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中國人壽保險股份有限公司

CHINA LIFE INSURANCE COMPANY LIMITED

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

(Stock Code: 2628)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

LETTER TO SHAREHOLDERS

2024 marks the 75th anniversary of the founding of the People's Republic of China and is also the critical year for implementing the "14th Five-Year Plan". Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China Life has fully implemented the guidelines of the 20th CPC National Congress, the Central Financial Work Conference and the Central Economic Work Conference. With a steadfast commitment to the "people-centric" approach, the Company has given full play to its functions as a "shock absorber" for economic operation and a "stabiliser" for social development. Adhering to the guideline of seeking progress while maintaining stability, promoting stability through progress, and establishing new growth drivers before abolishing the old ones, we have fully integrated our business operations into the overall interests of national development, served the real economy, continuously deepened reforms, guarded against financial risks, and advanced high-quality development, thus contributing to building the country into a financial powerhouse.

Looking back to the first half of the year, by adeptly navigating complex and volatile external challenges, the Company made new strides from a high base and realised proper balance of multiple objectives. The Company's key performance indicators showed steady improvements, market leading position was further solidified, operational efficiency was significantly enhanced, and comprehensive strength was continuously bolstered. During the Reporting Period, the Company's insurance business scale hit a record high as compared to the same period in history, with the gross written premiums reaching RMB489,566 million. The value of half year's sales reached RMB32,262 million, and the embedded value exceeded RMB1.4 trillion. The Company continued to maintain a leading position in both business scale and value. The net profit attributable to equity holders of the Company reached RMB38,278 million, showcasing robust development resilience. The Company's solvency remained at a relatively high level, with solvency ratios significantly surpassing regulatory requirements. To enable investors to benefit from the high-quality development of the Company, the Board has proposed to distribute a 2024 interim cash dividend of RMB2.0 per 10 shares (inclusive of tax), which will be submitted to the shareholders' general meeting for review and discussion.

Towards excellence, we enhanced our efficiency in serving the overall interests of national development and actively implemented the “Five Priorities”. Leveraging the unique advantages of insurance, we continuously improved on people’s wellbeing, served people’s good lives and facilitated to enhance social governance efficiency, thereby further demonstrating the political and people-centric nature of insurance. Our involvement in building a multi-tiered social security system was robust and effective, further enriching the diverse supply of pension and inclusive insurance. We played a significant role in the development of the third-pillar pension insurance system, vigorously promoting third-pillar private pension and commercial pension insurance businesses, and accumulating nearly RMB4 trillion in insurance reserves with pension attributes. The supplementary major medical expenses insurance and long-term care insurance businesses experienced rapid growth, and the supply of differentiated products for specific groups and regions was enhanced. Leveraging the advantages of “long-term capital” and “patient capital” and adhering to the fundamental purpose of serving the real economy, we continuously increased medium- and long-term funding support for green transformation, the construction of a modern industrial system, and national and regional coordinated development, efficiently serving new quality productive forces, with the scale of investment in the real economy exceeding RMB4.25 trillion. The insurance services facilitating comprehensive rural revitalisation were further improved, which offered risk protection of RMB50.41 trillion for the rural population. We actively promoted ESG practices, advanced low-carbon services and operations, and continuously advocated green development.

Towards specialisation, we strengthened our asset-liability management to foster more sustainable and efficient growth. We effectively adapted to the changes in aspects such as macroeconomic environment and regulatory policies. Sticking to long-termism, we enhanced the coordinated interaction between assets and liabilities, and implemented various measures to reduce costs and increase efficiency, thereby promoting a more sustainable and efficient development of the Company. We further strengthened liability cost management and continuously advanced the diversification of product supply in terms of product form, duration and cost, which resulted in a more balanced business structure, optimised liability quality, and diversified value creation. We practiced the philosophy of long-term investment, value investment and prudent investment, making allocation to major assets categories from the cross-cycle and long-term perspective. We consistently strengthened our investment capabilities, enriched our investment strategies on an ongoing basis, and endeavoured to stabilise investments and increase returns. On the whole, the Company’s asset-liability management has been turning more systematic, proactive and foresighted.

Towards innovation, we stimulated new internal momentums and achieved new breakthroughs in high-quality development. By closely following emerging trends in the new development stage, we deepened reforms in key areas and promoted intrinsic and high-quality development, exploring intrinsic potentials to continuously enhance our professional capabilities and provide high-quality insurance services for economic and social development. The pace of sales system reforms accelerated, with our sales force remaining the largest in the industry, and its quality continuing to improve. Moreover, the deployment of the new sales model progressed as planned. Keeping in step with the digital era, we proactively developed a new engine of FinTech, expanded the application of artificial intelligence to broader fields, and accelerated the release of the value of data factors. The empowerment of digital intelligence on operations was significant, and the high-quality experience of “China Life Good Service” was continuously enhanced. We continued to deepen the “comprehensive consumer protection” paradigm, ranking among the top of the industry in terms of insurance service quality index. We further consolidated internal resources, and vigorously promoted the construction of an integrated customer management platform, which has demonstrated promising results. We kept exploring the synergy between the healthcare/senior-care ecosystem and our principal business, and the diversified supply system of senior-care services in key cities was further perfected, effectively extending the value chain through “insurance + services”.

Towards stability, we coordinated business development and risk control while proactively managed risks in all business sectors. By focusing on the eternal theme of risk prevention and control, we strengthened bottom-line thinking, optimised our risk control systems and mechanisms, and reinforced the foundation of risk management. We improved the early risk correction mechanism with hard constraints, enhanced the digitalisation of risk management, further tightened the system of control, and strengthened intelligent prevention and control through comprehensive and proactive actions, thus achieving new breakthroughs in key risk governance. We actively adhered to the principle of creating value from compliance, continuously refining our compliance management system. In the integrated risk rating for insurance companies, the Company has maintained a Class A rating for 24 consecutive quarters, and was among the top-ranked life insurance companies as evaluated by the Solvency Aligned Risk Management Requirements and Assessment (“SARMRA”) under the C-ROSS (Phase II) Regulation.

Persevering in action for achieving long-term goals. Insurance is a fundamental institutional arrangement in the modern market economy and a crucial component of the modern financial system. As we embark on a new journey, we will stick to our goal of building a world-class life insurance company, conscientiously implement the guidelines of the third plenary session of the 20th CPC Central Committee, and accurately grasp the theme of further comprehensively deepening reforms. By adhering to our due role and focusing on the “Five Priorities” of finance, we will step up our efforts on reforms, aiming at overcoming development bottlenecks in new fields, new drivers and new models, so as to write a new chapter of high-quality development, and make greater contributions to advancing Chinese-style modernisation.

FINANCIAL SUMMARY

I. Major Financial Data and Indicators¹

	<i>RMB million</i>		
	As at 30 June 2024	As at 31 December 2023	Increase/ Decrease from the end of 2023
Total assets	6,222,638	5,802,086	7.2%
Including: Investment assets ²	6,086,485	5,659,250	7.5%
Total liabilities	5,718,505	5,315,052	7.6%
Including: Insurance contract liabilities	5,417,061	4,859,175	11.5%
Equity holders' equity	493,834	477,093	3.5%
Equity holders' equity per share ³ (RMB per share)	17.47	16.88	3.5%
Gearing ratio ⁴ (%)	91.90	91.61	An increase of 0.29 percentage point
			Increase/ Decrease from
	January to June 2024	January to June 2023	the corresponding period in 2023
Total revenues	234,235	186,324	25.7%
Profit before income tax	47,900	37,538	27.6%
Net profit attributable to equity holders of the Company	38,278	36,151	5.9%
Earnings per share (basic and diluted) ³ (RMB per share)	1.35	1.28	5.9%
Weighted average ROE (%)	7.79	7.55	An increase of 0.24 percentage point
Net cash inflow/(outflow) from operating activities	280,552	249,424	12.5%
Net cash inflow/(outflow) from operating activities per share ³ (RMB per share)	9.93	8.82	12.5%

