held-for-trading debt securities were higher than the aggregate full price index of ChinaBond for the same period by 211 basis points; the annualised investment yield for new held-to-maturity debt securities were 4.63%, realising sound investment yield

Strategic Clients Keep Increasing, and Cross-selling Business Achieved Rapid Development

- In the first half of 2016, China Taiping signed Group Strategic Cooperation Agreements with 4 large clients, including Everbright Group and Ant Financial. As at the end of June 2016, China Taiping had established strategic cooperation relationships with 59 large clients
- Our cross-selling initiatives achieved HK\$2.11 billion insurance sales, including HK\$1.71 billion of property insurance sales through TPL, HK\$330 million of pension sales through TPL, and HK\$60 million of property insurance sales through TPP
- The Sinopec gas station project realised substantive results. By the end of June 2016, 6,270 outlets had been stationed, with insurance sales of HK\$780 million

Brand Value Continued to Grow with Brand Image Significantly Enhanced

- China Taiping's brand value continued to grow. In 2016, China Taiping with its 70% brand value growth rate, was once again listed among the Top 100 Most Valuable Chinese Brand by BrandZ, and was the top 3 in the Top 20 Brand Value Growth List
- China Taiping's brand image has significantly enhanced. In the first half of 2016, the Group was listed in the latest Fortune "Top 500 Chinese Companies 2016", with its ranking increase from 90 in last year to 42 in 2016. China Taiping was awarded "Worldwide Chinese 1000 Best Performance Awards" by Yazhou Zhoukan and "Best Listed Company Award" etc., continuously enhancing its brand recognition

CONSOLIDATED FINANCIAL RESULTS

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

HK\$ million	1H 2016	1H 2015	Change
Total premiums written and policy fees	93,929.63	85,395.58	+10.0%
Profit from operations before taxation	6,078.30	9,651.43	-37.0%
Profit from operations after taxation	4,048.97	7,262.92	-44.3%
Net profit attributable to the owners	3,099.31	5,857.69	-47.1%
Basic earnings per share (HK\$)	0.827	1.772	-0.945 dollar
Interim dividend proposed	-	-	-

HK\$ million	At 30 June 2016	At 31 December 2015	Change
Total assets	508,220.55	488,031.35	+4.1%
Total equity	68,707.22	71,798.63	-4.3%
Owners' equity	53,019.69	55,020.66	-3.6%
- Per share (HK\$)	14.752	15.309	-0.557 dollar
Group embedded value	119,948.63	117,548.00	+2.0%
Owners' group embedded value	96,042.38	93,905.00	+2.3%
- Per share (HK\$)	26.723	26.128	+0.595 dollars

CONSOLIDATED FINANCIAL RESULTS (Continued)

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

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

<i>HK\$ million</i>	1H 2016	1H 2015	Change
Life insurance	3,328.42	5,315.61	-37.4%
PRC property and casualty insurance	345.77	706.28	-51.0%
Overseas property and casualty insurance and reinsurance	445.34	638.76	-30.3%
Pension and group life insurance	22.35	113.08	-80.2%
Others ¹	(92.91)	489.19	N/A
Net profit from operations	4,048.97	7,262.92	-44.3%
Non-controlling interests	(949.66)	(1,405.23)	-32.4%
Net profit attributable to the owners	3,099.31	5,857.69	-47.1%

¹ Others mainly include the operating results of the holding company, asset management, TPcC, TPIH, TPFH and consolidation adjustments.

CONSOLIDATED FINANCIAL RESULTS (Continued)

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

HK\$ million	2016	2015
Total equity as at 1 January	71,798.63	51,338.52
Net profit recognised in statement of profit or loss	4,048.97	7,262.92
Net changes in AFS investment reserve	(5,421.44)	4,469.43
Revaluation gain arising from reclassification of own-use properties into investment properties	13.02	23.19
Exchange (loss) / gain arising from translation of financial statements of foreign operations	(1,058.57)	6.04
Share issued under Placing and Subscription	-	13,480.30
Distribution to holders of perpetual subordinated capital securities	(127.38)	(126.81)
Capital contribution made to subsidiaries by its non-controlling shareholder	48.56	-
Dividend declared by subsidiaries to non-controlling interests	(594.57)	(136.80)
Others	-	(30.55)
Total equity as at 30 June	68,707.22	76,286.24
Attributable to:		
Owners of the Company (including capital securities)	57,726.63	63,324.01
Non-controlling interests	10,980.59	12,962.23
	68,707.22	76,286.24

CONSOLIDATED INVESTMENT PERFORMANCE

Assets Management Business

I. Investment Assets of the Group

During the first half of 2016, US economy has gradually recovered and achieved improvement in external demand, and the PRC economy has achieved a stabilised and recovery stage, hence both A shares and Hong Kong stock market have gradually refocused on the fundamentals from volatilities. Affected by US's delay in interest hike and sluggish recovery of the world's major economies, the interest rate is moving towards long-term down trend. After conducting in-depth studies into the macro economy situation, the Company has adopted the following investment strategies: maintaining a relatively low position while capital market encountering significant volatility, timely increasing allocation of long term bonds, and imposing strict control on screening and portfolio allocation of credit bonds. In respect of alternative investment, the Company made good progress in the long term layout within the related area, such as the joint establishment of internet health insurance company with Ali Health and other companies etc. The Company also structured investment especially in line with the country's strategy, e.g. establishment of ICBCI Silk Road Prosperity Taiping Fund.

Investment Income

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

HK\$ million

	1H 2016	1H 2015	Change
Net investment income ¹	8,206.59	7,805.46	+5.1%
Net realised and unrealised investment gains ²	1,144.88	10,132.44	-88.7%
Total investment income	9,351.47	17,937.90	-47.9%
Annualised investment yield ³	4.69%	7.75%	-3.06pts

¹ Including the interest income from deposit, interest income from bonds, dividends from equity investments, rental income from investment properties and deducting interest expense on securities sold under resale agreements.

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

³ In the calculation of investment yield, as the denominator, the average investment assets takes into account the effect of securities purchased under resale agreements and securities sold under repurchase agreements. When annualising the investment yield, the interest income from deposit, interest income from bonds and rental income from investment properties and deduction of interest expense on securities sold under resale agreements were multiplied by two, while the dividend from equity investments remained unchanged.

The realised and unrealised gains decreased by 88.7% from HK\$10,132 million in the first half of 2015 to HK\$1,145 million in the first half of 2016, mainly because of the decrease of investment income from equity securities and investment funds.

Under the combined influence of the above factors, the total income of investment assets of the Group amounted to HK\$9,351 million in the first half of 2016, decreased by 47.9% over the HK\$17,938 million in the first half of 2015; the annualised investment yield decreased from 7.75% in the first half of 2015 to 4.69% in the first half of 2016.

CONSOLIDATED INVESTMENT PERFORMANCE (Continued)

Investment Portfolio

The assets allocation of the investment portfolio of the Group is as follows:

HK\$ million

	At 30 June 2016	% of Total	At 31 December 2015	% of Total
By investment category				
Fixed income				
Debt securities	166,109.51	41.5%	144,623.23	38.8%
Term deposits	45,746.66	11.4%	34,375.88	9.2%
Debt products	68,693.99	17.2%	72,095.46	19.3%
Other fixed income investments	24,623.54	6.2%	20,649.12	5.5%
Equity investments				
Equity securities	21,468.60	5.4%	26,112.46	7.0%
Investment funds	12,756.68	3.2%	12,704.27	3.4%
Other equity investments	19,219.28	4.8%	14,944.27	4.0%
Investment properties	15,414.35	3.8%	12,375.25	3.3%
Cash, cash equivalents and others	25,896.90	6.5%	34,787.52	9.3%
Total invested asset	399,929.51	100.0%	372,667.46	100.0%

The Company took the initiative in improving its investment portfolio to respond to the new market situation. In the other hand, the asset allocation proportion has been slightly changed comparing to the 2015 year-end, mainly due to increase in scale of assets under management and asset price fluctuations. The proportion of fixed income investments to total investment assets increased from 72.8% in 2015 year-end to 76.3% in the first half of 2016, from which the debt securities and term deposits allocation in aggregate increased by 4.9 percentage points. The proportion of equity investments to total investment assets was 13.4%, as a result of the main reduction of the allocation of equity securities by 1.6 percentage point.

CONSOLIDATED INVESTMENT PERFORMANCE *(Continued)*

Analysis of investment in securities

Credit risk of debt securities manageable

As at the end of the first half of 2016, debt securities held by the Group were of high credit ratings, and thus the credit risk is manageable. Within the domestic bonds, 98% were bonds with AAA ratings, government bonds and financial policy bonds, A-1 ratings short term government bonds and financial policy bonds. Investment grade bonds with BBB ratings or higher reached 100%. Within the foreign bonds, 86% were investment grade bonds with BBB ratings or higher.

Alternative investments key risk exposures represented a steady decrease in percentage of the total assets

Local Government Debt Financing

As of the end of June 2016, local government debt investments of approximately HK\$10.9 billion, represented only 2.1% of the total assets, indicating a continued decrease. In 2016, with the replacement of local government debts to platform debts, the risk exposures of investment in local government debt reduced. 93% of the projects were rated AAA, with the remaining 7% were rated AA+, same as in the end of 2015. 68% of the projects had bank and central government-owned/large enterprises as guarantor. Major projects were located in tier 1 or new tier 1 cities.

Real Estate Financial Investment Debt Products

As of the end of June 2016, real estate financial investment debt products of approximately HK\$15.9 billion, represented only 3.7% of the total assets, the ratio decreased over the 2015 year-end, mainly due to existing assets matured. All projects had bank guarantees or large enterprises guarantees or various forms of mortgages/pledges or hybrid credit enhancements, the credit status of the assets was relatively good.

Purchased External Financial Products

As of the end of June 2016, Purchased External Financial products of about HK\$14 billion represented 3.2% of the total assets, the ratio increased over the 2015 year-end. Financial products related to real estate were approximately HK\$2.855 billion, representing about 0.7% of the total assets. The overall credit risk of the assets were in good condition, risk exposure were kept at a relatively low level.

II. Third-party Assets under Management

By the end of June 2016, the total third-party entrusted investment assets managed by the Group amounted to HK\$266.9 billion, increased by 14.2% over the 2015 year-end.

In the first half of 2016, the size of the asset management products offered by TPAM to third parties and the alternative investment assets sold to the external parties grew rapidly, and increased by HK\$21.8 billion and HK\$4.9 billion as compared with the 2015 year-end, respectively.

By the end of June 2016, among the investment-linked accounts managed by the Group, 38% of them were among the top 1/3 of the industry and 23% of them were among the top 3 of the industry.

LIFE INSURANCE BUSINESS

The Group's life insurance segment is operated by TPL and TPL (HK), which are engaged in the underwriting of life insurance policies in Mainland China and Hong Kong, respectively. TPL is a PRC-incorporated company and 75.1% owned by the Group, while TPL (HK) is a Hong Kong-incorporated company established in July 2015 and is wholly-owned by the Group.

During the Period, the direct premiums written by TPL (HK) achieved HK\$73.96 million while they had 19 individual agents.

The results under life insurance business for the Period is mainly contributed by TPL. The figures below are focus on the analysis of TPL performance.

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

The key financial data of the life insurance business is summarised below:

HK\$ million

	1H 2016	1H 2015	Change
Direct premiums written and premium deposits	75,271.35	65,003.95	+15.8%
Less: Premium deposits of universal life products	2,737.10	1,205.55	+1.3 times
Premium deposits of unit-linked products	56.87	168.90	-66.3%
Premium deposits of other products	132.33	136.42	-3.0%
Direct premiums written recognised in statement of profit or loss	72,345.05	63,493.08	+13.9%
Inward reinsurance premiums	36.36	2,547.74	-98.6%
Policy fees	66.47	30.19	+1.2 times
Net premiums written and policy fees	71,670.15	65,065.14	+10.2%
Net earned premiums and policy fees	71,487.22	65,152.36	+9.7%
Net policyholders' benefits	(10,633.64)	(31,906.38)	-66.7%
Net commission expenses	(7,367.76)	(4,814.18)	+53.0%
Change in life insurance contract liabilities, net of reinsurance	(52,185.23)	(30,913.78)	+68.8%
Total investment income	7,956.55	15,283.50	-47.9%
Administrative and other expenses	(5,317.32)	(6,037.83)	-11.9%
Finance costs	(2.58)	(121.44)	-97.9%
Profit from operation before taxation	4,847.07	7,100.98	-31.7%
Profit from operation after taxation	3,329.87	5,315.61	-37.4%
Profit from operation attributable to the owners	2,500.74	3,992.02	-37.4%

HK\$ million

	At 30 June 2016	At 31 December 2015	Change
Total assets	374,549.39	371,289.40	+0.9%
Total equity	30,796.78	35,540.21	-13.3%

LIFE INSURANCE BUSINESS (Continued)

The key operational data of the life insurance business is summarised below:

	At 30 June 2016	At 31 December 2015	Change
Market share ¹	4.3%	5.0%	-0.7 pt
Number of provincial branches	37	37	-
Number of sub-branches and marketing centers	1,098	1,066	+32
Number of customers			
- Individual	7,623,377	7,474,006	+149,371
- Corporate	1,531	1,874	-343
Distribution network			
- Number of individual agents	244,380	231,766	+12,614
- Number of bancassurance outlets	21,463	21,255	+208
Agent monthly premiums (RMB)	26,686	19,573	+7,113
Persistency ratios – 13th month ²			
- Individual	95.3%	92.5%	+2.8 pts
- Bancassurance	93.7%	92.3%	+1.4 pts
Compound persistency ratios – 25th month ²			
- Individual	88.2%	87.9%	+0.3 pt
- Bancassurance	87.0%	87.0%	-

¹ Based on premiums as published by the CIRC.

² Based on the amount of premiums.

LIFE INSURANCE BUSINESS (Continued)

Operating Profit

The life insurance business produced a net operating profit of HK\$3,330 million during the Period (2015: HK\$5,316 million), representing an decrease of 37.4% compared to Last Period due to the higher realised investment gain of equity investments during Last Period.

Direct Premiums Written and Premium Deposits

TPL's direct premiums written recognised in the consolidated statement of profit or loss increased by 13.9% to HK\$72,345 million from HK\$63,493 million in the Last Period. This growth was primarily driven by continued strength in the individual agency force channel, and higher levels of regular premium sales in the individual channel.

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

For the six months ended 30 June 2016, HK\$ million

	Direct premiums written recognised in the consolidated statement of profit or loss	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
Individual	37,067.04	2,359.30	20.75	77.25	39,524.34	52.5%
Bancassurance	33,988.30	377.80	36.12	1.17	34,403.39	45.7%
Group	217.02	-	-	53.91	270.93	0.4%
Other Channels ¹	1,072.69	-	-	-	1,072.69	1.4%
	<u>72,345.05</u>	<u>2,737.10</u>	<u>56.87</u>	<u>132.33</u>	<u>75,271.35</u>	<u>100.0%</u>

For the six months ended 30 June 2015, HK\$ million

	Direct premiums written recognised in the consolidated statement of profit or loss	Premium deposits of universal life products	Premium deposits of unit-linked products	Premium deposits of other products	Total	% of Total
Individual	28,194.16	889.70	42.62	83.36	29,209.84	44.9%
Bancassurance	34,293.43	315.85	126.28	1.25	34,736.81	53.5%
Group	-	-	-	51.81	51.81	0.1%
Other Channels ¹	1,005.49	-	-	-	1,005.49	1.5%
	<u>63,493.08</u>	<u>1,205.55</u>	<u>168.90</u>	<u>136.42</u>	<u>65,003.95</u>	<u>100.0%</u>

¹ Other Channels mainly consists of telemarketing.

LIFE INSURANCE BUSINESS *(Continued)*

During the Period, premiums distributed through the individual agency force channel increased to HK\$37,067 million from HK\$28,194 million in the Last Period, representing a significant increase of 31.5%. TPL's initiative to increase its agent numbers over the recent years has established a strong foundation for the agency force channel. The agent numbers and their productivity are growing continuously (monthly per capita premiums of RMB26,686 during the Period (31 December 2015: RMB19,573)).

In the bancassurance channel, premium decreased to HK\$33,988 million from HK\$34,293 million in the Last Period, representing a slightly decrease of 0.9%. Within this, first year bancassurance regular premium increased to HK\$2,727 million from HK\$2,098 million in the Last Period, representing a substantial increase of 30.0%, while bancassurance single premium decreased by 6.1%.

The persistency ratios remained stable and at the forefront of the industry and was at 95.3% and 93.7% at the 13th month, and 88.2% and 87.0% at the 25th month, for the individual agency and bancassurance channels, respectively.