Notes:

- The interim financial data are unaudited.
- Investment assets = Cash and cash equivalents + Financial assets at fair value through profit or loss + Investment in debt instruments at fair value through other comprehensive income + Investment in equity instruments at fair value through other comprehensive income + Investment in debt instruments at amortised cost + Term deposits + Financial assets purchased under agreements to resell + Statutory deposits-restricted + Investment properties + Investments in associates and joint ventures
- In calculating the percentage changes of the "Equity holders' equity per share", "Earnings per share (basic and diluted)" and "Net cash inflow/(outflow) from operating activities per share", the tail differences of the basic figures have been taken into account.
- Gearing ratio = Total liabilities/Total assets

II. Information on the Difference between the Financial Statements Prepared under Accounting Standards for Business Enterprises and International Financial Reporting Standards

Under Accounting Standards for Business Enterprises (“ASBE”), the Company has implemented *ASBE No. 25 – Direct Insurance Contracts* (Caikuai [2020] No. 20), *ASBE No. 22 – Recognition and Measurement of Financial Instruments* (Caikuai [2017] No. 7) and other standards on financial instruments since 1 January 2024. The Company has restated and presented the comparative information associated with insurance contracts in accordance with *ASBE No. 25 – Direct Insurance Contracts* (Caikuai [2020] No. 20), and there is no need for the Company to restate and present the comparative information associated with financial instruments in accordance with *ASBE No. 22 – Recognition and Measurement of Financial Instruments* (Caikuai [2017] No. 7) and other standards on financial instruments.

The net profit attributable to equity holders of the Company of the first half of 2024 and the equity holders’ equity as at 30 June 2024 prepared under ASBE are the same as those under International Financial Reporting Standards (“IFRSs”). For the comparative data, the financial statements under ASBE were prepared in accordance with *ASBE No. 25 – Direct Insurance Contracts* (Caikuai [2020] No. 20), *ASBE No. 22 – Recognition and Measurement of Financial Instruments* (Caikuai [2006] No. 3) and other standards on financial instruments, the net profit attributable to equity holders of the Company of the first half of 2023 was RMB34,616 million, and the equity holders’ equity as at 31 December 2023 was RMB327,784 million; the financial statements under IFRSs were prepared in accordance with *IFRS 17 – Insurance Contracts* and *IFRS 9 – Financial Instruments*, the net profit attributable to equity holders of the Company of the first half of 2023 was RMB36,151 million, and the equity holders’ equity as at 31 December 2023 was RMB477,093 million.

III. Major Items of the Consolidated Financial Statements with Change of over 30% and the Reasons for Change

RMB million

Items of the consolidated statement of financial position	As at 30 June 2024	As at 31 December 2023	Change	Main reasons for change
Bonds payable	–	36,166	-100.0%	The redemption of bonds payable at maturity
Financial assets sold under agreements to repurchase	112,081	216,851	-48.3%	The needs for liquidity management
Financial liabilities at fair value through profit or loss	23,373	13,878	68.4%	An increase in the scale of commercial pension products of subsidiaries
Items of the consolidated statement of comprehensive income	January to June 2024	January to June 2023	Change	Main reasons for change
Investment income	56,736	23,606	140.3%	Market value fluctuations of financial assets and proactive investment operations
Income tax	8,856	664	1,233.7%	Due to the combined impact of income tax payable and deferred income tax

MANAGEMENT DISCUSSION AND ANALYSIS¹

I. Review of Business Operations

In the first half of 2024, China's economy maintained stability in general with steady progress, and the life insurance industry continued its recovery trajectory. The Company fully implemented the guidelines of the 20th CPC National Congress, the Central Financial Work Conference and the Central Economic Work Conference, pursuing the approach of seeking progress while ensuring stability and promoting stability through progress. It practised the “three consistencies” (strengthening Party building, promoting reforms and guarding against risks), the “three enhancements” (stabilising business growth, increasing business value and emphasising on sales force), and the “three breakthroughs” (optimising services, facilitating integration and cutting costs) to further advance reforms and innovations, thus making new achievements in high-quality development, with both business scale and value continuing to lead the industry.

The Company further enhanced its comprehensive strengths and made new strides from a high base. As at the end of the Reporting Period, the Company's total assets and investment assets both surpassed RMB6 trillion, reaching RMB6.22 trillion and RMB6.09 trillion, respectively. Its embedded value exceeded RMB1.4 trillion, maintaining the industry leadership position. During the Reporting Period, the Company's gross written premiums amounted to RMB489,566 million, a year-on-year increase of 4.1%, reaching a new record high on the high base for the corresponding period of last year, with its market leading position remaining solidified. The comprehensive solvency ratio was 205.23% and the core solvency ratio was 151.90%, both remaining at relatively high levels and significantly above regulatory requirements.

The Company prioritised long-term value, driving its high-quality development to a new level. During the Reporting Period, first-year regular premiums totalled RMB97,294 million, remaining stable on the high base for the corresponding period of last year. In particular, first-year regular premiums with a payment duration of ten years or longer reached RMB42,616 million, an increase of 9.4% year on year, achieving a rapid growth, and its proportion in the first-year regular premiums rose by 3.81 percentage points year on year. The policy persistency rate of 14 months reached 91.5%, a year-on-year increase of 2.30 percentage points. The Company achieved remarkable results in enhancing the quality and efficiency of its sales force, with an increase in both the scale of high-performance agents and the productivity per agent of the sales force. The value of half year's sales achieved rapid growth, a year-on-year increase of 18.6% over the 2023 corresponding restated results², reaching RMB32,262 million, which continued to lead the industry.

The Company incorporated the concept of asset-liability management into every aspect of business operations and management, actively balanced long-term value with short-term benefits, continued to strengthen cost control and underwriting management, and strived to stabilise the overall investment income levels. In the first half of 2024, the Company's gross investment income was RMB122,366 million, while net profit attributable to equity holders of the Company was RMB38,278 million, marking a year-on-year increase of 5.9%.

¹ The data regarding premiums (including gross written premiums, premiums from new policies, first-year regular premiums, first-year regular premiums with a payment duration of ten years or longer, renewal premiums, single premiums and short-term insurance business premiums, etc.) in this interim results are relevant data under *ASBE No. 25 – Direct Insurance Contracts* (Caikuai [2006] No. 3), *ASBE No. 26 – Reinsurance Contracts* (Caikuai [2006] No. 3) and the *Regulations regarding the Accounting Treatment of Insurance Contracts* (Caikuai [2009] No. 15).

² The value of half year's sales of 2023 has been restated using the embedded value appraisal assumptions as at the end of 2023.

Key Performance Indicators for the First Half of 2024

RMB million

	January to June 2024	January to June 2023
Gross written premiums	489,566	470,115
Premiums from new policies	160,266	171,213
Including: First-year regular premiums	97,294	97,418
First-year regular premiums with a payment duration of ten years or longer	42,616	38,957
Renewal premiums	329,300	298,902
Value of half year's sales ¹	32,262	27,200
Including: Individual agent channel ¹	29,291	25,555
Policy persistency rate (14 months) ² (%)	91.50	89.20
Policy persistency rate (26 months) ² (%)	84.40	79.30
Surrender rate ³ (%)	0.48	0.65
	As at 30 June 2024	As at 31 December 2023
Embedded value	1,404,536	1,260,567
Number of long-term in-force policies (hundred million)	3.28	3.28
	January to June 2024	January to June 2023
Gross investment income	122,366	91,372
Net profit attributable to equity holders of the Company	38,278	36,151

Notes:

1. The corresponding results for the year 2023 have been restated using the embedded value appraisal assumptions as at the end of 2023.
2. The persistency rate for long-term individual life insurance policy is an important operating performance indicator for life insurance companies. It measures the ratio of in-force policies in a pool of policies after a certain period of time. It refers to the proportion of policies that are still effective during the designated month in the pool of policies whose issue date was 14 or 26 months ago.
3. Surrender rate, which is for long-term insurance business, is the proportion of the surrender payment to the sum of the reserves at the beginning of the period and the premiums. Items such as surrender payment, reserves and premiums are relevant data under *ASBE No. 25 – Direct Insurance Contracts* (Caikuai [2006] No. 3), *ASBE No. 26 – Reinsurance Contracts* (Caikuai [2006] No. 3) and the *Regulations regarding the Accounting Treatment of Insurance Contracts* (Caikuai [2009] No. 15).

II. Business Analysis

(I) Figures of Gross Written Premiums

1. Gross Written Premiums Categorised by Business

	<i>RMB million</i>	
	January to June 2024	January to June 2023
Life insurance business	404,645	388,558
First-year business	101,147	115,359
First-year regular	96,221	95,561
Single	4,926	19,798
Renewal business	303,498	273,199
Health insurance business	77,423	73,058
First-year business	51,799	47,593
First-year regular	1,073	1,857
Single	50,726	45,736
Renewal business	25,624	25,465
Accident insurance business	7,498	8,499
First-year business	7,320	8,261
First-year regular	–	–
Single	7,320	8,261
Renewal business	178	238
Total	<u>489,566</u>	<u>470,115</u>

Note: Single premiums in the above table include premiums from short-term insurance business.

During the Reporting Period, gross written premiums from the life insurance business of the Company were RMB404,645 million, a year-on-year increase of 4.1%. Gross written premiums from the health insurance business were RMB77,423 million, a year-on-year increase of 6.0%. Gross written premiums from the accident insurance business were RMB7,498 million, a year-on-year decrease of 11.8%.

2. Gross Written Premiums Categorised by Channel

	<i>RMB million</i>	
	January to June 2024	January to June 2023
Individual agent channel¹	390,134	362,101
First-year business of long-term insurance	84,728	80,208
First-year regular	84,611	80,109
Single	117	99
Renewal business	295,851	272,499
Short-term insurance business	9,555	9,394
Bancassurance channel	49,730	62,066
First-year business of long-term insurance	16,793	36,217
First-year regular	12,671	17,294
Single	4,122	18,923
Renewal business	32,736	25,641
Short-term insurance business	201	208
Group insurance channel	14,778	15,923
First-year business of long-term insurance	674	772
First-year regular	3	9
Single	671	763
Renewal business	709	761
Short-term insurance business	13,395	14,390
Other channels²	34,924	30,025
First-year business of long-term insurance	27	26
First-year regular	9	6
Single	18	20
Renewal business	4	1
Short-term insurance business	34,893	29,998
Total	<u>489,566</u>	<u>470,115</u>

Notes:

1. Gross written premiums of individual agent channel mainly include premiums of the general sales team and the upsales team, etc.
2. Gross written premiums of other channels mainly include premiums of government-sponsored health insurance business and online sales, etc.

(II) Insurance Business

1. Analysis of Insurance Business

In the first half of 2024, the Company prioritised high-quality development as the main guideline, focusing on business value growth and bringing reforms in key areas into greater depth. As a result, the growth momentum was further boosted, and it realised new breakthroughs on a high base. Gross written premiums hit a record high as compared to the same period in history, reaching RMB489,566 million, with further optimisation of the business structure. The size of its sales force remained stable with continuously enhanced quality. As at the end of the Reporting Period, the number of its total sales force was 685,000.

Individual Agent Channel

Guided by high-quality development, the individual agent channel focused on value creation and deeply promoted the channel transformation. A steady growth was achieved in all indicators for the new business, and the business structure was significantly optimised. During the Reporting Period, gross written premiums from the channel were RMB390,134 million, a year-on-year increase of 7.7%. In particular, renewal premiums were RMB295,851 million, a year-on-year increase of 8.6%. First-year regular premiums were RMB84,611 million, a year-on-year increase of 5.6%. First-year regular premiums with a payment duration of ten years or longer were RMB42,595 million, a year-on-year increase of 9.4%, and its proportion in the first-year regular premiums was 50.34%, an increase of 1.72 percentage points year on year. The value of half year's sales of the individual agent channel was RMB29,291 million, a year-on-year increase of 14.6%³.

In the first half of 2024, the individual agent channel pushed forward its sales system reforms in greater depth. The existing sales force consistently pursued the concept of “team buildup based on customer resources” and accelerated the establishment of a customer-centric business operation and management system in the channel, which speeded up the transformation towards a specialised, professional and integrated individual agent team. The Company advanced the “6+1” key tasks for the individual agent channel and continuously promoted the iterative upgrade of key technologies for team buildup, with the focus on optimising agent recruitment and development and increasing productivity. The “Seed Program”, launched under the deployment of new sales model, progressed as planned, with the pilot program being initiated in 24 cities and having achieved initial results.

As at the end of the Reporting Period, the number of agents of the channel was 629,000, including 401,000 agents from the general sales team and 228,000 agents from the upsales team. The quality of the sales force continued to improve, and its structure was further optimised, with a gradual increase in both the scale and proportion of high-performance agents. The productivity of the sales force was steadily improved, and the monthly average first-year regular premiums per agent rose by 12.4% year on year.

³ The growth rate is calculated based on the corresponding restated results for 2023 using the embedded value appraisal assumptions as at the end of 2023.

Bancassurance Channel

During the Reporting Period, gross written premiums from the bancassurance channel were RMB49,730 million, a year-on-year decrease of 19.9%. Renewal premiums reached RMB32,736 million, a year-on-year increase of 27.7%, accounting for 65.83% of the gross written premiums from the channel. First-year regular premiums were RMB12,671 million, a year-on-year decrease of 26.7%. The number of account managers of the bancassurance channel were 21,000. The Company strictly adhered to the policy requirement of “aligning sales practices with regulatory filings”, strengthening commission and expenses control to achieve cost reduction and efficiency improvement. The product supply from the bancassurance channel were diversified for the creation of a diverse product system. The Agent Management and Compensation System was upgraded to reinforce professional management. Meanwhile, the cooperation with banks was enhanced which further expanded the coverage of the bancassurance channel. The new business margin of half year’s sales and value contribution of the channel were both significantly increased.

Group Insurance Channel

The group insurance channel continuously coordinated the business scale and profitability of short-term insurance, and pushed forward steady development in all business lines. During the Reporting Period, gross written premiums from the group insurance channel were RMB14,778 million, a year-on-year decrease of 7.2%. In particular, short-term insurance premiums were RMB13,395 million, a year-on-year decrease of 6.9%. As at the end of the Reporting Period, the number of direct sales representatives of the channel was 35,000, with the productivity per direct sales representative increasing by 4.3% compared to the corresponding period of last year.

Other Channels

During the Reporting Period, gross written premiums from other channels amounted to RMB34,924 million, an increase of 16.3% year on year. The Company proactively participated in a variety of government-sponsored health insurance businesses and supported the construction of a multi-tiered medical security system. As at the end of the Reporting Period, the Company undertook over 200 supplementary major medical expenses insurance programs, over 70 policy-sponsored long-term care insurance programs and over 120 city-customised commercial medical insurance projects. The Company also actively participated in social governance related to medical protection and undertook over 400 healthcare entrusted programs.

Online Insurance Business

The Company continued to promote the development of the online insurance business by optimising its online insurance business operation system featuring centralised operation and unified management, to provide customers with a quality service experience. In the first half of 2024, the online insurance business developed steadily, with its total premiums under the regulatory caliber⁴ reaching RMB49,723 million. The Company continued to strengthen the development of its online exclusive business, enhanced the operational capabilities of the digital direct sales platform “Guoxibao Insurance Mall”, and continuously improved the channel value of the online insurance business.