LIFE INSURANCE BUSINESS (Continued)

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

HK\$ million

Individual

	1H 2016	% of Total	1H 2015	% of Total
Single Premium	72.55	0.2%	557.45	2.0%
Regular Premium				
– First Year	16,800.04	45.3%	10,055.04	35.7%
– Renewal Year	20,194.44	54.5%	17,581.67	62.3%
	37,067.04	100.0%	28,194.16	100.0%

Bancassurance

	1H 2016	% of Total	1H 2015	% of Total
Single Premium	21,439.55	63.1%	22,823.01	66.6%
Regular Premium				
– First Year	2,727.44	8.0%	2,097.99	6.1%
– Renewal Year	9,821.31	28.9%	9,372.43	27.3%
	33,988.30	100.0%	34,293.43	100.0%

Group

	1H 2016	% of Total	1H 2015	% of Total
Employee Benefit ("EB")	217.02	100.0%	-	-

Other Channels

	1H 2016	% of Total	1H 2015	% of Total
Single Premium	9.10	0.8%	0.79	0.1%
Regular Premium				
– First Year	244.52	22.8%	265.07	26.4%
– Renewal Year	819.07	76.4%	739.63	73.5%
	1,072.69	100.0%	1,005.49	100.0%

LIFE INSURANCE BUSINESS (Continued)

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

HK\$ million

Individual first year regular premium - by payment term

	1H 2016	% of Total	1H 2015	% of Total
3-9 years	9,187.88	54.7%	6,143.58	61.1%
10-19 years	3,720.10	22.1%	2,041.36	20.3%
20-29 years	3,530.19	21.0%	1,723.92	17.1%
30 years+	361.88	2.2%	146.18	1.5%
	16,800.04	100.0%	10,055.04	100.0%

Individual first year regular premium - by feature

	1H 2016	% of Total	1H 2015	% of Total
Short term savings	24.74	0.1%	38.88	0.4%
Long term savings	11,726.40	69.9%	7,307.74	72.6%
Long term protection	4,507.84	26.8%	2,390.51	23.8%
Others	541.06	3.2%	317.91	3.2%
	16,800.04	100.0%	10,055.04	100.0%

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

Bancassurance first year regular premium - by payment term

	1H 2016	% of Total	1H 2015	% of Total
5 - 9 years	824.37	30.2%	632.18	30.1%
10 - 14 years	1,770.01	64.9%	1,337.74	63.8%
Others	133.06	4.9%	128.07	6.1%
	2,727.44	100.0%	2,097.99	100.0%

LIFE INSURANCE BUSINESS (Continued)

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

HK\$ million

	1H 2016	% of Total	1H 2015	% of Total
Participating	41,797.36	57.8%	36,135.18	56.9%
Annuity	23,525.77	32.5%	22,752.17	35.8%
Long-term health	3,685.66	5.1%	2,379.27	3.7%
Traditional life	1,763.58	2.4%	1,324.11	2.1%
Accident and short-term health	1,575.18	2.2%	864.51	1.4%
Universal life	(3.04)	0.0%	37.27	0.1%
Investment-linked	0.54	0.0%	0.57	0.0%
Total	72,345.05	100.0%	63,493.08	100.0%

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

HK\$ million

	1H 2016	% of Total		1H 2015	% of Total
Sichuan	6,598.29	9.1%	Sichuan	7,153.56	11.3%
Shandong	5,292.92	7.3%	Shandong	5,256.12	8.3%
Beijing	4,050.14	5.6%	Beijing	4,303.02	6.8%
Guangdong	3,489.02	4.8%	Guangdong	4,302.69	6.8%
Jiangsu	3,192.09	4.4%	Henan	3,605.80	5.7%
Others	49,722.59	68.8%	Others	38,871.89	61.1%
Total	72,345.05	100.0%	Total	63,493.08	100.0%

Highlights on Embedded Value

In the first half of 2016, the embedded value of TPL (expressed in terms of HKD) increased 1.0% to HK\$82,710 million from HK\$81,862 million as at 31 December 2015. The new business value after cost of capital for the Period increased to HK\$5,236 million from HK\$3,246 million of the Last Period, representing a growth of 61.3%. These latest actuarial figures of TPL are disclosed below in the section titled "Embedded Value of TPL".

LIFE INSURANCE BUSINESS (Continued)

Net Policyholders' Benefits

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

HK\$ million

	1H 2016	1H 2015	Change
Surrenders and net claims	973.14	19,654.35	-95.0%
Annuity, dividends and maturity payments	9,291.11	11,484.78	-19.1%
Interest allocated to investment and reinsurance contracts	369.39	767.25	-51.9%
	10,633.64	31,906.38	-66.7%

Since there were financial reinsurance contracts terminated during the Period, the impact on the reinsurers' share of net claims was about HK\$22,493 million that the surrenders and net claims significantly decreased by 95.0% compared with Last Period.

Administrative and Other Expenses

The administrative and other expenses of TPL are summarised as follows:

HK\$ million

	1H 2016	1H 2015	Change
Staff costs	3,946.67	3,144.99	+25.5%
Rental expenses	234.34	209.79	+11.7%
Others	1,136.31	2,683.05	-57.6%
	5,317.32	6,037.83	-11.9%

Financial Strength and Solvency Margin

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

RMB million

	At 30 June 2016	At 31 December 2015
Available Capital	82,220	75,647
Minimum Capital	32,918	27,915
Comprehensive Solvency Ratio (Note)	250%	271%

Note: The above comprehensive solvency ratios were prepared in accordance with the "C-ROSS" issued by the CIRC.

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TPI

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

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

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

HK\$ million	1H 2016	1H 2015	Change
Direct premiums written	10,819.68	9,948.85	+8.8%
Net premiums written	10,084.99	8,819.93	+14.3%
Net earned premiums	9,471.01	8,055.20	+17.6%
Net claims incurred	(4,774.01)	(4,256.81)	+12.2%
Underwriting expenses	(3,010.48)	(2,711.54)	+11.0%
Net commission expenses	(1,649.31)	(1,056.40)	+56.1%
Underwriting profit	37.21	30.45	+22.2%
Total investment income	504.58	992.71	-49.2%
Share of results of associates	33.12	-	-
Other income	46.47	27.24	+70.6%
Other miscellaneous expenses	(38.75)	(48.03)	-19.3%
Finance costs	(39.17)	(41.40)	-5.4%
Profit from operation before taxation	543.46	960.96	-43.4%
Profit from operation after taxation and attributable to the owners	345.77	706.28	-51.0%
Retained ratio	93.2%	88.7%	+4.5 pts
Loss ratio ¹	50.4%	52.8%	-2.4 pts
Expense ratio ¹	49.2%	46.8%	+2.4 pts
Combined ratio ²	99.6%	99.6%	-

HK\$ million	At 30 June 2016	At 31 December 2015	Change
Total assets	25,219.25	25,165.60	+0.2%
Total equity	6,698.96	6,388.04	+4.9%

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

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

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TPI
(Continued)

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

	At 30 June 2016	At 31 December 2015	Change
Market share ¹	2.0%	1.9%	+0.1%
Number of provincial branches	30	30	-
Number of sub-branches and marketing centers	581	551	+30
Number of customers			
- Individual	4,351,050	4,200,233	+150,817
- Corporate	235,040	223,997	+11,043
Number of direct sales representatives	9,409	9,119	+290

¹ Based on premiums published by the CIRC.

Operating Profit

The property and casualty insurance business operated by TPI produced a net operating profit of HK\$346 million during the Period (2015: HK\$706 million), representing an decrease of 51.0%. During the Period TPI was able to continue expanding the scale of its business, while maintaining solid underwriting results.

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TPI
(Continued)

Direct Premiums Written

TPI's direct premiums written increased by 8.8% to HK\$10,820 million from HK\$9,949 million in the Last Period. The detailed breakdown of TPI's direct premiums written was as follows:

HK\$ million

Business Line	1H 2016	% of Total	1H 2015	% of Total
Motor	8,246.10	76.2%	8,016.24	80.6%
Marine	216.94	2.0%	185.92	1.9%
Non-marine	2,356.64	21.8%	1,746.69	17.5%
	10,819.68	100.0%	9,948.85	100.0%

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

HK\$ million

	1H 2016	% of Total		1H 2015	% of Total
Shenzhen	1,085.72	10.0%	Sichuan	1,025.67	10.3%
Sichuan	1,072.13	9.9%	Shenzhen	681.17	6.8%
Shandong	922.92	8.5%	Hebei	674.99	6.8%
Hebei	655.07	6.1%	Shandong	673.30	6.8%
Shanghai	629.04	5.8%	Guangdong	630.13	6.3%
Others	6,454.80	59.7%	Others	6,263.59	63.0%
Total	10,819.68	100.0%	Total	9,948.85	100.0%

Combined Ratio

TPI's loss ratio improved by 2.4 percentage points to 50.4% from 52.8% in the Last Period. The expense ratio increased to 49.2% from 46.8% in the Last Period. TPI's combined ratio remained stable at 99.6% during the Period. TPI's loss ratios, expense ratios and combined ratios were as follows:

	1H 2016	1H 2015
Loss ratio	50.4%	52.8%
Expense ratio	49.2%	46.8%
Combined ratio	99.6%	99.6%

PRC PROPERTY AND CASUALTY INSURANCE BUSINESS – CARRIED OUT BY TPI
(Continued)

Underwriting and Other Miscellaneous Expenses

The underwriting and other miscellaneous expenses of TPI are summarised as follows:

HK\$ million

	1H 2016	1H 2015	Change
Staff costs	834.05	862.04	-3.2%
Rental expenses	83.15	61.97	+34.2%
Business tax and additional charges	431.50	583.83	-26.1%
Others	1,700.53	1,251.73	+35.9%
	3,049.23	2,759.57	+10.5%

Financial Strength and Solvency Margin

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

RMB million

	At 30 June 2016	At 31 December 2015
Available Capital	6,758	6,373
Minimum Capital	2,541	2,380
Comprehensive Solvency Ratio (Note)	266%	268%

Note: The above comprehensive solvency ratios were prepared in accordance with the “C-ROSS” issued by the CIRC.

OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's property and casualty insurance segment cover Hong Kong, Macau, Singapore, UK and Indonesia, and is operated by CTPI (HK), TP Macau, TP Singapore, TP UK and TP Indonesia respectively.

CTPI (HK), TP Macau, TP Singapore, TP UK are wholly-owned by the Group. TP Indonesia is 55% owned by the Group.

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

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

<i>HK\$ million</i>	1H 2016	1H 2015	Change
Direct premiums written			
CTPI (HK)	809.25	824.11	-1.8%
TP Macau	313.45	325.01	-3.6%
TP Singapore	256.30	268.96	-4.7%
TP UK	251.25	161.50	+55.6%
TP Indonesia	78.77	69.83	+12.8%
Underwriting profit			
CTPI (HK)	27.01	29.68	-9.0%
TP Macau	48.25	43.89	+9.9%
TP Singapore	37.30	21.16	+76.3%
TP UK	4.40	7.63	-42.3%
TP Indonesia	1.26	1.12	+12.9%
Profit/(loss) from operation after taxation			
CTPI (HK)	139.82	196.51	-28.8%
TP Macau	56.72	55.65	+1.9%
TP Singapore	29.42	75.41	-61.0%
TP UK	16.93	8.52	+98.7%
TP Indonesia	(0.42)	8.16	N/A
Combined ratio			
CTPI (HK)	96.7%	96.2%	+0.5 pt
TP Macau	73.7%	76.1%	-2.4 pts
TP Singapore	81.3%	89.5%	-8.2 pts
TP UK	97.0%	94.0%	+3.0 pts
TP Indonesia	89.2%	90.9%	-1.7 pts

OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE (Continued)

	At 30 June 2016	At 31 December 2015	Change
Regulatory solvency margin ratio ¹			
CTPI (HK)	957%	859%	+98 pts
TP Macau	254%	231%	+23 pts
TP Singapore	231%	211%	+20 pts
TP UK	572%	716%	-144 pts
TP Indonesia	297%	283%	+14 pts

¹ Based on the local regulations.

REINSURANCE BUSINESS

The Group's reinsurance business is operated by TPRe and its wholly-owned subsidiary TPRe (China). TPRe is a Hong Kong-incorporated company and wholly-owned by the Group. TPRe (China) established on 11 December 2015 and started its operation since 2016. TPRe mainly engaged in the underwriting of all classes of non-life reinsurance business around the globe, consisting mainly of short-tail, property reinsurance business in the Asia Pacific region. TPRe has chosen not to engage in long-tail, liability reinsurance business from outside of Asia, such as from the United States and Europe. TPRe also engages in the underwriting of certain classes of long term (life) reinsurance business.

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

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

HK\$ million

	1H 2016	1H 2015	Change
Direct premiums written	5,907.49	5,128.02	+15.2%
Underwriting profit (non-life)	145.69	175.66	-17.1%
Profit from operation after taxation	203.80	294.52	-30.8%
Non-life reinsurance business Combined ratio	92.7%	90.7%	+2.0 pts
	At 30 June 2016	At 31 December 2015	Change
Regulatory solvency margin ratio ¹	346%	551%	-205 pts

¹ Based on Hong Kong local regulations.

OVERSEAS PROPERTY AND CASUALTY INSURANCE AND REINSURANCE *(Continued)*

Operating Profit

The reinsurance business produced a net operating profit after tax of HK\$204 million during the Period (2015: HK\$295 million), representing an decrease of 30.8%. Mainly due to the loss for the first year from the new business of long term life reinsurance.

Direct Premiums Written

TPRe's direct premiums written for the Period increased by 15.2% to HK\$5,907 million from HK\$5,128 million in the Last Period. Although market conditions softened due to general overcapacity for the non-life business, TPRe was able to maintain its core portfolio with overall premium growth, especially in Mainland China. TPRe also had important advancements in its life reinsurance business, achieving premiums of HK\$3,026 million (Last Period: HK\$2,473 million), mostly in Hong Kong. The life reinsurance business line complements TPRe's short tail property reinsurance portfolio. The underwriting profit of the non-life reinsurance business was HK\$146 million, representing a decrease of 17.1% from HK\$176 million in the Last Period.

PENSION AND GROUP LIFE INSURANCE BUSINESSES

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

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

The key financial data of the pension and group life insurance businesses is summarised below:

HK\$ million

	1H 2016	1H 2015	Change
Direct premiums written	2,961.00	2,408.08	+23.0%
Net premiums written	2,680.09	2,167.72	+23.6%
Net earned premiums	2,489.24	2,095.03	+18.8%
Net policyholders' benefits	(1,470.09)	(1,662.39)	-11.6%
Net commission expenses	(327.84)	(209.67)	+56.4%
Change in insurance contract liabilities, net of reinsurance	(281.50)	165.80	N/A
Total investment income	179.86	277.73	-35.2%
Pension administration fee income	174.16	136.76	+27.3%
Agency fee income	2.20	2.86	-23.0%
Administrative and other expenses	(719.70)	(715.18)	+0.6%
Profit from operation before taxation	51.06	101.42	-49.7%
Profit from operation after taxation and attributable to the owners	22.35	113.08	-80.2%

HK\$ million

	At 30 June 2016	At 31 December 2015	Change
Total assets	9,818.15	7,891.68	+24.4%
Total equity	2,684.72	1,580.94	+69.8%
Comprehensive solvency ratio (Note)	359%	255%	+104 pts

Note: The above comprehensive solvency ratio was prepared in accordance with the "C-ROSS" issued by the CIRC.

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

	At 30 June 2016	At 31 December 2015	Change
Annuity invested assets (HK\$ million)	66,569	60,642	+9.8%
Annuity entrusted assets (HK\$ million)	58,498	54,236	+7.9%
Number of enterprises in funds and schemes	7,681	7,100	+581
Number of branches	26	25	+1

PENSION AND GROUP LIFE INSURANCE BUSINESSES (Continued)

Operating Result

The pension and group life insurance businesses incurred a net operating profit of HK\$22 million during the Period (2015: HK\$113 million), representing a decrease of 80.2%. After breaking even and producing an operating profit in 2013, TPP continued to build its scale and the profitability of its operations.

Direct Premiums Written

TPP's direct premiums written for the Period increased by 23.0% to HK\$2,961 million from HK\$2,408 million in the Last Period.

ASSET MANAGEMENT BUSINESS

The Group's asset management business is operated by TPAM and TPA (HK), which are engaged in the provision of investment consultancy services to the Group in managing its RMB and non-RMB investment portfolios, respectively. TPAM is a PRC-incorporated company and is 80% owned by the Group, while TPA (HK) is a Hong Kong-incorporated company and is wholly-owned by the Group.

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

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

HK\$ million

	1H 2016	1H 2015	Change
Management fee and advisory service income	353.38	345.33	+2.3%
Profit from operating	132.09	118.89	+11.1%
Profit from operating attributable to the owners	112.35	102.49	+9.6%

Operating Profit

The asset management business produced a net operating profit of HK\$132 million during the Period (2015: HK\$119 million), representing an increase of 11.1% compared to Last Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 30 June 2016 amounted to HK\$77,697 million (31 December 2015: HK\$81,354 million).

FINANCIAL LEVERAGE

The interest-bearing notes and bank facilities drawn as at 30 June 2016 amounted to HK\$5,895 million and HK\$34,312 million (31 December 2015: HK\$6,270 million and HK\$25,909 million). As of 30 June 2016, CTIH's consolidated financial leverage ratio (calculated by debt over the summation of debt plus equity) was 36.9% (31 December 2015: 30.9%). Such ratio does not include the debt owed to shareholders.

CAPITAL STRUCTURE

CTIH did not issue new shares during the Period.

In 2015, CTIH raised approximately HK\$13.482 billion by TPG (HK)'s subscription of 486,000,000 new shares of the Company at the price of HK\$27.74 per share after the placing of existing shares of the Company held by TPG (HK) pursuant to the placing and subscription agreement entered into on 7 May 2015. After completion of the placing and subscription agreement, TPG (HK)'s equity ownership interest in CTIH decreased from 68.96% to 59.64%.