Integrated Financial Business

The Company consistently engaged in the construction of a “life insurance +” integrated financial ecosystem, with a view to empowering the Company’s high-quality development. With a focus on satisfying the diverse needs of its customers, the Company has provided various products and services jointly with China Life Property and Casualty Insurance Company Limited (“CLP&C”) and China Guangfa Bank Co., Ltd. (“CGB”), so as to provide customers with one-stop and all-round solutions of high-quality financial and insurance services. In the first half of 2024, premiums of CLP&C cross-sold by the Company through collaboration were RMB12,263 million, with the number of insurance policies increasing by 4.8% year on year. The scale of business of China Life Pension Company Limited cross-sold by the Company through collaboration were RMB13,697 million. The Company entrusted CGB to sell its bancassurance products, with the first-year regular premiums amounting to RMB1,268 million. The Company also actively explored the synergy between insurance and investment businesses, continuously deepened its cooperation with China Life Asset Management Company Limited and China Life Investment Management Company Limited, etc., and constantly innovated and explored new insurance-investment interactive models.

⁴ Including premiums from online insurance business acquired by different sales channels of the Company.

Inclusive Healthcare and Integrated Senior-care Service System

Being customer-centric, the Company actively engaged in the construction of a multi-tiered social security system and clarified its medium- and long-term objectives and planning for the development of a senior-care services ecosystem, so as to promote the buildup of the inclusive healthcare and integrated senior-care service system with all efforts.

In the first half of 2024, with respect to the “insurance + healthcare services”, the Company fully consolidated internal and external quality resources and made consistent efforts to enhance its capability in health management services. As at the end of the Reporting Period, more than a hundred types of services were available on the China Life Inclusive Healthcare Service Platform, covering seven categories of health management services such as physical examination, health consulting, health promotion, disease prevention, chronic disease management, medical services and rehabilitation care, and the accumulated registered users of the platform ranked among the top of the industry.

With respect to the “insurance + senior-care services”, the Company adhered to the philosophy of building a senior-care ecosystem that “gives children peace of mind, and reassures the senior people”. It steadily advanced the supply of senior-care services by various means and accelerated the deployment of such services in key strategic regions. As at the end of the Reporting Period, the Company had launched senior-care services in a total of 14 cities, including 17 residential senior-care services projects. The Company also consistently advanced the buildup of its exclusive team of China Life senior-care services planners, in order to better satisfy the needs of its customers for the comprehensive services of senior-care and insurance protection. Moreover, the Company actively engaged in the construction of the national third-pillar pension insurance system and launched its new products on an ongoing basis. The scale of the Company’s third-pillar private pension business and the number of customers served continued to grow accordingly.

2. Analysis of Insurance Products

With a focus on its primary responsibilities and principal business and being customer-centric, the Company stepped up its efforts to build a sensing system for market demands and enhanced effective asset-liability interaction. By innovatively reinforcing a high-quality product supply, the Company effectively addressed the “Five Priorities” of finance and continuously met the needs of the public for diverse insurance protection. In the first half of 2024, the Company newly developed 41 products, proactively promoting the diversification of product supply in terms of product form, duration and cost.

Serving the overall interests of national development, the Company gave full play to the functions of insurance as a “shock absorber” and a “stabiliser”. With an emphasis on the “Five Priorities” of finance, the Company kept on innovating and upgrading its products. In relation to old-age finance, the Company took active actions to enrich the third-pillar pension products across all channels, introduced multiple pension products to the market, and engaged in the construction of a multi-tiered and multi-pillar pension insurance system to a broader extent, for the purpose of better satisfying customers’ demands for pension funds planning and health protection. In relation to inclusive finance, the Company continuously broadened the coverage areas, fields and population groups of inclusive insurance and services, with the introduction of simple and easy-to-understand products for rural areas. The Company also increased the supply of health and accident insurance protection for specific groups such as agricultural-related population, senior people, females, children, people with different health conditions, and emergency rescue personnel. In relation to digital finance, the Company closely aligned with the needs of online customers for insurance protection and achieved new breakthroughs in improving the supply system of online exclusive insurance products. In relation to science and technology finance and green finance, the Company made greater efforts on insurance demand analysis to promote solutions for technology insurance and green insurance protection.

Staying true to its original aspiration and missions, the Company strived to meet the needs of its customers for diverse insurance protection. The Company continuously innovated and upgraded insurance protection by developing a product system tailored to customers from different market segments, at various life cycles, and with diverse risk preferences, so as to provide more diversified products for its customers. The Company enriched health protection supply in niche markets. Aiming to serve the needs of its customers in such markets for health protection, the Company made innovation in introducing multiple sickness insurance products with various protection functions, fostered the integration of health insurance with health management services, and improved the service experience of insurance products and health management capability, thus the coverage of health insurance products was further expanded. The Company offered insurance protection that covers the full life cycle. Based on the characteristics of the needs for insurance protection at different life cycles, the Company upgraded and optimised its product system that covered the insurance protection to customers such as children, young and middle-aged people, and the senior people, with a view to addressing comprehensive protection needs in areas such as pension, illness, medical care and accidents. The Company increased the supply of variable benefit products. In consideration of the needs of its customers with different risk preferences, the Company increased the supply of variable benefit products. As a result, the proportion of variable benefit products such as the newly developed participating insurance product has come up significantly.

(III) Investment Business

In the first half of 2024, interest rates declined fairly rapidly, and quality assets were scarce. The stock market experienced low-level fluctuations with significant structural differentiation. Under the complicated market environment, the Company firmly maintained its strategic consistency, pursued asset-liability matching management and conducted investment operations in a flexible manner. In respect of fixed-income investments, the Company continued to stabilise the allocation of underlying positions and seized trading opportunities to enhance returns. In respect of equity investments, the Company proceeded with the medium- and long-term investment deployment by pursuing balanced allocations and structural optimisation. In respect of alternative investments, the Company focused on high-quality entities as well as core assets, and made innovation in investment models, for the purpose of stabilising the size of allocations in this regard. As a whole, the Company maintained a stable portfolio with high-quality assets.

1. Investment Portfolios

Items	<i>RMB million</i>			
	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage	Amount	Percentage
Categorised by investment object				
Fixed-maturity financial assets	4,493,468	73.83%	4,119,072	72.78%
Term deposits	459,220	7.54%	413,255	7.30%
Bonds	3,491,255	57.36%	3,159,774	55.83%
Debt-type financial products ¹	501,899	8.25%	484,828	8.57%
Other fixed-maturity investments ²	41,094	0.68%	61,215	1.08%
Equity financial assets	1,192,838	19.60%	1,099,601	19.43%
Common stocks	441,739	7.26%	430,200	7.60%
Funds ³	273,667	4.50%	206,963	3.66%
Other equity investments ⁴	477,432	7.84%	462,438	8.17%
Investment properties	12,620	0.21%	12,753	0.23%
Cash and others⁵	112,708	1.85%	169,064	2.99%
Investments in associates and joint ventures	274,851	4.51%	258,760	4.57%
Total	6,086,485	100.00%	5,659,250	100.00%

RMB million

Items	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage	Amount	Percentage
Categorised by accounting method				
Financial assets at fair value through profit or loss	1,862,698	30.60%	1,705,375	30.13%
Investment in debt instruments at amortised cost	191,099	3.14%	211,349	3.74%
Investment in debt instruments at fair value through other comprehensive income	3,007,118	49.41%	2,744,169	48.49%
Investment in equity instruments at fair value through other comprehensive income	159,564	2.62%	138,005	2.44%
Investments in associates and joint ventures	274,851	4.51%	258,760	4.57%
Others	591,155	9.72%	601,592	10.63%
Total	6,086,485	100.00%	5,659,250	100.00%

Notes:

1. Debt-type financial products include debt investment schemes, trust schemes, asset-backed plans, credit asset-backed securities, specialised asset management plans, and asset management products, etc.
2. Other fixed-maturity investments include statutory deposits-restricted and interbank certificates of deposits, etc.
3. Funds include equity funds, bond funds and money market funds, etc. In particular, the balances of money market funds as at 30 June 2024 and 31 December 2023 were RMB1,073 million and RMB1,597 million, respectively.
4. Other equity investments include private equity funds, unlisted equities, preference shares and equity investment plans, etc.
5. Cash and others include cash, cash at banks, short-term deposits and financial assets purchased under agreements to resell, etc.

As at the end of the Reporting Period, the Company's investment assets reached RMB6,086,485 million, an increase of 7.5% from the end of 2023. The percentage of investment in major assets categories remained stable. Among the major types of investments, the percentage of investment in bonds rose to 57.36% from 55.83% as at the end of 2023, the percentage of term deposits rose to 7.54% from 7.30% as at the end of 2023, the percentage of investment in debt-type financial products changed to 8.25% from 8.57% as at the end of 2023, and the percentage of investment in stocks and funds (excluding money market funds) rose to 11.74% from 11.23% as at the end of 2023.

2. Investment Income

	<i>RMB million</i>	
	January to June 2024	January to June 2023
Gross investment income	122,366	91,372
Net investment income	92,413	90,585
Net income from fixed-maturity investments	71,609	71,125
Net income from equity investments	12,592	11,348
Net income from investment properties	57	62
Investment income from cash and others	1,844	2,386
Share of profit of associates and joint ventures	6,311	5,664
+ Realised disposal gains	(17,674)	(12,489)
+ Unrealised gains or losses	47,778	12,482
– Expected credit losses of investment assets	151	(794)
Net investment yield	3.03%	3.31%
Gross investment yield	3.59%	3.33%

Note: In the calculation of an investment yield, the average investment assets as the denominator exclude the fair value changes of investment in debt instruments at fair value through other comprehensive income, so as to reflect the strategic intention of the Company for the management of assets and liabilities. Additionally, only interest income from fixed-maturity assets and rental income from investment properties are annualised, and such treatment does not apply to interest income from/interest paid for financial assets purchased under agreements to resell and financial assets sold under agreements to repurchase, dividend income, spread income, and gains and losses from changes in fair values, etc.

In the first half of 2024, the Company's net investment income was RMB92,413 million, an increase of RMB1,828 million from the corresponding period of 2023, and the net investment yield was 3.03% for the first half of 2024, down by 28 basis points from the corresponding period of 2023. The gross investment income was RMB122,366 million, an increase of RMB30,994 million from the corresponding period of 2023, and the gross investment yield was 3.59%, up by 26 basis points from the corresponding period of 2023.

3. Credit Risk Management

The Company's credit asset investments mainly included credit bonds and debt-type financial products, which concentrated on sectors such as banking, transportation, non-banking finance, public utilities and energy. As at the end of the Reporting Period, over 98% of the credit bonds held by the Company were rated AAA by external rating institutions, whereas over 99% of the debt-type financial products were rated AAA by external rating institutions. In general, the asset quality of the Company's credit investment was in good condition, and the credit risks were well controlled.

The Company insisted on a prudent investment philosophy. Based on a disciplined and scientific internal rating system and a multi-dimensional management mechanism of risk limits, the Company prudently scrutinised credit profiles of targets and risk exposure concentration before investment and carried out ongoing tracking after investment, effectively controlling credit risks through early identification, early warning and early disposal. No credit default event occurred for the Company in the first half of 2024.

4. Major Investments

During the Reporting Period, there was no material equity investment or non-equity investment of the Company that was subject to disclosure requirements.

III. Analysis of Specific Items

(I) Insurance Revenue

Insurance revenue reflects the consideration expected to be entitled to for the provision of insurance contract services, which is recognised in the period in which the services are provided.

	<i>RMB million</i>		
	January to June 2024	January to June 2023	Change
Insurance revenue	106,622	91,941	16.0%
Contracts measured using the premium allocation approach	24,685	26,386	-6.4%
Contracts not measured using the premium allocation approach	81,937	65,555	25.0%

(II) Insurance Service Expenses

Insurance service expenses reflect the costs incurred for the provision of insurance contract services, mainly including claims and other related expenses, etc., incurred in the period.

	<i>RMB million</i>		
	January to June 2024	January to June 2023	Change
Insurance service expenses	83,822	64,846	29.3%
Contracts measured using the premium allocation approach	26,491	27,084	-2.2%
Contracts not measured using the premium allocation approach	57,331	37,762	51.8%

(III) Insurance Finance Income/(expenses) from Insurance Contracts Issued

Insurance finance income/(expenses) from insurance contracts issued refers to the profit or loss arising from insurance contracts relating to the effect of time value of money and financial risk, of which the amount for contracts measured using the variable fee approach is the amount recognised in profit or loss arising from the corresponding investment assets.

	<i>RMB million</i>		
	January to June 2024	January to June 2023	Change
Insurance finance income/(expenses) from insurance contracts issued	91,735	73,793	24.3%

(IV) Insurance Contract Liabilities

	<i>RMB million</i>		
	As at 30 June 2024	As at 31 December 2023	Change
Contracts measured using the premium allocation approach	38,553	33,770	14.2%
Contracts not measured using the premium allocation approach	5,378,508	4,825,405	11.5%
Total of insurance contract liabilities	<u>5,417,061</u>	<u>4,859,175</u>	<u>11.5%</u>
Liabilities for incurred claims	66,109	62,108	6.4%
Liabilities for remaining coverage	<u>5,350,952</u>	<u>4,797,067</u>	<u>11.5%</u>
Total of insurance contract liabilities	<u>5,417,061</u>	<u>4,859,175</u>	<u>11.5%</u>
Including: Contractual service margin	774,009	769,137	0.6%

As at the end of the Reporting Period, the insurance contract liabilities of the Company were RMB5,417,061 million, an increase of 11.5% from the end of 2023, primarily due to the accumulation of insurance liabilities from new policies and renewals. Due to the impact of new policies for the current period, the contractual service margin increased by 0.6% year on year. The contractual service margin for insurance contracts initially recognised in the current period was RMB38,008 million, a year-on-year increase of 1.6%.

(V) Analysis of Cash Flows

1. Liquidity Sources

The Company's cash inflows mainly come from insurance premiums received, interest, dividend and bonus, and proceeds from sale and maturity of investment assets. The primary liquidity risks with respect to these cash inflows are the risk of surrender by contract holders and policyholders, as well as the risks of default by debtors, interest rate fluctuations and other market volatilities. The Company closely monitors and manages these risks.

The Company's cash and bank deposits can provide it with a source of liquidity to meet normal cash outflows. As at the end of the Reporting Period, the balance of cash and cash equivalents was RMB88,704 million. In addition, the vast majority of its term deposits in banks allow it to withdraw funds on deposits, subject to a penalty interest charge. As at the end of the Reporting Period, the amount of term deposits was RMB459,220 million.

The Company's investment portfolio also provides it with a source of liquidity to meet unexpected cash outflows. The Company is also subject to market liquidity risk due to the large size of its investments in some of the markets in which it invests. In some circumstances, some of its holdings of investment securities may be large enough to have an influence on the market value. These factors may adversely affect its ability to sell these investments or sell them at a fair price.

2. Liquidity Uses

The Company's principal cash outflows primarily relate to the payables for the liabilities associated with its various life insurance, annuity, accident insurance and health insurance products, operating expenses, income taxes and dividends that may be declared and paid to its equity holders. Cash outflows arising from the Company's insurance activities primarily relate to benefit payments under these insurance products, as well as payments for policy surrenders, withdrawals and policy loans.

The Company believes that its sources of liquidity are sufficient to meet its current cash requirements.