STAFF AND STAFF REMUNERATION

As at 30 June 2016, the Group had a total of 56,256 employees (2015 : 42,882 employees), representing an increase of 13,374 employees. Total remuneration for the Period amounted to HK\$6,177 million (2015: HK\$5,121 million), an increase of 20.6%. Bonuses are linked to both the performance of the Group and the performance of the individual.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

OUTLOOK

Continue to Promote The “Boutique Strategy” to Create The “Most Unique and High Potential Boutique Insurance Company”

- 2016 is the second year of implementing the “Boutique Strategy”. In the first half of the year, we have achieved steady, rapid and sustainable development in overall operations, which was evidenced by steady improvement of operating qualities, rapid growth of innovative businesses, orderly progress in business transformation and planning, continued improvements of investment capabilities, further enhancement of basic management, continued tightening of risk control and compliance management.
- During second half of 2016 and the period to come, China Taiping will continue to focus on implementation of the “Boutique Strategy”, through driving core business growth, achieving stable operational efficiencies and strengthening business features. In addition, we will promote innovative development, prevent and dissolve risk, effectively strengthen infrastructure development and strive to up-lift the operational management to a brand new level, so as to create more value to the country, investors and customers.

Life Insurance Business – TPL, TPL (HK)

- To further optimise business structure, enhance value of new business and, achieve healthy and rapid growth of main business
- To focus on sustainable value growth on individual insurance, consolidate and improve individual agent’s per capita capacity and retention ratio, and continuously enhance the manpower reserve
- To enhance channel value around bancassurance, deepen its project upgrade, team building, customer management, channel cooperation and compliance management, and improve per capita capacity and the capacity of our branch networks
- To continuously strengthen basic management of e-commerce, step up effort for transformation, and promote growth of core business
- To achieve new breakthroughs on innovative business, continue to promote the Sinopec project, proactively set up the network on the field of universal health, and accelerate the integration of emerging technologies
- TPL (HK) shall greatly expand the local business, and at the same time research and develop the Mainland visitors’ insurance market

PRC Property and Casualty Insurance Business – TPI

- To reinforce the motor insurance business and to speed up the development of the non-motor insurance business. To enhance the integrated expansion and implement the business with strategic clients. To enhance cost control to reduce the combined ratio
- To further improve our market response mechanism and risk pricing ability so as to actively respond to the market competition pressure brought by the full implementation of the market-oriented reform for commercial auto insurance rates

Group Insurance and Pension Business – TPP

- To intensify effort on both maintaining and increasing of market share, accelerate the development of enterprise annuity business and ensure strong start of occupational annuity business to achieve the strategy of “Competing at an advanced level”
- To drive innovation and optimise operating structure to enhance both business scale and quality simultaneously
- To adopt unified guidance and classified tactics, doubling the efforts on transforming disadvantaged institutions

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

- CTPI (HK) will strengthen delicacy management to achieve lower cost and higher efficiency; proactively acquire new customers and strengthen customer relationship management, continuously improve service quality and increase market influence
- TP Macau will continuously improve customer service, make extra effort in new product sales to maintain market share
- TP Singapore will promote the development of regional business and innovative projects, enhancing management and control of both underwriting and claims as well as delicacy management
- TP UK will continuously improve its competitiveness of traditional business and strengthen product innovation and risk control, focusing on promoting large Chinese-funded projects, and further tapping into the insurance market for local Chinese
- TP Indonesia will maximise business development effort, maintain sustainable business growth, explore business opportunity with Chinese funded enterprises, and strive to expand local banking business

Reinsurance Business – TPRé and TPRB

- TPRé will actively expand sales channels, explore new sources of premium for property and casualty insurance and expand new life reinsurance business to maintain stable growth of premium scale and profit
- TPRB will continue its cooperation with Lloyd's in UK, further improve its professional service quality and enhance its competitiveness

Investments

Domestic capital market will still be facing uncertainties in second half of 2016, together with long term assets shortage associated with mid-long term structural reform of Chinese economy. In this context, the Group will further strengthen investment research, proactively respond to market risks, pay extra attention to mid-long term value investment opportunities, control overall equity investment holding position, moderately extend the duration of long term bond allocation, in order to cope with interest rate downward risk for the coming long period of time. At the same time, the Group will avoid investing in projects from local government with high debt ratio and over supplied industries. We will enhance credit rating tracking and post investment management, to strictly prevent credit default.

Going forward, the Group will focus on alternative investments. In line with the country's development strategy and taking the advantage of its industry reform and upgrade, the Company will specifically commit to investment opportunities generating synergies with the Group's insurance core business. Meanwhile, based on its advantages on oversea channels, the Group will proactively explore cross-border investment and financing opportunities, aiming to promote the allocation of quality real estate on global level.

Embedded Value

BASIS OF PREPARATION

The Group has appointed PricewaterhouseCoopers (“PwC”), an international firm of consulting actuaries, to examine whether the methodology and assumptions used by TPL in the preparation of the Embedded Value and the New Business Value as at 30 June 2016 are consistent with standards generally adopted by insurance companies in the PRC. PwC has also examined the methodologies used by the Group in preparing the Group Embedded Value.

CAUTIONARY STATEMENT

The calculations of Embedded Value and the New Business Value of TPL are based on certain assumptions with respect to future experience. Thus, the actual results could differ significantly from what is envisioned when these calculations were made. In addition, the Group Embedded Value is also based on certain assumptions, and should not be viewed as the only benchmark for evaluating and valuing the businesses and operations of the Group. From an investor’s perspective, the valuation of CTIH is measured by the stock market price of the Company’s shares on any particular day. In valuing CTIH’s shares, investors should take into account not only the Embedded Value and the New Business Value of TPL and the Group Embedded Value, but also various other considerations. In addition, TPL is 75.1%-owned by the Company. The Embedded Value and the New Business Value of TPL as at 30 June 2016 as disclosed below should therefore not be applied 100% in valuing CTIH. Investors are advised to pay particular attention to this factor, as well as the other assumptions underlying the calculations of the Embedded Value and New Business Value of TPL and the Group Embedded Value, if they believe such calculations are important and material to the valuation of the Company.

Group Embedded Value

HK\$ million

	At 30 June 2016	At 31 December 2015	At 30 June 2015
Adjusted net worth ¹	57,153	67,908	67,680
Value of in-force for TPL ²	58,899	45,605	39,717
Net fair value adjustments to HTM assets ³	3,897	4,035	1,591
Group embedded value	119,949	117,548	108,988
Attributable to:			
Owners of the Company	96,043	93,905	86,572
Non-controlling interests	23,906	23,643	22,416
Group embedded value	119,949	117,548	108,988

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

- i TPL’s net asset value is calculated on the PRC statutory basis;
- ii Goodwill and intangible assets produced during consolidation have been deducted.

² The value of in-force for TPL is post cost of capital. The cost of capital is HK\$9,725 million for 30 June 2016 (31 December and 30 June 2015: HK\$7,960 million and HK\$7,332 million respectively).

³ Fair value adjustment to HTM assets after considering profit/loss sharing with policyholders for participating business.

Embedded Value of TPL

1. EMBEDDED VALUE

HK\$ million

	At 30 June 2016	At 31 December 2015	At 30 June 2015
Adjusted net worth ¹	20,107	32,379	35,621
Value of in-force business ²	58,899	45,605	39,717
Net fair value adjustments to HTM assets ³	3,704	3,878	1,272
Embedded Value	82,710	81,862	76,610
Attributable to:			
Owners of the Company	62,115	61,478	57,534
Non-controlling interests	20,595	20,384	19,076
Embedded Value	82,710	81,862	76,610

¹ Adjusted net worth is mainly the shareholders' net assets of TPL as calculated on a PRC statutory basis.

² The value of in-force for TPL is post cost of capital. The cost of capital is HK\$9,725 million for 30 June 2016 (31 December and 30 June 2015: HK\$7,960 million and HK\$7,332 million respectively).

³ Fair value adjustments to HTM assets after considering profit/loss sharing with policyholders for participating business.

2. NEW BUSINESS VALUE

HK\$ million

		1H 2016	1H 2015
New business value before cost of capital	a	6,722	4,205
Cost of capital	b	1,487	959
New business value after cost of capital	c=a-b	5,236	3,246

New business profit margin for the agency force business for the first half of the year was 30% (first half of 2015: 30%). New business profit margin for the bancassurance regular business for the first half of the year was 29% (first half of 2015: 30%).

Embedded Value of TPL (Continued)

New business value by line of business were as follows:

<i>HK\$ million</i>	1H 2016	1H 2015	FY 2015
Individual Bancassurance – Regular premium products	4,936	2,994	5,677
Others ¹	779	640	950
	(479)	(388)	(610)
	5,236	3,246	6,017

¹ Others mainly includes the single premium products under bancassurance, other channels (mainly consists of telemarketing) and others.

Condensed Consolidated Statement of Profit or Loss
for the six months ended 30 June 2016 - unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2016	2015
	Notes	\$'000	\$'000
Income			
Total premiums written and policy fees	3	93,929,625	85,395,580
Less: Premiums ceded to reinsurers		(2,678,908)	(4,038,434)
Net premiums written and policy fees		91,250,717	81,357,146
Change in unearned premium provisions, net of reinsurance		(1,445,530)	(1,265,431)
Net earned premiums and policy fees		89,805,187	80,091,715
Net investment income	4(a)	8,385,919	8,080,224
Net realised investment gains	4(b)	1,276,210	9,997,668
Net unrealised investment gains and impairment	4(c)	187,814	220,099
Other income	5	1,267,079	743,490
Total income		100,922,209	99,133,196
Benefits, losses and expenses			
Net policyholders' benefits	6(a)	(18,995,712)	(39,811,942)
Net commission expenses	6(b)	(9,879,762)	(6,759,676)
Administrative and other expenses		(9,965,618)	(10,246,296)
Change in life insurance contract liabilities, net of reinsurance	6(c)	(55,387,856)	(32,188,225)
Total benefits, losses and expenses		(94,228,948)	(89,006,139)
Profit from operations		6,693,261	10,127,057
Share of results of associates and joint ventures		5,044	1,517
Finance costs	7(a)	(620,010)	(477,144)
Profit before taxation	7	6,078,295	9,651,430
Income tax charge	8	(2,029,327)	(2,388,507)
Profit after taxation		4,048,968	7,262,923
Attributable to:			
Owners of the Company		3,099,308	5,857,694
Non-controlling interests		949,660	1,405,229
		4,048,968	7,262,923
		dollars	dollars
Earnings per share attributable to the owners of the Company	10		
Basic		0.827	1.772
Diluted		0.827	1.770

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 30 June 2016 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Profit after taxation	4,048,968	7,262,923
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Revaluation gain arising from reclassification of own-use properties to investment properties		
- Revaluation gain arising during the period	17,359	23,184
- Net deferred tax	(4,340)	-
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures which are not foreign operations	(1,067,178)	26,038
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of the financial statements of foreign operations	8,616	(19,996)
Available-for-sale securities		
- Net fair value changes during the period	(8,932,075)	14,876,821
- Reclassification adjustment to profit or loss on impairment	310,057	7,454
- Reclassification adjustment to profit or loss on disposal	1,387,821	(9,000,666)
- Net deferred tax	1,812,755	(1,414,185)
Total comprehensive income for the period	(2,418,017)	11,761,573
Attributable to:		
Owners of the Company	(1,873,990)	9,300,806
Non-controlling interests	(544,027)	2,460,767
	(2,418,017)	11,761,573

Condensed Consolidated Statement of Financial Position
at 30 June 2016 – unaudited
(Expressed in Hong Kong dollars)

		At 30 June 2016 \$'000	At 31 December 2015 \$'000
	Notes		
Assets			
Statutory deposits	15	5,507,576	5,896,222
Fixed assets	11		
- Property and equipment		7,965,244	7,617,058
- Investment properties		14,998,683	15,156,180
- Prepaid lease payments		936,979	966,197
		23,900,906	23,739,435
Goodwill		668,517	668,517
Intangible assets		261,946	261,668
Interests in associates and joint ventures		1,048,756	978,429
Deferred tax assets		521,208	365,493
Investments in debt and equity securities	12	288,494,203	273,574,170
Securities purchased under resale agreements	18	2,270,935	5,116,737
Amounts due from group companies		21,997	19,704
Insurance debtors	13	31,108,986	9,237,674
Reinsurers' share of insurance contract provisions		10,644,264	34,155,408
Policyholder account assets in respect of unit-linked products		1,426,927	1,780,194
Finance lease receivables	14A	32,187,217	23,030,665
Other debtors	14	37,968,145	33,749,076
Pledged deposits at banks		469,331	399,172
Deposits at banks with original maturity more than three months		27,849,068	27,439,338
Cash and cash equivalents	16	43,870,568	47,619,452
		508,220,550	488,031,354
Liabilities			
Life insurance contract liabilities		280,643,813	254,020,785
Unearned premium provisions		12,657,569	11,118,272
Provision for outstanding claims		16,441,612	16,003,013
Investment contract liabilities		20,932,934	18,762,573
Deferred tax liabilities		2,313,009	4,195,575
Interest-bearing notes		5,894,730	6,269,898
Bank borrowings	19	34,311,859	25,908,893
Securities sold under repurchase agreements	18	11,852,153	16,647,650
Amounts due to group companies		86,609	59,907
Insurance creditors	17	38,968,595	48,609,208
Other payables and accruals		12,745,442	12,068,242
Current taxation		2,509,305	2,418,249
Insurance protection fund		155,701	150,456
		439,513,331	416,232,721
Net assets		68,707,219	71,798,633

Condensed Consolidated Statement of Financial Position (Continued)
at 30 June 2016 – unaudited
(Expressed in Hong Kong dollars)

		At 30 June 2016 \$'000	At 31 December 2015 \$'000
	Notes		
Capital and reserves attributable to the owners of the Company			
Share capital	20	40,771,408	40,771,408
Reserves	23	12,248,280	14,249,248
		53,019,688	55,020,656
Perpetual subordinated capital securities	21	4,706,943	4,707,349
		57,726,631	59,728,005
Non-controlling interests	23	10,980,588	12,070,628
Total equity		68,707,219	71,798,633

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

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2016 - unaudited

(Expressed in Hong Kong dollars)

	Share capital \$'000	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Employee share-based compensation reserve \$'000	Shares held for Share Award Scheme \$'000	Revaluation reserve \$'000	Retained Profits \$'000	Perpetual subordinated capital securities \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 1 January 2016	40,771,408	(6,396,801)	(4,932,468)	(1,080,446)	5,060,733	4,077	(19,438)	639,021	20,974,570	4,707,349	59,728,005	12,070,628	71,798,633
Profit for the period	-	-	-	-	-	-	-	-	2,972,330	126,978	3,099,308	949,660	4,048,968
Other comprehensive income for the period, net of deferred tax	-	-	-	(816,187)	(4,170,130)	-	-	13,019	-	-	(4,973,298)	(1,493,687)	(6,466,985)
Total comprehensive income	-	-	-	(816,187)	(4,170,130)	-	-	13,019	2,972,330	126,978	(1,873,990)	(544,027)	(2,418,017)
Dividends declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(594,570)	(594,570)
Distribution to holders of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	-	(127,384)	(127,384)	-	(127,384)
Capital contributions made to subsidiaries	-	-	-	-	-	-	-	-	-	-	-	48,557	48,557
Balance at 30 June 2016	40,771,408	(6,396,801)	(4,932,468)	(1,896,633)	890,603	4,077	(19,438)	652,040	23,946,900	4,706,943	57,726,631	10,980,588	68,707,219

Condensed Consolidated Statement of Changes in Equity (Continued)
for the six months ended 30 June 2016 - unaudited
(Expressed in Hong Kong dollars)

	Share capital \$'000	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Employee share-based compensation reserve \$'000	Shares held for Share Award Scheme \$'000	Revaluation reserve \$'000	Retained Profits \$'000	Perpetual subordinated capital securities \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 1 January 2015	27,291,104	(6,478,938)	(4,932,468)	1,320,298	3,220,417	27,961	(19,438)	588,412	14,975,635	4,707,267	40,700,250	10,638,266	51,338,516
Profit for the period	-	-	-	-	-	-	-	-	5,730,919	126,775	5,857,694	1,405,229	7,262,923
Other comprehensive income for the period, net of deferred tax	-	-	-	3,421	3,416,507	-	-	23,184	-	-	3,443,112	1,055,538	4,498,650
Total comprehensive income	-	-	-	3,421	3,416,507	-	-	23,184	5,730,919	126,775	9,300,806	2,460,767	11,761,573
Settlement of share-based payment	-	-	-	-	-	(22,387)	-	-	(8,160)	-	(30,547)	-	(30,547)
Shares issued under Placing and Subscription	13,480,304	-	-	-	-	-	-	-	-	-	13,480,304	-	13,480,304
Distribution to holders of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	-	(126,810)	(126,810)	-	(126,810)
Dividends declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(136,800)	(136,800)
Balance at 30 June 2015	40,771,408	(6,478,938)	(4,932,468)	1,323,719	6,636,924	5,574	(19,438)	611,596	20,698,394	4,707,232	63,324,003	12,962,233	76,286,236

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

Condensed Consolidated Statement of Cash Flows
for the six months ended 30 June 2016 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Net cash generated from operating activities	19,798,812	6,031,953
Net cash used in investing activities	(21,435,451)	(21,726,113)
Net cash (used in)/generated from financing activities	(2,112,245)	18,188,196
Net (decrease)/increase in cash and cash equivalents	(3,748,884)	2,494,036
Cash and cash equivalents at 1 January	47,619,452	33,972,417
Cash and cash equivalents at 30 June	43,870,568	36,466,453
Analysis of the balances of cash and cash equivalents:		
Deposits with banks and other financial institutions with original maturity less than three months	18,650,081	19,508,398
Money market funds	689,146	7,662
Cash at bank and in hand	24,531,341	16,950,393
	43,870,568	36,466,453

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

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

1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and with HKAS 34 *Interim financial reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorised for issuance on 25 August 2016.