3. Consolidated Cash Flows

The Company has established a cash flow testing system, and conducts regular tests to monitor the cash inflows and outflows under various scenarios and adjusts the asset portfolio accordingly to ensure sufficient sources of liquidity.

	<i>RMB million</i>			
	January to June 2024	January to June 2023	Change	Main reasons for change
Net cash inflow/(outflow) from operating activities	280,552	249,424	12.5%	The increase in the business scale of the Company
Net cash inflow/(outflow) from investing activities	(206,303)	(166,896)	23.6%	The needs for investment management
Net cash inflow/(outflow) from financing activities	(133,616)	(15,528)	760.5%	The needs for liquidity management
Foreign exchange gains/(losses) on cash and cash equivalents	10	114	-91.2%	–
Net increase/(decrease) in cash and cash equivalents	(59,357)	67,114	N/A	–

(VI) Solvency Ratio

An insurance company shall have the capital commensurate with its risks and business scale. According to the nature and capacity of loss absorption by capital, the capital of an insurance company is classified into the core capital and the supplementary capital. The core solvency ratio is the ratio of core capital to minimum capital, which reflects the adequacy of the core capital of an insurance company. The comprehensive solvency ratio is the ratio of the sum of core capital and supplementary capital to minimum capital, which reflects the overall capital adequacy of an insurance company.

	<i>RMB million</i>	
	As at 30 June 2024 (unaudited)	As at 31 December 2023
Core capital	728,237	710,527
Actual capital	983,943	981,594
Minimum capital	479,433	449,160
Core solvency ratio	151.90%	158.19%
Comprehensive solvency ratio	205.23%	218.54%

As at the end of the Reporting Period, the Company's comprehensive solvency ratio was 205.23%, a decrease of 13.31 percentage points from the end of 2023, and the Company's core solvency ratio was 151.90%, a decrease of 6.29 percentage points from the end of 2023, both continuing to stay at relatively high levels. Due to the combined effects of the downward trend in the solvency reserve assessment interest rate curve, the redemption of capital supplementary bonds, dividend distribution, and changes in the scale and structure of investment assets, the solvency ratios decreased compared to those at the end of 2023.

(VII) Sale of Material Assets and Equity

During the Reporting Period, there was no sale of material assets and equity of the Company.

IV. Technology Capabilities, Operations and Services, Risk Management and Control

(I) Technology Capabilities

In the first half of 2024, following the trend of the digital economy era, the Company intensified its efforts in the FinTech and digitalisation, further reinforced the digital infrastructure, activated data value, enhanced technological innovation, and expedited the digital transformation process, thus empowering the Company's high-quality development with advanced technological capabilities.

The digital infrastructure was consistently reinforced. Guided by the principles of openness, agility, security and sustainability, the Company accelerated the transformation of its data centers to a streamlined and distributed architecture, established a 5G network laboratory, and achieved a more elastic, secure and reliable computing infrastructure. The Company facilitated the integrated application of new-generation information technology and insurance scenarios, thereby further strengthening the robust foundation for digital transformation.

Data value was effectively activated. The Company tapped the potential of data factors, deepening the development of a customer-centric digital space. By fully integrating products, sales, services and operations, the intrinsic value of data factors was released, driving the Company's digital transformation in a thorough and effective manner. The Company, as the leader of the insurance industry, participated in the formulation of the first data standard by the National Data Administration, showcasing its exceptional capabilities and industry influence in the field of data management.

Technological innovation flourished in multiple areas. The Company applied high standards to advance the transformation of key technologies, achieving comprehensive autonomous control of technology. Artificial intelligence was employed to empower various scenarios, especially key areas such as product sales, customer service, operations, and risk prevention and control, to improve operational efficiency, service quality and risk control capabilities, which provided robust momentum for the Company's high-quality development.

(II) Operations and Services

In the first half of 2024, actively pursuing the “customer-centric” approach, the Company diligently advanced the development of centralised, digitalised and intelligent, and diversified business operations and services, accelerated the upgrade and integration of service resources, enhanced consumer rights protection, and launched the sub-brand “China Life Good Services” featured with “convenient, quality and caring” services, with a commitment to delivering a superior customer experience through its high-quality operations and services.

Operational efficiency was enhanced by digitalised and intelligent initiatives. Service efficiency saw further acceleration. The average efficiency for claims settlement was shortened to 0.34 day, a significant improvement of 13% year on year, ranking among the top in the industry. The Company further promoted innovative service models such as “Proactive Payment on Claims Notification” and “Advanced Claims Payment”. “Direct Claims Payment” could settle claims in seconds at the earliest. Intelligent applications were further enhanced, with the intelligent processing rates of insurance underwriting and policy administration reaching 96.2% and 99%, respectively, and the proportion of intelligent contact services approaching 90%. The intelligent and centralised shared mode led to continuous improvements in processing efficiency of the operations such as insurance underwriting and policy administration, and was applied for the first time in the online customer services.

Access to services through contract points was further improved. The Company enhanced service scenarios by continuously developing a service system that offers “one-click access online and convenient presence offline”. The number of registered users of the China Life APP surpassed 150 million, steadily improving the online service access capabilities. Customer contact services became more efficient, with year-on-year increases in manual call answering rates and post-call satisfaction. The Company also advanced the transformation of its service counters from traditional insurance policy service centers to “four-in-one” customer experience centers that offer “service, experience, sales support and consumer protection”. More than 500 service centers were upgraded to provide a FinTech-empowered and customer-friendly offline service experience.

Service supply was expanded and upgraded. The Company established a diversified and multi-tiered comprehensive service matrix, and offered distinctive and tailored quality services to various customer groups, providing services of 1.56 billion customer-times accumulatively in the first half of 2024. Focusing on themes such as parenting, females, health, sports and feedback on life, the Company provided inclusive value-added services to over 40 million people. VIP services were also upgraded, and 11 new exclusive health benefits such as rehabilitation care services were introduced. Heart-warming age-friendly services were available through contact points such as the China Life APP, service counters and the 95519 customer service hotline, and were recognised as a “Typical Case of Inclusive Insurance” by the Insurance Association of China.

The consumer protection system was consistently optimised. The Company further strengthened its “comprehensive consumer protection” paradigm featuring all-employee participation, full coverage and whole-chain management. The Company continuously refined its consumer protection management system as well as mechanisms for the review and audit of consumer protection, and advanced the development of a digital and intelligent consumer protection platform, thereby successfully enhancing the effectiveness of its consumer protection management. It took concrete actions to conduct “consumer protection +” financial education and promotion activities, reaching over 130 million consumers through related activities in the first half of the year, a 27.2% increase year on year. It remained among the top of the industry both in the assessment of consumer protection conducted by the industry regulator and the ranking of insurance service quality index, with customer satisfaction staying at a high level.

(III) Risk Management and Control

The Company conscientiously coordinated business development and risk control, and further optimised the efficient and rigorous risk management system. With the strict implementation of a series of new regulatory rules such as “aligning sales practices with regulatory filings” and sales behaviour management, the Company deeply integrated risk control and compliance measures into the scenarios of its business operations and consistently improved its early risk correction mechanism, which effectively enhanced its capability of proactive risk management and control. In the meanwhile, it actively explored the application of new technologies (such as big data and artificial intelligence) in risk management, and a multi-dimensional risk monitoring and early warning network reaching the front lines was therefore developed. The Company also continuously strengthened stringent control at the system front end, effectively promoted the risk prevention and control from its sources as well as the look-through approach for risk management, and advanced early identification, early warning, early exposure and early disposal of hidden risks, so that the capability of the Company in digital and intelligent risk control was comprehensively enhanced. As of the first quarter of 2024, the Company has maintained a Class A rating for 24 consecutive quarters in the integrated risk rating for insurance companies.

In the face of deeper-level and more complex risks and challenges, the Company steadfastly operated in full compliance with laws and regulations, and continuously strengthened the long-term governance mechanism for key risks. The construction of its compliance system was further improved by benchmarking against dual certifications for the compliance management system at both national and international standards. The Company vigorously promoted a culture of compliance to further enhance the compliance awareness of management at all levels and all employees.