The financial statements relating to the year ended 31 December 2015 that is included in the condensed consolidated interim financial statements for the six months ended 30 June 2016 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

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

Stated at fair value

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

Measured primarily based on actuarial methods

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

1 BASIS OF PREPARATION (Continued)

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2012 - 2014 cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture
Amendments to HKFRS 10, HKFRS12 and HKAS 28	Investment Entities: Applying the consolidation exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
HKFRS 14	Regulatory deferred accounts

The application of the new and revised HKFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these condensed consolidated financial statements.

2 SEGMENT INFORMATION

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

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

Information regarding the above segments is reported below.

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

2 SEGMENT INFORMATION (Continued)

(a) Segmental statement of profit or loss for the six months ended 30 June 2016

For the six months ended 30 June 2016								
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Total premiums written	72,455,378	11,071,349	2,108,099	5,907,485	2,960,999	-	(640,153)	93,863,157
Policy fees	66,468	-	-	-	-	-	-	66,468
Total premiums written and policy fees	72,521,846	11,071,349	2,108,099	5,907,485	2,960,999	-	(640,153)	93,929,625
Less: Premiums ceded to reinsurers	(777,732)	(986,358)	(689,764)	(500,992)	(280,907)	-	556,845	(2,678,908)
Net premiums written and policy fees	71,744,114	10,084,991	1,418,335	5,406,493	2,680,092	-	(83,308)	91,250,717
Change in unearned premium provisions, net of reinsurance	(182,931)	(613,985)	(62,070)	(399,156)	(190,853)	-	3,465	(1,445,530)
Net earned premiums and policy fees	71,561,183	9,471,006	1,356,265	5,007,337	2,489,239	-	(79,843)	89,805,187
Net investment income (note (i))	6,653,775	394,766	196,423	405,291	133,477	465,244	136,943	8,385,919
Net realised investment gains/(losses) (note (ii))	1,328,651	124,022	(49,957)	(9,991)	25,246	22,423	(164,184)	1,276,210
Net unrealised investment (losses)/gains and impairment (note (iii))	(47,725)	(14,204)	71,640	16,384	21,136	206,766	(66,183)	187,814
Other income	844,720	46,474	(3,873)	(4,907)	185,890	1,388,857	(1,190,082)	1,267,079
Segment income	80,340,604	10,022,064	1,570,498	5,414,114	2,854,988	2,083,290	(1,363,349)	100,922,209
Benefits, losses and expenses								
Net policyholders' benefits	(10,633,641)	(4,774,012)	(716,088)	(1,453,473)	(1,470,089)	-	51,591	(18,995,712)
Net commission expenses	(7,370,547)	(1,649,314)	(375,183)	(759,695)	(327,837)	-	602,814	(9,879,762)
Administrative and other expenses	(5,347,361)	(3,049,232)	(207,631)	(88,188)	(719,704)	(1,183,989)	630,487	(9,965,618)
Change in life insurance contract liabilities, net of reinsurance	(52,258,225)	-	-	(2,848,131)	(281,500)	-	-	(55,387,856)
Total benefits, losses and expenses	(75,609,774)	(9,472,558)	(1,298,902)	(5,149,487)	(2,799,130)	(1,183,989)	1,284,892	(94,228,948)
Profit from operations	4,730,830	549,506	271,596	264,627	55,858	899,301	(78,457)	6,693,261
Share of results of associates and joint ventures	65,637	33,115	-	-	12,266	(532)	(105,442)	5,044
Finance costs	(2,576)	(39,165)	-	-	(17,067)	(589,473)	28,271	(620,010)
Profit before taxation	4,793,891	543,456	271,596	264,627	51,057	309,296	(155,628)	6,078,295
Income tax (charge)/credit	(1,517,026)	(197,687)	(30,061)	(60,826)	(28,708)	(199,355)	4,336	(2,029,327)
Profit after taxation	3,276,865	345,769	241,535	203,801	22,349	109,941	(151,292)	4,048,968
Non-controlling interests								(949,660)
Profit attributable to owners of the Company								3,099,308

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

2 SEGMENT INFORMATION (Continued)

(a) Segmental statement of profit or loss for the six months ended 30 June 2016 (Continued)

For the six months ended 30 June 2016								
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	Total \$'000
Note (i): Net investment income								
Interest income from debt securities								
- Held-to-maturity	2,439,919	56,873	47,773	268,475	-	59,232	(972)	2,871,300
- Available-for-sale	504,981	61,238	22,005	50,655	49,551	34,451	-	722,881
- Held-for-trading	4,081	28	10,008	8,496	-	5,294	23,127	51,034
- Designated at fair value through profit or loss	-	-	13,728	-	-	-	-	13,728
- Loans and receivables	813	3,478	-	656	-	283	-	5,230
Interest income from debt products								
- Loans and receivables	1,441,766	105,131	-	8,330	39,440	51,484	434,384	2,080,535
Dividend income from equity securities								
- Available-for-sale	272,293	21,914	4,735	2,189	3,304	6,178	2,782	313,395
- Held-for-trading	-	-	901	-	-	79	12,364	13,344
- Designated at fair value through profit or loss	-	-	575	-	-	-	-	575
Dividend income from investment funds								
- Available-for-sale	495,409	56,263	-	2,243	10,615	1,825	(269,525)	296,830
- Held-for-trading	56,281	13,721	-	-	-	1,404	3,584	74,990
- Designated at fair value through profit or loss	-	-	1,324	-	-	-	-	1,324
- Loans and receivables	-	-	34,152	39,325	-	-	-	73,477
Bank deposits and other interest income	1,353,025	75,387	13,059	25,409	33,464	48,962	(26,287)	1,523,019
Rentals receivable from investment properties	116,844	6,090	48,163	517	-	256,281	(49,801)	378,094
Net interest expenses on securities sold/purchased under repurchase/resale agreements	(31,637)	(5,357)	-	(1,004)	(2,897)	(229)	7,287	(33,837)
	6,653,775	394,766	196,423	405,291	133,477	465,244	136,943	8,385,919

2 SEGMENT INFORMATION (Continued)

(a) Segmental statement of profit or loss for the six months ended 30 June 2016 (Continued)

For the six months ended 30 June 2016								
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	Total \$'000
Note (ii): Net realised investment gains/(losses)								
Debt securities								
- Held-to-maturity	10,562	(2,552)	57	-	-	-	-	8,067
- Available-for-sale	44,473	(1,846)	3,875	14,233	(966)	15,291	-	75,060
- Held-for-trading	32,344	5,697	53	970	1,970	875	(4,416)	37,493
- Designated at fair value through profit or loss	-	-	625	-	-	-	-	625
Equity securities								
- Available-for-sale	1,252,267	106,387	(32,389)	(26,900)	23,351	(5,404)	(21,321)	1,295,991
- Held-for-trading	-	-	(4,045)	-	-	(3,404)	(166,246)	(173,695)
- Designated at fair value through profit or loss	-	-	(614)	-	-	-	-	(614)
Investment funds								
- Available-for-sale	(10,999)	16,336	(15,876)	1,706	891	(4,626)	-	(12,568)
- Held-for-trading	4	-	(3,286)	-	-	27,455	27,463	51,636
- Designated at fair value through profit or loss	-	-	1,643	-	-	-	-	1,643
Derivative financial instruments	-	-	-	-	-	(7,764)	336	(7,428)
	<u>1,328,651</u>	<u>124,022</u>	<u>(49,957)</u>	<u>(9,991)</u>	<u>25,246</u>	<u>22,423</u>	<u>(164,184)</u>	<u>1,276,210</u>
Note (iii): Net unrealised investment gains/(losses) impairment								
Debt securities								
- Held-for-trading	4,573	(1,100)	2,187	18,228	-	8,729	(1,761)	30,856
- Designated at fair value through profit or loss	-	-	6,621	-	-	-	-	6,621
Equity securities								
- Held-for-trading	-	-	3,049	-	-	1,856	23,749	28,654
- Designated at fair value through profit or loss	-	-	902	-	-	-	-	902
Investment funds								
- Held-for-trading	20,467	-	(5,508)	-	20,981	(7,764)	(70,183)	(42,007)
- Designated at fair value through profit or loss	-	-	(2,065)	-	-	170	-	(1,895)
Derivative financial instruments	-	-	-	-	-	-	1,793	1,793
Surplus on revaluation of investment properties	195,490	22,598	69,310	1,400	155	203,775	(19,781)	472,947
Impairment loss recognised:								
- Available-for-sale equity securities and investment funds	(268,255)	(35,702)	(2,856)	(3,244)	-	-	-	(310,057)
	<u>(47,725)</u>	<u>(14,204)</u>	<u>71,640</u>	<u>16,384</u>	<u>21,136</u>	<u>206,766</u>	<u>(66,183)</u>	<u>187,814</u>

2 SEGMENT INFORMATION (Continued)

(b) Segmental statement of financial position as at 30 June 2016

	30 June 2016							
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory deposits	3,510,127	1,087,546	131,894	304,721	468,017	5,271	-	5,507,576
Fixed assets								
- Property and equipment	3,925,879	1,013,516	838,194	54,462	136,536	437,917	1,558,740	7,965,244
- Investment properties	4,821,314	422,116	2,184,208	39,900	5,510	10,228,154	(2,702,519)	14,998,683
- Prepaid lease payments	54,735	53,737	-	-	-	777,627	50,880	936,979
Investment in debt and equity securities								
- Debt securities (note (i))	136,635,682	4,745,705	3,870,955	14,208,941	2,122,673	5,038,133	910,302	167,532,391
- Equity securities (note (ii))	24,110,969	2,201,855	431,942	350,579	502,966	1,021,548	(22,773)	28,597,086
- Investment funds (note (iii))	15,868,009	2,512,215	1,640,768	1,902,667	881,058	3,332,172	(5,865,639)	20,271,250
- Debt products (note (iv))	54,670,412	3,673,933	-	470,357	1,712,942	150,935	11,414,897	72,093,476
Cash and bank deposits	46,030,906	4,040,205	1,303,080	3,187,781	1,994,388	13,917,032	1,715,575	72,188,967
Goodwill	-	-	-	-	-	-	668,517	668,517
Intangible assets	-	261,408	-	-	-	538	-	261,946
Interests in associates and joint ventures	13,720,888	1,029,464	-	-	669,303	98,046	(14,468,945)	1,048,756
Reinsurers' share of insurance contract provisions	5,242,599	1,647,611	1,624,959	1,822,074	307,021	-	-	10,644,264
Policyholder account assets in respect of unit-linked products	1,426,927	-	-	-	-	-	-	1,426,927
Other segment assets	58,356,740	2,728,186	1,892,381	3,317,115	1,017,739	36,538,987	227,340	104,078,488
Segment assets	368,375,187	25,417,497	13,918,381	25,658,597	9,818,153	71,546,360	(6,513,625)	508,220,550
Life insurance contract liabilities	270,130,782	-	-	7,983,557	2,529,474	-	-	280,643,813
Unearned premium provisions	576,220	7,608,574	1,668,355	2,029,999	774,421	-	-	12,657,569
Provision for outstanding claims	325,069	5,841,197	4,716,212	4,994,230	564,904	-	-	16,441,612
Investment contract liabilities	18,127,244	-	-	1,828,544	977,146	-	-	20,932,934
Deferred tax liabilities	810,410	79,576	46,151	850	18,000	1,570,898	(212,876)	2,313,009
Interest-bearing notes	-	1,287,046	-	-	-	4,655,268	(47,584)	5,894,730
Bank borrowings	-	-	-	-	-	34,311,859	-	34,311,859
Securities sold under repurchase agreements	10,483,377	232,851	-	339,312	796,613	-	-	11,852,153
Other segment liabilities	43,519,906	3,550,611	1,245,712	2,302,845	1,472,880	6,476,528	(4,102,830)	54,465,652
Segment liabilities	343,973,008	18,599,855	7,676,430	19,479,337	7,133,438	47,014,553	(4,363,290)	439,513,331
Non-controlling interests								(10,980,588)
Net assets attributable to the owners of the Company								57,726,631

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

2 SEGMENT INFORMATION (Continued)

(b) Segmental statement of financial position as at 30 June 2016 (Continued)

30 June 2016								
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note (i): Debt securities								
By category:								
- Held-to-maturity	113,250,285	2,747,647	2,129,020	12,015,990	-	3,192,687	(47,584)	133,288,045
- Available-for-sale	23,223,405	1,998,058	848,006	1,894,502	2,122,673	1,581,296	-	31,667,940
- Held-for-trading	150,292	-	402,756	277,388	-	264,150	957,886	2,052,472
- Designated at fair value through profit or loss	-	-	491,173	-	-	-	-	491,173
- Loans and receivables	11,700	-	-	21,061	-	-	-	32,761
	<u>136,635,682</u>	<u>4,745,705</u>	<u>3,870,955</u>	<u>14,208,941</u>	<u>2,122,673</u>	<u>5,038,133</u>	<u>910,302</u>	<u>167,532,391</u>
By class:								
- Government and central banks	48,607,558	948,530	34,361	1,235,100	476,423	67,804	-	51,369,776
- Banks and other financial institutions	50,984,638	529,006	1,756,718	6,507,740	38,128	2,739,670	(47,584)	62,508,316
- Corporate entities	37,043,486	3,268,169	2,079,876	6,466,101	1,608,122	2,230,659	957,886	53,654,299
	<u>136,635,682</u>	<u>4,745,705</u>	<u>3,870,955</u>	<u>14,208,941</u>	<u>2,122,673</u>	<u>5,038,133</u>	<u>910,302</u>	<u>167,532,391</u>
Note (ii): Equity securities								
By category:								
- Available-for-sale	24,110,969	2,201,855	293,827	350,579	502,966	1,012,622	(1,594,650)	26,878,168
- Held-for-trading	-	-	110,903	-	-	8,926	1,571,877	1,691,706
- Designated at fair value through profit or loss	-	-	27,212	-	-	-	-	27,212
	<u>24,110,969</u>	<u>2,201,855</u>	<u>431,942</u>	<u>350,579</u>	<u>502,966</u>	<u>1,021,548</u>	<u>(22,773)</u>	<u>28,597,086</u>
Note (iii): Investment funds								
By category:								
- Available-for-sale	13,559,112	1,823,398	87,896	252,627	378,890	566,802	(6,040,728)	10,627,997
- Held-for-trading	2,308,897	688,817	118,213	40	502,168	1,457,348	175,089	5,250,572
- Designated at fair value through profit or loss	-	-	114,634	-	-	-	-	114,634
- Loans and receivables	-	-	1,320,025	1,650,000	-	1,308,022	-	4,278,047
	<u>15,868,009</u>	<u>2,512,215</u>	<u>1,640,768</u>	<u>1,902,667</u>	<u>881,058</u>	<u>3,332,172</u>	<u>(5,865,639)</u>	<u>20,271,250</u>
Note (iv): Debt products								
By category:								
- Loans and receivables	54,670,412	3,673,933	-	470,357	1,712,942	150,935	11,414,897	72,093,476

2 SEGMENT INFORMATION (Continued)

(c) Segmental statement of profit or loss for the six months ended 30 June 2015

For the six months ended 30 June 2015								
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	Total \$'000
Income								
Total premiums written	66,040,821	10,053,504	2,174,604	5,128,019	2,408,075	-	(439,635)	85,365,388
Policy fees	30,192	-	-	-	-	-	-	30,192
Total premiums written and policy fees	66,071,013	10,053,504	2,174,604	5,128,019	2,408,075	-	(439,635)	85,395,580
Less: Premiums ceded to reinsurers	(1,005,872)	(1,233,576)	(699,137)	(1,224,992)	(240,355)	-	365,498	(4,038,434)
Net premiums written and policy fees	65,065,141	8,819,928	1,475,467	3,903,027	2,167,720	-	(74,137)	81,357,146
Change in unearned premium provisions, net of reinsurance	87,215	(764,727)	(176,769)	(310,117)	(101,033)	-	-	(1,265,431)
Net earned premiums and policy fees	65,152,356	8,055,201	1,298,698	3,592,910	2,066,687	-	(74,137)	80,091,715
Net investment income (note (i))	6,515,923	454,740	158,519	249,361	140,601	486,153	74,927	8,080,224
Net realised investment gains (note (ii))	8,724,634	531,125	102,802	73,012	140,922	107,188	317,985	9,997,668
Net unrealised investment gains/ (losses) and impairment (note (iii))	42,945	6,841	46,421	(5,206)	(3,795)	108,368	24,525	220,099
Other income	400,851	27,236	12,479	(242)	150,100	1,013,081	(860,015)	743,490
Segment income	80,836,709	9,075,143	1,618,919	3,909,835	2,494,515	1,714,790	(516,715)	99,133,196
Benefits, losses and expenses								
Net policyholders' benefits	(31,906,381)	(4,256,812)	(666,136)	(1,298,576)	(1,684,037)	-	-	(39,811,942)
Net commission expenses	(4,814,175)	(1,056,397)	(362,694)	(696,565)	(209,665)	-	379,820	(6,759,676)
Administrative and other expenses	(6,037,830)	(2,759,569)	(194,993)	(65,319)	(715,183)	(957,044)	483,642	(10,246,296)
Change in life insurance contract liabilities, net of reinsurance	(30,913,783)	-	-	(1,490,227)	215,785	-	-	(32,188,225)
Total benefits, losses and expenses	(73,672,169)	(8,072,778)	(1,223,823)	(3,550,687)	(2,393,100)	(957,044)	863,462	(89,006,139)
Profit from operations	7,164,540	1,002,365	395,096	359,148	101,415	757,746	346,747	10,127,057
Share of results of associates and joint ventures	57,873	-	-	-	-	(478)	(55,878)	1,517
Finance costs	(121,436)	(41,401)	-	-	-	(345,071)	30,764	(477,144)
Profit before taxation	7,100,977	960,964	395,096	359,148	101,415	412,197	321,633	9,651,430
Income tax (charge)/credit	(1,785,372)	(254,680)	(50,852)	(64,628)	11,662	(151,267)	(93,370)	(2,388,507)
Profit after taxation	5,315,605	706,284	344,244	294,520	113,077	260,930	228,263	7,262,923
Non-controlling interests								(1,405,229)
Profit attributable to owners of the Company								5,857,694