With a high sense of responsibility, the Company fully implemented relevant laws and regulations to strictly protect major data and personal information, so as to safeguard the legitimate rights and interests of its customers. By optimising the long-term mechanism for data management, strengthening data security strategies and enhancing network security capabilities, the Company continuously fortified the cornerstone for its security in the digital era, which ensured its high-quality development.

V. Future Prospect

(I) Industry Landscape and Development Trends

As a fundamental institutional arrangement in the modern market economy, the insurance industry is experiencing a historic opportunity for high-quality development in the journey of serving Chinese-style modernisation and will play an irreplaceable role in this regard. Generally speaking, the long-term positive fundamentals of China's economy will provide strong support for the high-quality development of the industry. As the financial stability guarantee system will continue to be optimised and financial consumers protection will be continuously enhanced, the development of the insurance industry will be more regularised. Since the Healthy China Initiative and proactively responding to population aging have become the national strategies, the demands for insurance protection in areas such as healthcare, medical care and senior-care services will continue to rise. The long-term capital advantage of the insurance industry facilitates the formation of "patient capital", which will play a greater role in serving the real economy and supporting strategic emerging industries and green industries.

(II) Development Strategies and Business Plans of the Company

In the second half of 2024, the Company will pursue the customer-centric approach, adhere to the guideline of seeking progress while maintaining stability, promoting stability through progress, and establishing new growth drivers before abolishing the old ones. Upholding the business philosophy of the "three consistencies" (strengthening Party building, promoting reforms and guarding against risks), the "three enhancements" (stabilising business growth, increasing business value and emphasising on sales force), and the "three breakthroughs" (optimising services, facilitating integration and cutting costs), the Company will strengthen asset-liability interaction and promote the steady development of its business. Further, it will deepen the sales system reforms, advance product transformation, deeply engage in resources consolidation and firmly hold onto the bottom line of full compliance, so as to facilitate the alignment of serving the overall interests of national development with its business development, reforms and risk control, with an aim to make new achievements in its high-quality development.

(III) Potential Risks

Looking ahead to the second half of the year, China remains in a critical period of economic recovery, transformation and upgrading. The external environment tends to be increasingly complex, severe and uncertain, while the issues of unbalanced domestic development and insufficient domestic demands were still prominent. The foundation for high-quality development in the industry is not solid yet. Long-term interest rates are at historical lows, and the equity market is experiencing low-level fluctuations, putting pressure on the asset-liability matching of insurance companies. The Company will continue to strengthen asset-liability management, optimise assets allocation, further enrich product supply, and continuously promote value creation from diversified sources, with an aim to further advance its high-quality development.

The Company anticipates that it will have sufficient capital to meet its insurance business expenditures and new general investment needs in the second half of 2024. At the same time, the Company will make corresponding financing arrangements based on capital market conditions if it plans to implement any business development strategies in the future.

INTERIM RESULTS⁵

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Unaudited	
		For the six months	
		ended 30 June	
		2024	2023
	<i>Notes</i>	<i>RMB million</i>	<i>RMB million</i>
Insurance revenue	<i>1</i>	106,622	91,941
Interest income	<i>2</i>	59,413	61,246
Investment income	<i>3</i>	56,736	23,606
Investment income from associates and joint ventures		6,311	5,664
Other income		5,153	3,867
Total revenues		234,235	186,324
Insurance service expenses	<i>4</i>	(83,822)	(64,846)
Allocation of reinsurance premiums paid		(3,221)	(2,961)
Less: Amounts recovered from reinsurers		2,352	1,913
Insurance finance income/(expenses) from insurance contracts issued		(91,735)	(73,793)
Less: Reinsurance finance income/(expenses) from reinsurance contracts held		336	312
Finance costs		(2,151)	(2,341)
Expected credit losses	<i>5</i>	(146)	797
Other expenses		(7,948)	(7,867)
Profit before income tax		47,900	37,538
Income tax	<i>6</i>	(8,856)	(664)
Net profit		39,044	36,874
Attributable to:			
– Equity holders of the Company		38,278	36,151
– Non-controlling interests		766	723
Basic and diluted earnings per share	<i>7</i>	RMB1.35	RMB1.28

⁵ The “Group” refers to China Life Insurance Company Limited and its subsidiaries in this part.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)*For the six months ended 30 June 2024*

	Unaudited	
	For the six months	
	ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Other comprehensive income	<u>(9,331)</u>	<u>(10,843)</u>
Other comprehensive income attributable to equity holders of the Company (net of tax)	<u>(9,386)</u>	<u>(10,888)</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Changes in fair value of investment in debt instruments at fair value through other comprehensive income	104,320	39,856
Allowance for credit losses on investment in debt instruments at fair value through other comprehensive income	(84)	(482)
Share of other comprehensive income of associates and joint ventures under the equity method	801	148
Exchange differences on translating foreign operations	(70)	(133)
Financial changes in insurance contracts	(121,189)	(52,899)
Financial changes in reinsurance contracts	<u>963</u>	<u>332</u>
Other comprehensive income that may not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of investment in equity instruments at fair value through other comprehensive income	6,262	2,240
Share of other comprehensive income of associates and joint ventures under the equity method	160	936
Financial changes in insurance contracts	<u>(549)</u>	<u>(886)</u>
Non-controlling interests	<u>55</u>	<u>45</u>
Total comprehensive income for the period, net of tax	<u><u>29,713</u></u>	<u><u>26,031</u></u>
Attributable to:		
– Equity holders of the Company	28,892	25,263
– Non-controlling interests	821	768

1 INSURANCE REVENUE

	For the six months ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Contracts not measured using the premium allocation approach		
Amounts relating to the changes in the liabilities for remaining coverage		
Expected incurred claims and other expenses	26,173	28,574
Change in the risk adjustment for non-financial risk	1,017	895
Contractual service margin recognised for the services provided	32,505	21,597
Amortisation of insurance acquisition cash flows	22,242	14,489
Sub-total	81,937	65,555
Contracts measured using the premium allocation approach	24,685	26,386
Total	106,622	91,941

2 INTEREST INCOME

	For the six months ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Financial assets measured at amortised cost ⁽ⁱ⁾	13,920	17,948
Investment in debt instruments at fair value through other comprehensive income	45,493	43,298
Total	59,413	61,246

- (i) Interest income from financial assets measured at amortised cost mainly includes interest income arising from cash and cash equivalents, financial assets purchased under agreements to resell, investment in debt instruments at amortised cost and term deposits.

3 INVESTMENT INCOME

	For the six months ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Dividends and interest income		
Dividends		
Financial assets at fair value through profit or loss	10,470	9,896
Investment in equity instruments at fair value through other comprehensive income	2,122	1,452
Interest income		
Financial assets at fair value through profit or loss	14,040	12,265
Realised gains/(losses)		
Financial assets at fair value through profit or loss	(32,978)	(17,166)
Investment in debt instruments at fair value through other comprehensive income	15,304	4,677
Unrealised gains/(losses)		
Financial assets at fair value through profit or loss	48,148	12,654
Financial liabilities at fair value through profit or loss	(310)	(159)
Stock appreciation rights	(60)	(13)
Total	56,736	23,606

4 INSURANCE SERVICE EXPENSES

	For the six months ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Contracts not measured using the premium allocation approach		
Incurred claims and other expenses	23,347	23,535
Amortisation of insurance acquisition cash flows	22,242	14,489
Losses and reversals of losses on onerous contracts	11,329	(566)
Changes to liabilities for incurred claims	413	304
Sub-total	57,331	37,762
Contracts measured using the premium allocation approach	26,491	27,084
Total	83,822	64,846