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

2 SEGMENT INFORMATION (Continued)

(c) Segmental statement of profit or loss for the six months ended 30 June 2015 (Continued)

For the six months ended 30 June 2015

	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	Total \$'000
Note (i): Net investment income								
Interest income from debt securities								
- Held-to-maturity	2,434,346	48,930	40,323	150,532	-	18,150	(1,837)	2,690,444
- Available-for-sale	703,849	84,470	28,633	44,099	54,535	72,702	-	988,288
- Held-for-trading	143	-	-	346	1	1,954	11,020	13,464
- Designated at fair value through profit or loss	-	3	12,497	-	-	-	-	12,500
- Loans and receivables	1,825	4,842	-	694	-	892	-	8,253
Interest income from debt products								
- Loans and receivables	1,736,816	117,477	-	4,134	35,038	2,159	456,321	2,351,945
Dividend income from equity securities								
- Available-for-sale	219,465	23,235	5,586	2,127	1,555	4,728	14,383	271,079
- Held-for-trading	-	-	690	-	-	159	8,132	8,981
- Designated at fair value through profit or loss	-	-	772	-	-	-	-	772
Dividend income from investment funds								
- Available-for-sale	275,054	36,221	-	5,573	2,785	-	(144,433)	175,200
- Held-for-trading	164,770	40,567	-	363	21,646	1,618	(208,502)	20,462
- Designated at fair value through profit or loss	-	-	2,390	-	-	-	-	2,390
- Loans and receivables	-	-	6,248	16,629	-	-	-	22,877
Bank deposits and other interest income	1,500,687	99,741	15,182	25,391	36,627	129,679	(25,693)	1,781,614
Rentals receivable from investment properties	89,806	4,381	46,198	720	-	255,014	(41,330)	354,789
Net interest expenses on securities sold/purchased under repurchase/resale agreements	(610,838)	(5,127)	-	(1,247)	(11,586)	(902)	6,866	(622,834)
	<u>6,515,923</u>	<u>454,740</u>	<u>158,519</u>	<u>249,361</u>	<u>140,601</u>	<u>486,153</u>	<u>74,927</u>	<u>8,080,224</u>
Note (ii): Net realised investment gains/(losses)								
Debt securities								
- Held-to-maturity	-	-	17	-	-	-	-	17
- Available-for-sale	109,802	13,200	18,049	17,194	454	11,050	-	169,749
- Held-for-trading	80,905	3,417	-	4,168	965	3,190	19,807	112,452
- Designated at fair value through profit or loss	-	-	3,365	-	-	-	-	3,365
Equity securities								
- Available-for-sale	6,925,693	476,315	47,625	50,292	128,500	12,416	547,475	8,188,316
- Held-for-trading	(3)	-	2,254	-	-	(1,084)	166,207	167,374
- Designated at fair value through profit or loss	-	-	4,205	-	-	-	-	4,205
Investment funds								
- Available-for-sale	1,604,664	45,187	27,287	1,862	1,830	(4,454)	(408,747)	1,267,629
- Held-for-trading	16,409	(6,994)	-	-	9,173	48,437	(6,757)	60,268
Derivative financial instruments	(12,836)	-	-	-	-	-	-	(12,836)
(Loss)/gain on disposal of investment properties	-	-	-	(504)	-	37,633	-	37,129
	<u>8,724,634</u>	<u>531,125</u>	<u>102,802</u>	<u>73,012</u>	<u>140,922</u>	<u>107,188</u>	<u>317,985</u>	<u>9,997,668</u>

2 SEGMENT INFORMATION (Continued)

(c) Segmental statement of profit or loss for the six months ended 30 June 2015 (Continued)

For the six months ended 30 June 2015								
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Inter- segment elimination and adjustment \$'000	Total \$'000
Note (iii): Net unrealised investment gains/(losses) and impairment								
Debt securities								
- Held-for-trading	12,228	-	2,731	80	14	(877)	5,566	19,742
- Designated at fair value through profit or loss	-	-	(3,423)	-	-	-	-	(3,423)
Equity securities								
- Held-for-trading	9	-	2,290	-	-	2,161	(54,560)	(50,100)
- Designated at fair value through profit or loss	-	-	(2,815)	-	-	-	-	(2,815)
Investment funds								
- Held-for-trading	(112,108)	(19,700)	10,041	(125)	(3,809)	3,430	102,647	(19,624)
- Designated at fair value through profit or loss	-	-	1,342	-	-	-	-	1,342
Derivative financial instruments	-	-	-	-	-	(2,610)	-	(2,610)
Surplus on revaluation of investment properties	143,603	26,637	36,665	1,000	-	106,264	(29,128)	285,041
Impairment loss recognised:								
- Available-for-sale equity securities and investment funds	(787)	(96)	(410)	(6,161)	-	-	-	(7,454)
	42,945	6,841	46,421	(5,206)	(3,795)	108,368	24,525	220,099

2 SEGMENT INFORMATION (Continued)

(d) Segmental statement of financial position as at 31 December 2015

	31 December 2015							
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory deposits	3,819,618	1,151,782	134,532	307,567	477,452	5,271	-	5,896,222
Fixed assets								
- Property and equipment	3,915,754	1,101,842	787,876	85,792	146,830	317,669	1,261,295	7,617,058
- Investment properties	4,746,571	275,825	1,956,679	38,500	5,466	10,501,537	(2,368,398)	15,156,180
- Prepaid lease payments	56,494	55,477	-	-	-	801,768	52,458	966,197
Investment in debt and equity securities								
- Debt securities (note (i))	122,662,068	5,387,913	3,715,460	10,974,987	1,882,331	5,308,838	353,612	150,285,209
- Equity securities (note (ii))	26,952,869	1,843,891	434,809	299,322	301,367	569,380	1,658,343	32,059,981
- Investment funds (note (iii))	18,811,634	2,971,412	1,789,320	1,567,415	628,169	2,983,744	(9,038,754)	19,712,940
- Debt products (note (iv))	54,696,625	3,807,682	-	205,304	1,067,106	94,297	11,645,026	71,516,040
Cash and bank deposits	48,966,587	3,436,725	1,289,130	2,441,950	1,367,099	14,683,199	3,273,272	75,457,962
Goodwill	-	-	-	-	-	-	668,517	668,517
Intangible assets	-	261,408	-	-	-	260	-	261,668
Interests in associates and joint ventures	9,676,853	1,603,002	62	-	700,712	180,075	(11,182,275)	978,429
Reinsurers' share of insurance contract provisions	28,794,551	1,883,403	1,508,103	1,723,901	245,450	-	-	34,155,408
Policyholder account assets in respect of unit-linked products	1,780,194	-	-	-	-	-	-	1,780,194
Other segment assets	40,629,564	1,716,958	1,635,942	1,886,308	1,069,695	24,759,965	(179,083)	71,519,349
Segment assets	365,509,382	25,497,320	13,251,913	19,531,046	7,891,677	60,206,003	(3,855,987)	488,031,354
Life insurance contract liabilities	246,612,539	-	-	5,115,864	2,292,382	-	-	254,020,785
Unearned premium provisions	399,247	7,244,712	1,427,028	1,502,718	544,567	-	-	11,118,272
Provision for outstanding claims	268,895	5,545,482	4,636,576	5,032,904	519,156	-	-	16,003,013
Investment contract liabilities	17,082,917	-	-	508,085	1,171,571	-	-	18,762,573
Deferred tax liabilities	2,688,668	-	44,870	3,671	-	1,557,815	(99,449)	4,195,575
Interest-bearing notes	358,089	1,312,994	-	-	-	4,650,576	(51,761)	6,269,898
Bank borrowings	-	-	-	-	-	25,908,893	-	25,908,893
Securities sold under repurchase agreements	15,089,007	1,406,097	-	-	100,146	31,034	21,366	16,647,650
Other segment liabilities	53,286,033	3,197,970	1,210,955	1,174,440	1,682,910	4,505,799	(1,752,045)	63,306,062
Segment liabilities	335,785,395	18,707,255	7,319,429	13,337,682	6,310,732	36,654,117	(1,881,889)	416,232,721
Non-controlling interests								(12,070,628)
Net assets attributable to the owners of the Company								59,728,005

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

2 SEGMENT INFORMATION (Continued)

(d) Segmental statement of financial position as at 31 December 2015 (Continued)

31 December 2015								
	Life insurance	PRC property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Pension and group life insurance	Other businesses	Inter-segment elimination and adjustment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note (i): Debt securities								
By category:								
- Held-to-maturity	97,536,303	1,929,437	1,807,617	8,529,532	-	3,172,954	(51,761)	112,924,082
- Available-for-sale	24,857,210	3,292,332	925,799	2,164,928	1,882,326	1,852,715	-	34,975,310
- Held-for-trading	208,873	10,972	441,212	259,042	5	217,806	405,373	1,543,283
- Designated at fair value through profit or loss	-	-	440,842	-	-	-	-	440,842
- Loans and receivables	59,682	155,172	99,990	21,485	-	65,363	-	401,692
	122,662,068	5,387,913	3,715,460	10,974,987	1,882,331	5,308,838	353,612	150,285,209
By class:								
- Government and central banks	30,995,951	155,172	49,831	1,255,515	-	52,862	-	32,509,331
- Banks and other financial institutions	52,211,955	540,779	1,740,491	3,352,213	39,520	2,961,224	(51,761)	60,794,421
- Corporate entities	39,454,162	4,691,962	1,925,138	6,367,259	1,842,811	2,294,752	405,373	56,981,457
	122,662,068	5,387,913	3,715,460	10,974,987	1,882,331	5,308,838	353,612	150,285,209
Note (ii): Equity securities								
By category:								
- Available-for-sale	26,952,869	1,843,891	332,688	299,322	301,367	556,458	159,075	30,445,670
- Held-for-trading	-	-	58,563	-	-	12,922	1,499,268	1,570,753
- Designated at fair value through profit or loss	-	-	43,558	-	-	-	-	43,558
	26,952,869	1,843,891	434,809	299,322	301,367	569,380	1,658,343	32,059,981
Note (iii): Investment funds								
By category:								
- Available-for-sale	13,671,112	2,132,590	399,221	294,475	136,921	844,578	(7,657,844)	9,821,053
- Held-for-trading	5,140,522	838,822	156,410	40	491,248	1,311,784	(1,380,910)	6,557,916
- Designated at fair value through profit or loss	-	-	220,294	-	-	-	-	220,294
- Loans and receivables	-	-	1,013,395	1,272,900	-	827,382	-	3,113,677
	18,811,634	2,971,412	1,789,320	1,567,415	628,169	2,983,744	(9,038,754)	19,712,940
Note (iv): Debt products								
By category:								
- Loans and receivables	54,696,625	3,807,682	-	205,304	1,067,106	94,297	11,645,026	71,516,040

2 SEGMENT INFORMATION (Continued)

Geographical distribution:

More than 94% (30 June 2015: 93%) of the Group's total income is derived from its operations in the PRC (other than Hong Kong and Macau).

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

30 June 2016				
PRC				
	Hong Kong and Macau	(other than Hong Kong and Macau)	Rest of the world	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance contracts and interests in associates and joint ventures)	3,010,727	21,169,652	650,990	24,831,369
31 December 2015				
PRC				
	Hong Kong and Macau	(other than Hong Kong and Macau)	Rest of the world	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance contracts and interests in associates and joint ventures)	2,722,756	21,329,896	616,968	24,669,620

Information about major customers:

There were no customers for the six months ended 30 June 2016 and 2015 contributing over 10% of the total premiums written and policy fees of the Group.

3 TOTAL PREMIUMS WRITTEN AND POLICY FEES

Principal activities

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

Six months ended 30 June 2016						
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	Total \$'000
Total premiums written	72,435,506	11,047,399	1,788,868	5,700,150	2,891,234	93,863,157
Policy fees	66,468	-	-	-	-	66,468
	<u>72,501,974</u>	<u>11,047,399</u>	<u>1,788,868</u>	<u>5,700,150</u>	<u>2,891,234</u>	<u>93,929,625</u>

Six months ended 30 June 2015						
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	Total \$'000
Total premiums written	66,040,821	10,053,504	1,812,412	5,128,019	2,330,632	85,365,388
Policy fees	30,192	-	-	-	-	30,192
	<u>66,071,013</u>	<u>10,053,504</u>	<u>1,812,412</u>	<u>5,128,019</u>	<u>2,330,632</u>	<u>85,395,580</u>

4 INVESTMENT INCOME

Six months ended 30 June		
	2016 \$'000	2015 \$'000
Net investment income (note (a))	8,385,919	8,080,224
Net realised investment gains (note (b))	1,276,210	9,997,668
Net unrealised investment gains and impairment (note (c))	187,814	220,099
	<u>9,849,943</u>	<u>18,297,991</u>

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
(a) Net investment income		
Interest income from debt securities (<i>note (i)</i>):		
- Held-to-maturity	2,871,300	2,690,444
- Available-for-sale	722,881	988,288
- Held-for-trading	51,034	13,464
- Designated at fair value through profit or loss	13,728	12,500
- Loans and receivables	5,230	8,253
	3,664,173	3,712,949
Interest income from debt products (<i>note (i)</i>)	2,080,535	2,351,945
Dividend income from equity securities (<i>note (ii)</i>):		
- Available-for-sale	313,395	271,079
- Held-for-trading	13,344	8,981
- Designated at fair value through profit or loss	575	772
	327,314	280,832
Dividend income from investment funds (<i>note (iii)</i>):		
- Available-for-sale	296,830	175,200
- Held-for-trading	74,990	20,462
- Designated at fair value through profit or loss	1,324	2,390
- Loans and receivables	73,477	22,877
	446,621	220,929
Bank deposits and other interest income	1,523,019	1,781,614
Gross rentals receivable from investment properties	380,581	358,018
Less: direct outgoings	(2,487)	(3,229)
Net rentals receivable from investment properties	378,094	354,789
Net interest expenses on securities sold/purchased under repurchase/resale agreements	(33,837)	(622,834)
	8,385,919	8,080,224

4 INVESTMENT INCOME (Continued)

Notes:

		Six months ended 30 June	
		2016	2015
		\$'000	\$'000
(a) Net investment income (Continued)			
(i) Interest income from debt securities and debt products:			
Listed		1,079,353	1,020,112
Unlisted		4,665,355	5,044,782
		5,744,708	6,064,894
(ii) Dividend income from equity securities:			
Listed		127,299	198,273
Unlisted		200,015	82,559
		327,314	280,832
(iii) Dividend income from investment funds:			
Listed		6,792	38,045
Unlisted		439,829	182,884
		446,621	220,929

4 INVESTMENT INCOME (Continued)

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
(b) Net realised investment gains/(losses)		
Debt securities (<i>note (i)</i>):		
- Held-to-maturity	8,067	17
- Available-for-sale	75,060	169,749
- Held-for-trading	37,493	112,452
- Designated at fair value through profit or loss	625	3,365
	121,245	285,583
Equity securities (<i>note (ii)</i>):		
- Available-for-sale	1,295,991	8,188,316
- Held-for-trading	(173,695)	167,374
- Designated at fair value through profit or loss	(614)	4,205
	1,121,682	8,359,895
Investment funds (<i>note (iii)</i>):		
- Available-for-sale	(12,568)	1,267,629
- Held-for-trading	51,636	60,268
- Designated at fair value through profit or loss	1,643	-
	40,711	1,327,897
Derivative financial instruments	(7,428)	(12,836)
Gain on disposal of investment properties	-	37,129
	1,276,210	9,997,668

4 INVESTMENT INCOME (Continued)

Notes:

		Six months ended 30 June	
		2016	2015
		\$'000	\$'000
(b) Net realised investment gains / (losses) (Continued)			
(i) Net realised investment gains on debt securities:			
Listed	72,152	192,471	
Unlisted	49,093	93,112	
	121,245	285,583	
(ii) Net realised investment gains/(losses) on equity securities:			
Listed	1,311,861	8,367,408	
Unlisted	(190,179)	(7,513)	
	1,121,682	8,359,895	
(iii) Net realised investment gains/(losses) on investment funds:			
Listed	7,828	(306,578)	
Unlisted	32,883	1,634,475	
	40,711	1,327,897	

4 INVESTMENT INCOME (Continued)

		Six months ended 30 June	
		2016	2015
		\$'000	\$'000
(c) Net unrealised investment gains/(losses) and impairment			
Debt securities (<i>note (i)</i>):			
- Held-for-trading	30,856	19,742	
- Designated at fair value through profit or loss	6,621	(3,423)	
	37,477	16,319	
Equity securities (<i>note (ii)</i>):			
- Held-for-trading	28,654	(50,100)	
- Designated at fair value through profit or loss	902	(2,815)	
	29,556	(52,915)	
Investment funds (<i>note (iii)</i>):			
- Held-for-trading	(42,007)	(19,624)	
- Designated at fair value through profit or loss	(1,895)	1,342	
	(43,902)	(18,282)	
Derivative financial instruments	1,793	(2,610)	
Surplus on revaluation of investment properties	472,947	285,041	
Impairment loss recognised:			
- Available-for-sale equity securities and investment funds	(310,057)	(7,454)	
	187,814	220,099	

4 INVESTMENT INCOME (Continued)

Notes:

		Six months ended 30 June	
		2016	2015
		\$'000	\$'000
(c) Net unrealised investment gains/(losses) and impairment (Continued)			
(i) Net unrealised investment gains on debt securities:			
Listed	4,949	13,863	
Unlisted	32,528	2,456	
	37,477	16,319	
(ii) Net unrealised investment gains/(losses) on equity securities:			
Listed	5,808	(52,915)	
Unlisted	23,748	-	
	29,556	(52,915)	
(iii) Net unrealised investment (losses)/gains on investment funds:			
Listed	(6,556)	1,208	
Unlisted	(37,346)	(19,490)	
	(43,902)	(18,282)	

5 OTHER INCOME

		Six months ended 30 June	
		2016	2015
		\$'000	\$'000
Fee income from provision of asset management and advisory services	184,435	164,399	
Fee income from provision of insurance intermediary services	26,978	20,883	
Fee income from provision of pension administration services	171,958	136,762	
Fee income from provision of securities broking services	13,492	49,930	
Fee income from provision of property management services	48,738	46,861	
Fee income from provision of agency services	92,400	-	
Interests from finance lease receivables	666,225	300,254	
Loss on disposal of property and equipment	(83)	(231)	
Net exchange (loss)/gain	(64,421)	1,250	
(Recognition)/Reversal of impairment loss on insurance debtors and other debtors	(1,940)	3,648	
Provision for finance lease receivables	(98,750)	(86,432)	
Others	228,047	106,166	
	1,267,079	743,490	

6 NET POLICYHOLDERS' BENEFITS AND NET COMMISSION EXPENSES

(a) Net policyholders' benefits

Six months ended 30 June 2016						
	Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Claims and claim adjustment expenses	1,093,104	5,257,563	739,021	1,379,725	779,813	9,249,226
Surrenders	23,915,917	-	-	6,126	792,624	24,714,667
Annuity, dividends and maturity payments	9,291,108	-	-	-	41,111	9,332,219
Interest allocated to investment and reinsurance contracts	369,388	-	-	34,165	-	403,553
	34,669,517	5,257,563	739,021	1,420,016	1,613,548	43,699,665
Less: Reinsurers' and retrocessionaires' share	(24,035,939)	(286,848)	(161,000)	(76,707)	(143,459)	(24,703,953)
	10,633,578	4,970,715	578,021	1,343,309	1,470,089	18,995,712

Six months ended 30 June 2015						
	Life insurance contracts	PRC property and casualty insurance contracts	Overseas property and casualty insurance contracts	Reinsurance contracts	Pension and group life insurance contracts	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Claims and claim adjustment expenses	768,647	4,674,473	840,108	1,405,403	451,766	8,140,397
Surrenders	24,517,874	-	-	1,376	1,133,519	25,652,769
Annuity, dividends and maturity payments	11,484,780	-	-	-	238,264	11,723,044
Interest allocated to investment and reinsurance contracts	767,247	-	-	428	-	767,675
	37,538,548	4,674,473	840,108	1,407,207	1,823,549	46,283,885
Less: Reinsurers' and retrocessionaires' share	(5,632,167)	(273,338)	(318,295)	(108,631)	(139,512)	(6,471,943)
	31,906,381	4,401,135	521,813	1,298,576	1,684,037	39,811,942

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

(b) Net commission expenses

	Six months ended 30 June 2016					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Gross commission expenses	7,388,673	1,525,472	411,384	809,406	301,456	10,436,391
Reinsurance commission income	(73,113)	(153,201)	(158,963)	(126,984)	(44,368)	(556,629)
Net commission expenses	<u>7,315,560</u>	<u>1,372,271</u>	<u>252,421</u>	<u>682,422</u>	<u>257,088</u>	<u>9,879,762</u>

	Six months ended 30 June 2015					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Gross commission expenses	4,964,819	1,138,212	392,495	815,770	196,871	7,508,167
Reinsurance commission income	(150,644)	(266,962)	(174,808)	(119,205)	(36,872)	(748,491)
Net commission expenses	<u>4,814,175</u>	<u>871,250</u>	<u>217,687</u>	<u>696,565</u>	<u>159,999</u>	<u>6,759,676</u>

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

	Six months ended 30 June 2016					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Change in life insurance contracts	28,906,924	-	-	2,867,693	287,231	32,061,848
Less: Reinsurers' share	23,351,301	-	-	(19,563)	(5,730)	23,326,008
	<u>52,258,225</u>	<u>-</u>	<u>-</u>	<u>2,848,130</u>	<u>281,501</u>	<u>55,387,856</u>

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

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

	Six months ended 30 June 2015					Total \$'000
	Life insurance contracts \$'000	PRC property and casualty insurance contracts \$'000	Overseas property and casualty insurance contracts \$'000	Reinsurance contracts \$'000	Pension and group life insurance contracts \$'000	
Change in life insurance contracts	26,552,613	-	-	2,283,678	(210,292)	28,625,999
Less: Reinsurers' share	4,361,170	-	-	(793,451)	(5,493)	3,562,226
	<u>30,913,783</u>	<u>-</u>	<u>-</u>	<u>1,490,227</u>	<u>(215,785)</u>	<u>32,188,225</u>

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2016 \$'000	2015 \$'000
(a) Finance costs:		
Interest on interest-bearing notes	160,227	280,206
Interest on bank borrowings	459,783	196,938
	<u>620,010</u>	<u>477,144</u>
(b) Staff costs (including directors' remuneration):		
Salaries, wages, bonuses and other benefits	5,754,114	4,747,807
Contributions to defined contribution retirement plans	422,767	373,495
	<u>6,176,881</u>	<u>5,121,302</u>
(c) Other items:		
Auditor's remuneration	4,058	3,842
Depreciation of property and equipment	284,715	260,793
Amortisation of prepaid lease payments	10,297	15,015
Operating lease charges in respect of properties	424,270	302,393

8 INCOME TAX CHARGE

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

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	70,784	87,004
Current tax – Outside Hong Kong		
Provision for the period	2,117,035	2,250,944
Under/(Over)-provision in respect of prior years	1,904	(1,668)
	2,118,939	2,249,276
Deferred tax		
Origination and (reversal) of temporary differences	(160,396)	52,227
Income tax charge	2,029,327	2,388,507

The provision for Hong Kong Profits Tax represents the Group's estimated Hong Kong Profits Tax liability calculated at the standard tax rate of 16.5% (2015: 16.5%) on its assessable profits from property and casualty insurance, reinsurance, asset management, property investment, insurance intermediary, securities dealing and broking businesses, except for its assessable profits from the business of reinsurance of offshore risks, which is calculated at 8.25% (2015: 8.25%), one-half of the standard tax rate.

Taxation outside Hong Kong for subsidiaries outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions. Under the Enterprise Income Tax Law of the PRC, the enterprise income tax rates for domestic companies in the PRC is 25% (2015: 25%).

At 30 June 2016, the Group did not recognise deferred tax assets in respect of tax losses of approximately \$1,744,627,000 (31 December 2015: \$1,741,720,000) and certain temporary differences of \$14,933,000 (31 December 2015: \$13,068,000). \$167,729,000 (31 December 2015: \$164,822,000) of the total tax losses can be carried forward up to five years after the year in which the loss was originated to offset future taxable profits, while the remaining tax losses and temporary differences do not expire under current tax legislation.

9 DIVIDENDS

- (a) No final dividend in respect of the previous financial year was proposed, approved or paid during the interim period ended 30 June 2016 (2015: Nil).
- (b) No interim dividend in respect of the interim period was proposed, approved or paid during the interim period ended 30 June 2016 (2015: \$Nil).

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue and deemed to be in issue during the period, excluding shares held for the Share Award Scheme.

	Six months ended 30 June	
	2016 \$'000	2015 \$'000
Profit attributable to owners of the Company	3,099,308	5,857,694
Distribution relating to perpetual subordinated capital securities	(126,978)	(126,775)
Profit used to determine basic earnings per share	2,972,330	5,730,919
Weighted average number of ordinary shares	3,593,049,338	3,233,248,233
Basic earnings per share (<i>HK\$ per share</i>)	0.827	1.772

10 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company and the weighted average number after adjusting for the effects of the potential dilution from ordinary shares issuable under the Company's Share Option Scheme and Share Award Scheme.

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Profit attributable to owners of the Company	3,099,308	5,857,694
Distribution relating to perpetual subordinated capital securities	(126,978)	(126,775)
Profit used to determine diluted earnings per share	2,972,330	5,730,919
Weighted average number of ordinary shares	3,594,386,617	3,237,339,699
Diluted earnings per share (<i>HK\$ per share</i>)	0.827	1.770

(c) Reconciliations

	Six months ended 30 June	
	2016	2015
	Number of shares	Number of shares
Weighted average number of ordinary shares less shares held for Share Award Schemes used in calculating basic earnings per share	3,593,049,338	3,233,248,233
Effect of Share Option Scheme	368,079	3,122,266
Effect of Share Award Scheme	969,200	969,200
Weighted average number of ordinary shares used in calculating diluted earnings per shares	3,594,386,617	3,237,339,699

11 FIXED ASSETS

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

The carrying amount of land and buildings of \$77,552,000 (30 June 2015: \$2,836,000) has been transferred to investment properties at fair value of \$94,838,000 during the period (30 June 2015: \$26,020,000) based on revaluation by an independent external property valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The time period in which the Group's total future minimum lease payments under non-cancellable operating leases are receivable is as follows:

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Within 1 year	775,870	528,489
In the second to fifth year inclusive	1,055,289	1,231,562
After 5 years	40,199	-
	1,871,358	1,760,051

The fair values of investment properties of the Group as at 30 June 2016 were measured by an external valuer. The valuation for completed investment properties was arrived at by reference to market evidence of transaction prices for similar properties. The valuation for investment properties under construction was arrived on the basis of residual method, which reflects the expectations of the market participants of the value of investment properties when complete, after deductions for the costs required to complete and adjustments for profits. A revaluation surplus of \$472,947,000 (30 June 2015: \$285,041,000) has been recognised in the condensed consolidated statement of profit or loss during the period.

As at 30 June 2016, land and buildings of \$8,302,000 (31 December 2015: \$8,529,000) and investment properties of \$23,145,000 (31 December 2015: \$32,568,000) located in Macau had been pledged in favour of Autoridade Monetária de Macau ("AMCM") to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

No subsidiaries of the Group pledged land and buildings located in Hong Kong to secure general banking facilities granted to the Group as at both 30 June 2016 and 31 December 2015.

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Debt securities (<i>Note (i)</i>)	167,532,391	150,285,208
Equity securities (<i>Note (ii)</i>)	28,597,086	32,059,981
Investment funds (<i>Note (iii)</i>)	20,271,250	19,712,940
Debt products (<i>Note (iv)</i>)	72,093,476	71,516,041
	288,494,203	273,574,170
	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Note (i) Debt securities		
Held-to-maturity:		
- Listed in Hong Kong	6,498,103	5,636,215
- Listed outside Hong Kong	21,295,256	18,128,800
- Unlisted	105,494,686	89,159,068
	133,288,045	112,924,083
Issued by:		
Government and central banks	42,980,862	24,228,484
Banks and other financial institutions	56,591,256	54,845,145
Corporate entities	33,715,927	33,850,454
	133,288,045	112,924,083

The held-to-maturity debt securities include an amount of \$1,966,120,000 (31 December 2015: \$2,186,046,000) which will mature within one year. None of the securities are past due or impaired.

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Note (i) Debt securities (Continued)		
Available-for-sale:		
- Listed in Hong Kong	1,447,912	1,562,859
- Listed outside Hong Kong	15,010,215	16,593,440
- Unlisted	15,209,813	16,819,010
	31,667,940	34,975,309
Issued by:		
Government and central banks	8,331,707	7,981,749
Banks and other financial institutions	5,079,691	5,239,098
Corporate entities	18,256,542	21,754,462
	31,667,940	34,975,309
Held-for-trading:		
- Listed in Hong Kong	163,860	343,937
- Listed outside Hong Kong	965,738	493,504
- Unlisted	922,874	705,842
	2,052,472	1,543,283
Issued by:		
Banks and other financial institutions	399,608	233,932
Corporate entities	1,652,864	1,309,351
	2,052,472	1,543,283

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Note (i) Debt securities (Continued)		
Designated at fair value through profit or loss:		
- Listed in Hong Kong	211,437	151,944
- Listed outside Hong Kong	279,736	288,897
	491,173	440,841
Issued by:		
Government and central banks	24,446	33,205
Banks and other financial institutions	437,761	376,256
Corporate entities	28,966	31,380
	491,173	440,841
Loans and receivables:		
- Unlisted	32,761	401,692
Issued by:		
Government and central banks	32,761	265,893
Banks and other financial institutions	-	99,990
Corporate entities	-	35,809
	32,761	401,692
Total debt securities	167,532,391	150,285,208

The debt securities classified as loans and receivables will mature in 2016 (31 December 2015: from 2016 to 2023) and bear interest of 6% (31 December 2015: ranging from 5% to 7%) per annum.

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Note (ii) Equity securities		
Available-for-sale:		
- Listed in Hong Kong	1,436,706	1,391,676
- Listed outside Hong Kong	20,478,748	23,701,011
- Unlisted, at fair value	577,714	10,102
- Unlisted, at cost	4,385,000	5,342,881
	26,878,168	30,445,670
Held-for-trading:		
- Listed in Hong Kong	171,361	551,589
- Listed outside Hong Kong	1,520,345	1,019,163
	1,691,706	1,570,752
Designated at fair value through profit or loss:		
- Listed in Hong Kong	6,847	13,303
- Listed outside Hong Kong	20,365	30,256
	27,212	43,559
Total equity securities	28,597,086	32,059,981

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

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Note (iii) Investment funds		
Available-for-sale:		
- Listed in Hong Kong	34,369	82,756
- Listed outside Hong Kong	90,211	359,714
- Unlisted, at fair value	10,351,817	9,120,261
- Unlisted, at cost	151,600	258,321
	10,627,997	9,821,052
Held-for-trading:		
- Listed outside Hong Kong	2,414,449	939,797
- Unlisted	2,836,123	5,618,120
	5,250,572	6,557,917
Designated at fair value through profit or loss:		
- Listed outside Hong Kong	114,634	220,294
Loans and receivables:		
- Unlisted	4,278,047	3,113,677
Total investment funds	20,271,250	19,712,940

The Group invests in open-ended or close-ended investment funds with underlying assets of equity, bond or composite funds.

12 INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Note (iv) Debt products		
Loans and receivables:		
- Unlisted	72,093,476	71,516,041

The debt products mainly include debt investments and relevant financial products on infrastructure and property development projects in the PRC and trust schemes, which had domestic credit ratings of AA or above. The debt products also include other financial products such as bank financial products. All debt products will be matured from 2016 to 2038 (31 December 2015: 2016 to 2030) and bear interest ranging from 3% to 9% (31 December 2015: 3% to 10%) per annum.

Analysed for reporting purposes as:

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Held-to-maturity		
- Current	1,966,120	2,186,046
- Non-current	131,321,925	110,738,037
Available-for-sale		
- Current	10,328,140	7,664,590
- Non-current	58,845,965	67,577,441
Held-for trading		
- Current	8,994,750	9,671,952
Designated at fair value through profit or loss		
- Current	633,019	704,694
Loans and receivables		
- Current	12,327,955	14,362,493
- Non-current	64,076,329	60,668,917
	288,494,203	273,574,170

As at 30 June 2016, investments in debt and equity securities with total carrying amounts of \$556,914,000 (31 December 2015: \$491,237,000) have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

13 INSURANCE DEBTORS

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Amounts due from insurance customers	31,011,430	9,150,044
Less: allowance for impaired debts	(125,762)	(125,649)
	30,885,668	9,024,395
Deposits retained by cedants	223,318	213,279
	31,108,986	9,237,674

Included in the amounts of insurance debtors is \$27,210,371,000 (31 December 2015: \$8,897,949,000), which is expected to be recovered within one year.

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

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Neither past due nor impaired		
- Uninvoiced	2,525,715	5,321,832
- Current	26,644,940	3,416,518
Past due but not impaired		
- Less than 3 months	1,292,943	168,842
- More than 3 months but less than 12 months	320,509	98,082
- More than 12 months	101,561	19,121
Past due and impaired	125,762	125,649
	31,011,430	9,150,044

14 OTHER DEBTORS

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Other debtors and deposits	12,974,056	13,131,480
Interest receivables from interest-bearing financial assets	4,513,949	5,782,082
Deposits for the purchase of property	3,794,488	3,196,057
Tax certificate paid to Hong Kong Inland Revenue Department	162,198	143,068
Business tax prepaid	1,001,508	744,244
Rental and utility deposits	192,031	149,650
Prepayments	559,044	406,333
Other pledged deposits	21,982	25,848
Others	2,728,856	2,684,198
Loans and advances	25,025,207	20,649,116
	37,999,263	33,780,596
Less: Allowance for impaired debts	(31,118)	(31,520)
	<u>37,968,145</u>	<u>33,749,076</u>

As at 30 June 2016, other debtors include an amount of \$21,982,000 (31 December 2015: \$25,848,000) that was pledged to a financial institution for providing security in connection with a reinsurance arrangement.

14A FINANCE LEASE RECEIVABLES

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Finance lease receivable, net of unearned finance income	32,512,340	23,263,298
Less: Provision for impairment losses	(325,123)	(232,633)
	<u>32,187,217</u>	<u>23,030,665</u>

15 STATUTORY DEPOSITS

- (a) Certain subsidiaries of the Group have placed \$5,324,269,000 (31 December 2015: \$5,712,643,000) with banks as capital guarantee funds, pursuant to the relevant PRC insurance rules and regulations. The funds can only be used with the prior approval of the relevant authorities in the event that the PRC subsidiaries cannot meet the statutory solvency requirements or go into liquidation.
- (b) A subsidiary of the Group has pledged a deposit of \$47,312,000 (31 December 2015: \$44,968,000) registered in favour of the Monetary Authority of Singapore pursuant to section 34D of the Singapore Insurance Act.
- (c) A subsidiary of the Group has pledged a deposit of \$11,993,000 (31 December 2015: \$11,501,000) with banks as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.
- (d) A subsidiary of the Group has deposited a sum of \$1,689,000 (31 December 2015: \$1,688,000) in the name of Director of Accounting Service with a bank pursuant to section 77(2e) of the Hong Kong Trustee Ordinance. The effective interest rate of the deposit as at 30 June 2016 is 0.10% (31 December 2015: 0.10%).
- (e) A subsidiary of the Group deposited a sum of \$3,582,000 (31 December 2015: \$3,584,000) with The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission. They are non-interest bearing.
- (f) A subsidiary of the Group deposited a sum of \$118,731,000 (31 December 2015: \$121,838,000) registered in favour AMCM to guarantee the technical reserves in accordance with Macau Insurance Ordinance.

16 CASH AND CASH EQUIVALENTS

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Deposits with banks and other financial institutions with original maturity less than three months	18,650,081	14,170,425
Money market fund	689,146	855,497
Cash at bank and in hand	24,531,341	32,593,530
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	43,870,568	47,619,452

17 INSURANCE CREDITORS

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Amounts due to insurance customers/creditors	32,931,921	35,768,193
Amounts due to insurance intermediaries	2,840,542	1,508,472
Deposits retained from retrocessionaires	565,044	415,741
Prepaid premiums received	2,631,088	10,916,802
	38,968,595	48,609,208

All of the amounts due to the insurance creditors are expected to be settled within one year.

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

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Current	32,552,975	35,547,783
More than 3 months but less than 12 months	365,355	199,232
More than 12 months	13,591	21,178
	32,931,921	35,768,193

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

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

At 30 June 2016			
	Held-to-maturity securities	Available-for-sale securities	Total
	\$'000	\$'000	\$'000
Carrying amount of transferred assets	15,146,379	13,192,562	28,338,941
Carrying amount of associated liabilities			
- Securities sold under repurchase agreements	(9,188,649)	(2,663,504)	(11,852,153)
Net position	<u>5,957,730</u>	<u>10,529,058</u>	<u>16,486,788</u>

At 31 December 2015			
	Held-to-maturity securities	Available-for-sale securities	Total
	\$'000	\$'000	\$'000
Carrying amount of transferred assets	19,588,946	10,880,140	30,469,086
Carrying amount of associated liabilities			
- Securities sold under repurchase agreements	(10,791,747)	(5,855,903)	(16,647,650)
Net position	<u>8,797,199</u>	<u>5,024,237</u>	<u>13,821,436</u>

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

All of the securities purchased under resale agreements and securities sold under repurchase agreements are denominated in RMB and will be settled within 7 days from the end of the reporting period. The carrying amount of the securities purchased under resale agreements and securities sold under repurchase agreements approximate to their fair value.

19 BANK BORROWINGS

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Unsecured bank loans (<i>note (i)</i>)	8,606,031	8,565,438
Unsecured bank loans for finance lease receivables (<i>note (ii)</i>)	25,705,828	17,343,455
	34,311,859	25,908,893

The loans are repayable as follows:

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Within 1 year	25,840,929	21,371,153
After 1 year but within 5 years	8,470,930	4,537,740
	34,311,859	25,908,893

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

Notes:

- (i) As at 30 June 2016, all bank loans are unsecured and carry interest at HIBOR plus 0.7% to HIBOR plus 1.95% or LIBOR plus 1% (31 December 2015: HIBOR plus 1% to HIBOR plus 2.15% or LIBOR plus 1.7%) per annum, with effective interest rates ranging from 0.90% to 4.76% (31 December 2015: 1.03% to 2.37%) per annum.
- (ii) As at 30 June 2016, the bank loans for finance lease receivables are unsecured and carry interest at fixed interest rates ranging from 3.50% to 4.10% (31 December 2015: fixed interest rates ranging from 3.9% to 4.89%) per annum.

20 SHARE CAPITAL

	At 30 June 2016		At 31 December 2015	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary Shares, issued and fully paid:				
At the beginning of the period/year	3,594,018,538	40,771,408	3,108,018,538	27,291,104
Placing and Subscriptions (note (a))	-	-	486,000,000	13,480,304
At the end of the period/year	3,594,018,538	40,771,408	3,594,018,538	40,771,408

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

Notes:

- (a) In May 2015, the Company raised \$13,481,640,000 by TPG (HK)'s subscription of 486,000,000 new shares of the Company at the price of \$27.74 per share after the placing of existing shares of the Company held by TPG (HK) pursuant to the placing and subscription agreement entered into on 7 May 2015. Proceeds of approximately \$13,480,304,000 were credited to the share capital of the Company. The net proceeds will be used as general working capital of the Group, which includes but not limited to the investment to further develop and support the Group's insurance businesses, as well as new growth potentials which can create effective synergy with the Group's existing business.

21 PERPETUAL SUBORDINATED CAPITAL SECURITIES

The Company entered into an agreement on 2 September 2014 to issue perpetual subordinated capital securities in an aggregate principal amount of USD600,000,000, callable in 2019. According to the terms and conditions of the securities, the securities confer a right on the holders to receive distributions from the issue date. The rate of distribution shall be (i) 5.45% per annum in respect of the period from and including the issue date to but excluding 10 September 2019, (ii) applicable 5 year United States Treasury securities rate plus 3.786% per annum in respect of the period from and including 10 September 2019 to but excluding 10 September 2024, and (iii) applicable 5 year United States Treasury securities rate plus 4.786% per annum from and including 10 September 2024. The Company may redeem in whole, but not in part, the securities at their principal amount together with any distributions accrued on or after 10 September 2019. The Company may elect to defer any distributions, and is not subject to any restriction as to the number of times distribution can be deferred, if any distribution have been deferred, the Company and its subsidiaries shall be subject to certain restrictions from making dividends or distributions.

The perpetual subordinated capital securities, with an aggregate principal amount of USD600,000,000 (equivalent to \$4,650,090,000) were recorded as equity amounting to \$4,629,071,000 net of issuance costs. The amounts as at 30 June 2016 and 31 December 2015 included the accrued distribution payments.

The distribution to holders of perpetual subordinated capital securities during the period amounted to \$127,384,000 (30 June 2015: \$126,810,000).

22 EQUITY COMPENSATION BENEFITS

(a) Share Option Scheme

(i) Movements in share options

	At 30 June 2016 <i>Number</i>	At 31 December 2015 <i>Number</i>
At the beginning of the period/year	842,240	5,781,978
Lapsed	-	(4,939,738)
At the end of the period/year	842,240	842,240
Options exercisable at the end of the period/year	842,240	842,240

22 EQUITY COMPENSATION BENEFITS (Continued)

(a) Share Option Scheme (Continued)

(ii) Terms of unexpired and unexercised share options at the end of the reporting period

Date granted	Exercise period	Exercise price \$	At 30 June 2016 Number	At 31 December 2015 Number
26/02/2007	26/02/2007 to 25/02/2017	9.014	842,240	842,240
			842,240	842,240

(iii) Details of share options lapsed during the period/year.

Exercise period	Exercise price \$	Six months ended 30 June 2016 Number	Year ended 31 December 2015 Number
23/11/2005 to 27/11/2015	2.731	-	(2,913,098)
29/12/2006 to 28/12/2016	9.309	-	(184,240)
29/06/2007 to 28/06/2017	13.507	-	(184,240)
31/12/2007 to 30/12/2017	20.327	-	(184,240)
30/06/2008 to 29/06/2018	18.347	-	(184,240)
31/12/2008 to 30/12/2018	11.322	-	(184,240)
31/12/2009 to 30/12/2019	23.841	-	(368,480)
30/06/2010 to 29/06/2020	24.611	-	(184,240)
31/12/2010 to 30/12/2020	22.967	-	(184,240)
30/06/2011 to 29/06/2021	16.698	-	(184,240)
30/12/2011 to 29/12/2021	13.989	-	(184,240)
		-	(4,939,738)

22 EQUITY COMPENSATION BENEFITS *(Continued)*

(b) Share Award Scheme

As at 30 June 2016, 969,200 shares (31 December 2015: 969,200 shares) are deemed as unallocated shares which are held under Share Award Scheme and are available for future award and/or disposal pursuant to the rules of Share Award Scheme.

23 RESERVES

	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Employee share-based compensation reserve \$'000	Shares held for Share Award Scheme \$'000	Revaluation reserve \$'000	Retained Profits \$'000	Perpetual subordinated capital securities \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 1 January 2016	(6,396,801)	(4,932,468)	(1,080,446)	5,060,733	4,077	(19,438)	639,021	20,974,570	4,707,349	18,956,597	12,070,628	31,027,225
Profit for the period	-	-	-	-	-	-	-	2,972,330	126,978	3,099,308	949,660	4,048,968
Other comprehensive income for the period :												
Revaluation gain arising from reclassification of own-use properties to investment properties	-	-	-	-	-	-	13,019	-	-	13,019	-	13,019
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	(816,187)	-	-	-	-	-	-	(816,187)	(242,375)	(1,058,562)
Available-for-sale securities (Note) :	-	-	-	(4,170,130)	-	-	-	-	-	(4,170,130)	(1,251,312)	(5,421,442)
- changes in fair value	-	-	-	(6,883,055)	-	-	-	-	-	(6,883,055)	(2,049,020)	(8,932,075)
- deferred tax recognised	-	-	-	1,396,223	-	-	-	-	-	1,396,223	416,532	1,812,755
- transferred to profit or loss	-	-	-	1,316,702	-	-	-	-	-	1,316,702	381,176	1,697,878
Total comprehensive income	-	-	(816,187)	(4,170,130)	-	-	13,019	2,972,330	126,978	(1,873,990)	(544,027)	(2,418,017)
Distribution to holders of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	(127,384)	(127,384)	-	(127,384)
Capital contribution made to subsidiaries	-	-	-	-	-	-	-	-	-	-	48,557	48,557
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(594,570)	(594,570)
Balance at 30 June 2016	(6,396,801)	(4,932,468)	(1,896,633)	890,603	4,077	(19,438)	652,040	23,946,900	4,706,943	16,955,223	10,980,588	27,935,811

23 RESERVES (Continued)

	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Employee share-based compensation reserve \$'000	Shares held for Share Award Scheme \$'000	Revaluation reserve \$'000	Retained profits \$'000	Perpetual subordinated capital securities \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 1 January 2015	(6,478,938)	(4,932,468)	1,320,298	3,220,417	27,961	(19,438)	588,412	14,975,635	4,707,267	13,409,146	10,638,266	24,047,412
Profit for the period	-	-	-	-	-	-	-	5,730,919	126,775	5,857,694	1,405,229	7,262,923
Other comprehensive income for the period:												
Revaluation gain arising from reclassification of own-use properties into investment properties	-	-	-	-	-	-	23,184	-	-	23,184	-	23,184
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	3,421	-	-	-	-	-	-	3,421	2,621	6,042
Available-for-sale securities (Note):	-	-	-	3,416,507	-	-	-	-	-	3,416,507	1,052,917	4,469,424
- changes in fair value	-	-	-	11,317,784	-	-	-	-	-	11,317,784	3,559,037	14,876,821
- deferred tax recognised	-	-	-	(1,064,534)	-	-	-	-	-	(1,064,534)	(349,651)	(1,414,185)
- transferred to profit or loss	-	-	-	(6,836,743)	-	-	-	-	-	(6,836,743)	(2,156,469)	(8,993,212)
Total comprehensive income	-	-	3,421	3,416,507	-	-	23,184	5,730,919	126,775	9,300,806	2,460,767	11,761,573
Settlement of share-based payments	-	-	-	-	(22,387)	-	-	(8,160)	-	(30,547)	-	(30,547)
Distribution to holders of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	(126,810)	(126,810)	-	(126,810)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(136,800)	(136,800)
Balance at 30 June 2015	(6,478,938)	(4,932,468)	1,323,719	6,636,924	5,574	(19,438)	611,596	20,698,394	4,707,232	22,552,595	12,962,233	35,514,828

23 RESERVES (Continued)

	Capital reserve \$'000	Merger reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Employee share-based compensation reserve \$'000	Shares held for Share Award Scheme \$'000	Revaluation reserve \$'000	Retained Profits \$'000	Perpetual subordinated capital securities \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 1 January 2015	(6,478,938)	(4,932,468)	1,320,298	3,220,417	27,961	(19,438)	588,412	14,975,635	4,707,267	13,409,146	10,638,266	24,047,412
Profit for the year	-	-	-	-	-	-	-	6,087,735	253,501	6,341,236	1,827,002	8,168,238
Other comprehensive income for the year :												
Revaluation gain arising from reclassification of own-use properties to investment properties	-	-	-	-	-	-	50,609	-	-	50,609	4,924	55,533
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	(2,400,744)	-	-	-	-	-	-	(2,400,744)	(695,276)	(3,096,020)
Available-for-sale securities (Note) :	-	-	-	1,840,316	-	-	-	-	-	1,840,316	430,231	2,270,547
- changes in fair value	-	-	-	9,895,645	-	-	-	-	-	9,895,645	3,019,213	12,914,858
- deferred tax recognised	-	-	-	(529,972)	-	-	-	-	-	(529,972)	(142,737)	(672,709)
- transferred to profit or loss	-	-	-	(7,525,357)	-	-	-	-	-	(7,525,357)	(2,446,245)	(9,971,602)
Total comprehensive income	-	-	(2,400,744)	1,840,316	-	-	50,609	6,087,735	253,501	5,831,417	1,566,881	7,398,298
Distribution to holders of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	(253,419)	(253,419)	-	(253,419)
Transfer to capital reserve due to capitalisation of retained earnings as share capital from a subsidiary	82,137	-	-	-	-	-	-	(82,137)	-	-	-	-
Settlement of share-base payment and share options lapsed	-	-	-	-	(23,884)	-	-	(6,663)	-	(30,547)	-	(30,547)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(134,519)	(134,519)
Balance at 31 December 2015	(6,396,801)	(4,932,468)	(1,080,446)	5,060,733	4,077	(19,438)	639,021	20,974,570	4,707,349	18,956,597	12,070,628	31,027,225

23 RESERVES (Continued)

Note:

30 June 2016							
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Penions and group life insurance \$'000	Other businesses \$'000	Total \$'000
Debt securities	107,863	(12,812)	4,744	230	(8,946)	6,315	97,394
Equity securities	(5,447,930)	(363,848)	20,346	(81)	(79,758)	(10,091)	(5,881,362)
Investment funds	(1,350,364)	(49,995)	7,715	(5,183)	12,704	(65,106)	(1,450,229)
	(6,690,431)	(426,655)	32,805	(5,034)	(76,000)	(68,882)	(7,234,197)
Deferred tax charged to reserves	1,672,684	106,664	(363)	3,958	19,000	10,812	1,812,755
Shared by non-controlling interests	1,249,608	-	-	-	-	1,704	1,251,312
	(3,768,139)	(319,991)	32,442	(1,076)	(57,000)	(56,366)	(4,170,130)
30 June 2015							
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Penions and group life insurance \$'000	Other businesses \$'000	Total \$'000
Debt securities	379,949	37,955	514	9,517	35,351	26,196	489,482
Equity securities	3,094,513	107,599	19,018	47,201	104,240	305,467	3,678,038
Investment funds	2,140,348	15,992	(8,785)	5,265	5,109	(441,840)	1,716,089
	5,614,810	161,546	10,747	61,983	144,700	(110,177)	5,883,609
Deferred tax charged to reserves	(1,403,703)	(40,385)	(1,465)	(13,831)	(36,174)	81,373	(1,414,185)
Shared by non-controlling interests	(1,048,566)	-	-	-	-	(4,351)	(1,052,917)
	3,162,541	121,161	9,282	48,152	108,526	(33,155)	3,416,507
31 December 2015							
	Life insurance \$'000	PRC property and casualty insurance \$'000	Overseas property and casualty insurance \$'000	Reinsurance \$'000	Pension and group life insurance \$'000	Other businesses \$'000	Total \$'000
Debt securities	1,339,428	81,861	(18,822)	(8,439)	68,457	4,610	1,467,095
Equity securities	447,854	107,160	20,104	(11,175)	(42,149)	58,314	580,108
Investment funds	505,011	12,556	(41,152)	(4,103)	(3,411)	495,516	964,417
	2,292,293	201,577	(39,870)	(23,717)	22,897	558,440	3,011,620
Deferred tax charged to reserves	(573,242)	(54,121)	6,065	(1,630)	(9,331)	(108,814)	(741,073)
Shared by non-controlling interests	(428,212)	-	-	-	-	(2,019)	(430,231)
	1,290,839	147,456	(33,805)	(25,347)	13,566	447,607	1,840,316

24 MATURITY PROFILE

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

	Repayable on demand \$'000	3 months or less \$'000	1 year or less but over 3 months \$'000	5 years or less but over 1 year \$'000	After 5 years \$'000	Undated \$'000	Total \$'000
At 30 June 2016							
Assets							
Deposits at banks and other financial institutions (including statutory deposits)	3,510,127	18,484,727	12,424,857	17,583,432	-	3,582	52,006,725
Money market funds	329	688,817	-	-	-	-	689,146
Pledged deposits at banks	80	412,621	-	56,630	-	-	469,331
Debt securities (under held-to-maturity)	-	230,471	1,735,649	14,842,357	116,479,568	-	133,288,045
Debt securities (under available-for-sale)	-	707,935	1,635,472	8,938,882	20,244,938	140,713	31,667,940
Debt securities (under held-for-trading)	-	83,030	396,507	1,377,434	187,898	7,603	2,052,472
Debt securities (under designated at fair value through profit or loss)	-	2,735	85,470	233,648	169,320	-	491,173
Debt securities and debt products (under loans and receivables)	-	2,373,137	8,720,821	39,201,742	21,830,537	-	72,126,237
Securities purchased under resale agreements	-	2,270,935	-	-	-	-	2,270,935
Loans and advances	401,667	-	24,623,540	-	-	-	25,025,207
Finance lease receivables	-	24,849,233	6,121,023	1,216,961	-	-	32,187,217
	3,912,203	50,103,641	55,743,339	83,451,086	158,912,261	151,898	352,274,428
Liabilities							
Interest-bearing notes	-	-	-	1,287,047	4,607,683	-	5,894,730
Bank borrowings	-	4,464,257	21,376,672	8,470,930	-	-	34,311,859
	-	4,464,257	21,376,672	9,757,977	4,607,683	-	40,206,589

24 MATURITY PROFILE (Continued)

	Repayable on demand \$'000	3 months or less \$'000	1 year or less but over 3 months \$'000	5 years or less but over 1 year \$'000	After 5 years \$'000	Undated \$'000	Total \$'000
At 31 December 2015							
Assets							
Deposits at banks and other financial institutions (including statutory deposits)	1,688	16,839,902	8,467,870	22,139,604	-	56,921	47,505,985
Money market funds	16,410	838,822	-	-	-	265	855,497
Pledged deposits at banks	78	399,094	-	-	-	-	399,172
Debt securities (under held-to-maturity)	-	714,993	928,586	14,356,910	96,923,594	-	112,924,083
Debt securities (under available-for-sale)	-	2,068,842	1,750,617	10,330,589	20,671,191	154,070	34,975,309
Debt securities (under held-for-trading)	-	5,525	224,727	1,161,353	143,110	8,568	1,543,283
Debt securities (under designated at fair value through profit or loss)	-	6,887	87,371	136,119	210,464	-	440,841
Debt securities and debt products (under loans and receivables)	-	10,749,770	2,867,411	37,635,539	20,665,013	-	71,917,733
Securities purchased under resale agreements	-	3,282,485	1,834,252	-	-	-	5,116,737
Loans and advances	-	-	20,649,116	-	-	-	20,649,116
Finance lease receivables	1,042,586	3,620,130	10,455,990	7,911,959	-	-	23,030,665
	<u>1,060,762</u>	<u>38,526,450</u>	<u>47,265,940</u>	<u>93,672,073</u>	<u>138,613,372</u>	<u>219,824</u>	<u>319,358,421</u>
Liabilities							
Interest-bearing notes	-	358,089	-	1,312,994	4,598,815	-	6,269,898
Bank borrowings	410,344	17,033,111	1,096,189	7,369,249	-	-	25,908,893
	<u>410,344</u>	<u>17,391,200</u>	<u>1,096,189</u>	<u>8,682,243</u>	<u>4,598,815</u>	<u>-</u>	<u>32,178,791</u>

25 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value

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

- The fair value of financial assets and financial liabilities classified as Level 1 with standard terms and conditions and traded on active liquid markets are determined with reference to recent transaction price or quoted market bid prices and ask prices respectively;
- The fair value of derivative instruments are estimated using discounted cash flow analysis and the applicable yield curve for the duration of the non-applicable derivative;
- The fair value of unlisted investment funds and unlisted debt securities included in financial assets at fair value through profit or loss and available-for-sale investments classified as Level 2 are established by reference to the prices quoted by respective fund administrators or by using valuation techniques including the use of recent arm's length transactions; and
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) classified as Level 3 are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices or rates from unobservable current market transactions as input.

Fair value measurements and valuation process

The Group uses valuation techniques to determine the fair value of financial instruments when it is unable to obtain the open market quotation in active markets.

The valuation techniques used by the Group to determine the fair value of investments in debt and equity securities include the discounted cash flow model for debt securities. The main parameters used in discounted cash flow model include bond prices, interest rates, foreign exchange rates, prepayment rates, counterparty credit spreads and others. When those parameters used in valuation techniques for financial instruments held by the Group are all observable and obtainable from active open market, the instruments are classified as Level 2.

25 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Financial instruments measured at fair value (Continued)

Fair value measurements and valuation process (Continued)

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

	At 30 June 2016			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets				
Investments in debt and equity securities:				
- Available-for-sale	38,395,458	25,969,723	272,324	64,637,505
- Held-for-trading	8,475,359	519,391	-	8,994,750
- Designated at fair value through profit or loss	518,385	114,634	-	633,019
Policyholder account assets in respect of unit-linked products	<u>1,294,174</u>	<u>132,753</u>	<u>-</u>	<u>1,426,927</u>
Financial liabilities				
Investment contract liabilities in respect of unit-linked products	<u>(1,294,174)</u>	<u>(132,753)</u>	<u>-</u>	<u>(1,426,927)</u>

	At 31 December 2015			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets				
Investments in debt and equity securities:				
- Available-for-sale	42,814,998	26,622,819	203,012	69,640,829
- Held-for-trading	8,721,922	950,030	-	9,671,952
- Designated at fair value through profit or loss	484,400	220,294	-	704,694
Policyholder account assets in respect of unit-linked products	<u>1,600,652</u>	<u>179,542</u>	<u>-</u>	<u>1,780,194</u>
Financial liabilities				
Investment contract liabilities in respect of unit-linked products	<u>(1,600,652)</u>	<u>(179,542)</u>	<u>-</u>	<u>(1,780,194)</u>

25 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Financial instruments measured at fair value (Continued)

Reconciliation of Level 3 fair value measurements of financial assets:

	Available- for-sale unlisted securities \$'000
At 1 January 2016	203,012
Gain or losses recognised in:	
- other comprehensive income	72,985
Exchange difference	(3,673)
At 30 June 2016	272,324

	Available- for-sale unlisted securities \$'000
At 1 January 2015	15,390
Gain or losses recognised in:	
- profit or loss	1,634
- other comprehensive income	185,990
Exchange difference	(2)
At 31 December 2015	203,012

At 30 June 2016, investments in debt and equity securities classified as available-for-sale with carrying amounts of \$5,207,721,000 (31 December 2015: \$3,262,857,000) were transferred from Level 1 to Level 2 because quoted prices in the market for such investments were no longer regularly available. Conversely, investments in debt and equity securities classified as available-for-sale with carrying amounts of \$1,625,580,000 (31 December 2015: \$6,080,725,000) were transferred from Level 2 to Level 1 because quoted prices in active markets were available as at 30 June 2016.

26 COMMITMENTS

(a) Capital commitments as of 30 June 2016 were as follows:

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Contracted for but not provided		
- property and equipment	3,644,006	7,919,942
- investment properties	1,130,937	612,308
	<u>4,774,943</u>	<u>8,532,250</u>

(b) As of 30 June 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2016 \$'000	At 31 December 2015 \$'000
Within 1 year	546,851	518,695
After 1 year but within 5 years	823,522	738,976
After 5 years	20,575	24,716
	<u>1,390,948</u>	<u>1,282,387</u>

The Group leases a number of properties under operating leases. The leases typically run for an initial period of 1 to 6 years, with an option to renew the leases while all terms are renegotiated. Lease payments are usually reviewed annually to reflect market rentals. None of the leases includes contingent rentals.

27 MATERIAL RELATED PARTY TRANSACTIONS

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

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

28 INSURANCE AND FINANCIAL RISK MANAGEMENT

(a) Underwriting strategy

Life insurance business

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

Property and casualty insurance business

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

Reinsurance business

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

28 INSURANCE AND FINANCIAL RISK MANAGEMENT

(b) Reinsurance strategy

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

(c) Asset and liability matching

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

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

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

(d) Financial risk

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

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

28 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(i) Market risk

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

(a) Interest rate risk

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

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

(b) Equity price risk

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

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

The Group's investment in equity securities and investment funds was carried at a fair value of \$40,054 million (31 December 2015: \$43,058 million), representing less than 10% (31 December 2015: less than 11%) of total investments held by the Group.

(c) Foreign exchange risk

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

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

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

28 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(ii) Credit risk

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

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

To reduce the credit risk associated with the investments in debt securities and debt products, the Group has established detailed credit control policy. In addition, the risk level of the various investment sectors is continuously monitored with the investment mix adjusted accordingly. In respect of the debt securities and debt products invested by life insurance and property and casualty insurance business in the PRC, the investment procedures manual, which is managed by an investment committee, includes the minimum acceptable domestic credit rating of the issuers as required by the CIRC. Any non-compliance or violation of the manual will be followed up and rectification action will be taken immediately. In respect of the debt securities invested by property and casualty insurance business in Hong Kong, more than 69% of the bonds are with ratings of investment grade or above. In respect of the debt securities invested by reinsurance business, 80% of the debt securities are with ratings of investment grade.

As at 30 June 2016, debt securities held by the Group mainly comprise of domestic bonds. Of which, more than 99% domestic securities were investment grade bonds with BBB ratings or higher.

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

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

The credit risk associated with insurance debtors and other debtors will not cause a material impact on the Group's condensed consolidated financial statements taking into consideration of their collateral held and/or maturity term of no more than one year as at 30 June 2016.

(iii) Liquidity risk

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

28 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial risk (Continued)

(iii) Liquidity risk (Continued)

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

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

(e) Reserve adequacy

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

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

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

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

Changes to Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 23 March 2016 (being the date of approval of the Company's 2015 Annual Report) and 25 August 2016 (being the date of approval of the Company's 2016 Interim Report) are set out below:

Mr. MENG Zhaoyi ("Mr. Meng") has been appointed as an executive director of Tai United Holdings Limited (formerly known as "Bestway International Holdings Limited") with effect from May 2016; its vice chairman of the board, chief executive officer and president with effect from June 2016; and its chairman of the board with effect from July 2016. Mr. Meng has resigned as an executive director, a deputy general manager and a member of the corporate governance committee of the Company with effect from 25 August 2016.

Mr. WANG Tingke has been appointed as an executive director and a member of the corporate governance committee of the Company with effect from 25 August 2016.

Other than the above disclosures, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

As at 30 June 2016, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise which had to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

Share Option and Share Award Scheme

SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 7 January 2003, the shareholders of the Company approved the adoption of the New Scheme and the termination of the Old Scheme. The New Scheme is in line with the prevailing requirements of Chapter 17 of the Listing Rules in relation to share option schemes. The New Scheme expired on 6 January 2013 and no more options will be granted. However, in respect of any options which remain exercisable at the end of the Period, the provisions of the New Scheme shall remain in full force and effect. No options have been cancelled during the Period.

As of 30 June 2016, no directors had interests in options to subscribe for shares of the Company, the employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 30 June 2016 was HK\$14.44) granted at nominal consideration under the New Scheme. Each unit of option gives the holder the right to subscribe for one share.

Category	No. of options outstanding at the beginning of the Period	No. of options outstanding at the end of the Period	Date granted	Period during which options exercisable	No. of options granted during the Period	No. of shares acquired in exercise of options during the Period	No. of options lapsed during the Period	Price per share to be paid on exercise of options	¹ Market value per share at date of grant of options during the Period	² Market value per share on exercise of options during the Period
Employees	842,240	842,240	26 February 2007	26 February 2007 to 25 February 2017	-	-	-	HK\$9.014	-	-

Notes:

- Being the closing price quoted on the Stock Exchange immediately before the date on which the options were granted during the Period.*
- Being the weighted average closing price quoted on the Stock Exchange immediately before the dates on which the options were exercised during the Period.*

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

SHARE AWARD SCHEME

The Share Award Scheme of the Company was adopted by the Board on 10 September 2007 (“Adoption Date”). Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after such period no new award of Shares shall be granted.

As at 30 June 2016, the net total number of Shares held under the Share Award Scheme was 969,200 Shares (31 December 2015: 969,200 shares). As at 30 June 2016, no Shares were awarded to selected employees (31 December 2015: Nil) subject to the terms of the Share Award Scheme, but have not yet vested in such selected employees.

No Shares were awarded to the Directors during the Period.

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

As of 30 June 2016, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Substantial shareholders	Capacity	Number of ordinary shares	Long position/ short position	Percentage of issued share capital %
TPG	Interest of controlled corporation	2,143,423,856 (Note 1)	Long position	59.64
TPG (HK)	1,822,454,779 shares as beneficial owner and 320,969,077 shares (Note 2) as interest of controlled corporation	2,143,423,856	Long position	59.64

Notes:

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

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the Shares and underlying Shares of the Company as at 30 June 2016.

Corporate Governance

Corporate Governance Practices

During the period between 1 January 2016 and 30 June 2016, the Company was in compliance with the Code provisions, respectively, with the following exceptions:

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

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

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

Corporate Information

DIRECTORS

Executive directors

WANG Bin *Chairman*
LI Jinfu *Vice Chairman &*
 General Manager
WANG Tingke *Deputy General Manager*

Non-executive directors

HUANG Weijian
ZHU Xiangwen
WU Changming
NI Rongming
WU Jiesi*
ZHU Dajian*
WU Ting Yuk Anthony*
XIE Zhichun*

* *Independent*

JOINT COMPANY SECRETARY

ZHANG Ruohan
NGAI Wai Fung

AUTHORISED REPRESENTATIVES

WANG Bin
ZHANG Ruohan

REGISTERED OFFICE

22nd Floor, China Taiping Tower Phase I
8 Sunning Road
Causeway Bay
Hong Kong

Telephone : (852) 2854 6100
Facsimile : (852) 2544 5269
E-mail : mail@cнтаiping.com

REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
46th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

INDEPENDENT AUDITORS

PricewaterhouseCoopers

PRINCIPAL BANKERS

Agricultural Bank of China Limited, Hong Kong
Branch
Bank of Communications Co., Ltd. Hong Kong
Branch
Bank of China (Hong Kong) Limited
China Construction Bank (Asia) Corporation
Limited
Nanyang Commercial Bank, Ltd.

WEBSITE

www.ctih.cнтаiping.com
www.cнтаiping.com

STOCK MARKET LISTING

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

Definitions

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

“Board”	the board of Directors
“C-ROSS”	China Risk Oriented Solvency System
“CIRC”	China Insurance Regulatory Commission
“Code”	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“CTPI (HK)”	China Taiping Insurance (HK) Company Limited
“Directors”	The directors of the Company, including the independent non-executive directors
“FY 2015”	The twelve months ended 31 December 2015
“HIBOR”	Hong Kong Interbank Offer Rate
“HKAS”	Hong Kong Accounting Standard
“HKFRS”	Hong Kong Financial Reporting Standard
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Indonesia”	Republic of Indonesia
“Last Period” & “1H 2015”	The six months ended 30 June 2015
“LIBOR”	London Interbank Offer Rate
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the PRC
“Manhold”	Manhold Limited
“SFO”	Securities and Futures Ordinance
“Share(s)”	Share(s) in the capital of the Company
“Share Award Scheme”	CIIH Employees’ Share Award Scheme adopted on 10 September 2007
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited

“the Company” or “CTIH”	China Taiping Insurance Holdings Company Limited
“the Group”	CTIH and its subsidiaries
“the New Scheme”	Share option scheme of the Company adopted on 7 January 2003
“the Old Scheme”	Share option scheme of the Company adopted on 24 May 2000 and terminated on 7 January 2003
“the Period” & “1H 2016”	The six months ended 30 June 2016
“the PRC”	The People’s Republic of China
“TPA (HK)”	Taiping Assets Management (HK) Company Limited
“TPAM”	Taiping Asset Management Company Limited
“TPeC”	Taiping E-Commerce Company Limited
“TPFH”	Taiping Financial Holdings Company Limited
“TPG”	China Taiping Insurance Group Ltd.
“TPG (HK)”	China Taiping Insurance Group (HK) Company Limited
“TPI”	Taiping General Insurance Company Limited
“TPIH”	Taiping Investment Holdings Company Limited
“TPL”	Taiping Life Insurance Company Limited
“TPL (HK)”	China Taiping Life Insurance (Hong Kong) Company Limited
“TPP”	Taiping Pension Company Limited
“TPRB”	Taiping Reinsurance Brokers Limited
“TPRe”	Taiping Reinsurance Company Limited
“TPRe (China)”	Taiping Reinsurance (China) Company Limited
“TP Indonesia”	PT China Taiping Insurance Indonesia
“TP Macau”	China Taiping Insurance (Macau) Company Limited

“TP Singapore”	China Taiping Insurance (Singapore) PTE. Ltd.
“TP UK”	China Taiping Insurance (UK) Company Limited
“UK”	the United Kingdom of Great Britain and Northern Ireland
“RMB”	Renminbi
“HKD”	Hong Kong dollars
“USD”	United States dollars

By Order of the Board of
China Taiping Insurance Holdings Company Limited
ZHANG Ruohan NGAI Wai Fung
Joint Company Secretary

Hong Kong, 25 August 2016

As at the date of this announcement, the Board comprises 11 directors, of which Mr. WANG Bin, Mr. LI Jinfu and Mr. WANG Tingke are executive directors, Mr. HUANG Weijian, Mr. ZHU Xiangwen, Mr. WU Changming and Mr. NI Rongming are non-executive directors and Dr. WU Jiesi, Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony and Mr. XIE Zhichun are independent non-executive directors.

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