5 EXPECTED CREDIT LOSSES

	For the six months ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Investment in debt instruments at fair value through other comprehensive income	(101)	(602)
Investment in debt instruments at amortised cost	232	(92)
Term deposits	21	(96)
Statutory deposits – restricted	(1)	(4)
Other receivables	(5)	(3)
Total	146	(797)

6 TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same tax authority.

- (a) The amount of taxation charged to net profit represents:

	For the six months ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Current taxation – enterprise income tax	760	590
Deferred taxation	8,096	74
Taxation charges	8,856	664

- (b) The reconciliation between the Group's effective tax rate and the statutory tax rate of 25% in the PRC (for the six months ended 30 June 2023: same) is as follows:

	For the six months ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Profit before income tax	47,900	37,538
Income tax computed at the statutory tax rate	11,975	9,385
Adjustment on current income tax of previous periods	1	101
Non-taxable income ⁽ⁱ⁾	(8,508)	(9,064)
Expenses not deductible for tax purposes ⁽ⁱ⁾	39	115
Deductible losses for which no deferred tax asset was recognised	5,251	19
Others	98	108
Income tax at the effective tax rate	8,856	664

- (i) Non-taxable income mainly includes interest income from government bonds, and dividend income from applicable equity securities. Expenses not deductible for tax purposes mainly include donations and other expenses that do not meet the criteria for deduction according to the relevant tax regulations.

6 TAXATION (CONTINUED)

(c) As at 30 June 2024 and 31 December 2023, the amounts of deferred tax assets and liabilities were as follows:

	As at 30 June 2024	As at 31 December 2023
	<i>RMB million</i>	<i>RMB million</i>
Deferred tax assets	87,610	86,971
Deferred tax liabilities	<u>(67,874)</u>	<u>(62,540)</u>
Net deferred tax assets	<u>19,736</u>	<u>24,431</u>

As at 30 June 2024 and 31 December 2023, the deferred taxation was calculated in full on temporary differences under the balance sheet liability method using the principal tax rate of 25%.

7 EARNINGS PER SHARE

There is no difference between the basic and diluted earnings per share. The basic and diluted earnings per share for the six months ended 30 June 2024 are calculated based on the net profit for the period attributable to ordinary equity holders of the Company and the weighted average of 28,264,705,000 ordinary shares (for the six months ended 30 June 2023: same).

8 DIVIDENDS

A dividend in respect of 2023 of RMB0.43 (inclusive of tax) per ordinary share, totalling RMB12,154 million, was approved at the Annual General Meeting on 27 June 2024.

Pursuant to a resolution passed at the meeting of the Board of Directors on 29 August 2024, an interim dividend of RMB 0.20 (inclusive of tax) per ordinary share totalling approximately RMB5,653 million for the six months ended 30 June 2024 was proposed for shareholders' approval at the forthcoming General Meeting. The interim dividend has not been recorded in the consolidated financial statements for the six months ended 30 June 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	<i>RMB million</i>	<i>RMB million</i>
ASSETS		
Property, plant and equipment	53,648	53,710
Right-of-use assets	1,495	1,480
Investment properties	12,620	12,753
Investments in associates and joint ventures	274,851	258,760
Term deposits	459,220	413,255
Statutory deposits – restricted	6,607	6,520
Investment in debt instruments at amortised cost	191,099	211,349
Investment in debt instruments at fair value through other comprehensive income	3,007,118	2,744,169
Investment in equity instruments at fair value through other comprehensive income	159,564	138,005
Financial assets at fair value through profit or loss	1,862,698	1,705,375
Reinsurance contract assets	26,542	25,846
Other assets	32,866	37,318
Deferred tax assets	19,736	24,431
Financial assets purchased under agreements to resell	24,004	19,759
Accrued investment income	1,866	51
Cash and cash equivalents	88,704	149,305
Total assets	6,222,638	5,802,086

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	<i>RMB million</i>	<i>RMB million</i>
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	5,417,061	4,859,175
Reinsurance contract liabilities	265	188
Interest-bearing loans and other borrowings	12,657	12,857
Bonds payable	–	36,166
Other liabilities	149,928	126,750
Current tax liabilities	275	309
Premiums received in advance	2,865	48,878
Financial assets sold under agreements to repurchase	112,081	216,851
Financial liabilities at fair value through profit or loss	23,373	13,878
Total liabilities	5,718,505	5,315,052
Equity		
Share capital	28,265	28,265
Reserves	157,677	145,933
Retained earnings	307,892	302,895
Attributable to equity holders of the Company	493,834	477,093
Non-controlling interests	10,299	9,941
Total equity	504,133	487,034
Total liabilities and equity	6,222,638	5,802,086

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Unaudited				
	Attributable to equity holders of the Company			Non-	Total
	Share	Reserves	Retained	controlling	
	capital		earnings	interests	
<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	
As at 1 January 2023	28,265	159,784	278,074	8,958	475,081
Net profit	–	–	36,151	723	36,874
Other comprehensive income	–	(10,888)	–	45	(10,843)
Total comprehensive income	–	(10,888)	36,151	768	26,031
Transactions with shareholders					
Appropriation to reserves	–	3,979	(3,979)	–	–
Dividends declared	–	–	(13,850)	–	(13,850)
Dividends to non-controlling interests	–	–	–	(97)	(97)
Reserves to retained earnings	–	(4)	4	–	–
Others	–	399	–	–	399
Total transactions with shareholders	–	4,374	(17,825)	(97)	(13,548)
As at 30 June 2023	<u>28,265</u>	<u>153,270</u>	<u>296,400</u>	<u>9,629</u>	<u>487,564</u>
As at 31 December 2023	28,265	145,933	302,895	9,941	487,034
Appropriation to reserves	–	19,762	(19,762)	–	–
As at 1 January 2024	<u>28,265</u>	<u>165,695</u>	<u>283,133</u>	<u>9,941</u>	<u>487,034</u>
Net profit	–	–	38,278	766	39,044
Other comprehensive income	–	(9,386)	–	55	(9,331)
Total comprehensive income	–	(9,386)	38,278	821	29,713
Transactions with shareholders					
Appropriation to reserves	–	1,806	(1,806)	–	–
Dividends declared	–	–	(12,154)	–	(12,154)
Dividends to non-controlling interests	–	–	–	(463)	(463)
Reserves to retained earnings	–	(441)	441	–	–
Others	–	3	–	–	3
Total transactions with shareholders	–	1,368	(13,519)	(463)	(12,614)
As at 30 June 2024	<u>28,265</u>	<u>157,677</u>	<u>307,892</u>	<u>10,299</u>	<u>504,133</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Unaudited	
	For the six months	
	ended 30 June	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Net cash inflow/(outflow) from operating activities	<u>280,552</u>	<u>249,424</u>
Cash flows from investing activities		
Disposals and maturities	1,024,799	581,403
Purchases	(1,255,951)	(870,525)
Investments in associates and joint ventures	(11,205)	(1,880)
Decrease/(increase) in term deposits, net	(47,255)	49,271
Decrease/(increase) in financial assets purchased under agreements to resell, net	(5,558)	(15,624)
Interest received	75,178	77,874
Dividends received	13,689	12,605
Cash paid related to other investing activities	—	(20)
Net cash inflow/(outflow) from investing activities	<u>(206,303)</u>	<u>(166,896)</u>
Cash flows from financing activities		
Increase/(decrease) in financial assets sold under agreements to repurchase, net	(105,189)	(21,188)
Cash received from borrowings	—	18
Interest paid	(5,141)	(4,925)
Repayment of borrowings	(35,127)	(538)
Dividends paid to non-controlling interests	(394)	—
Payment of lease liabilities	(496)	(486)
Capital injected into subsidiaries by non-controlling interests, net	12,731	10,841
Cash received related to other financing activities	—	750
Net cash inflow/(outflow) from financing activities	<u>(133,616)</u>	<u>(15,528)</u>
Foreign exchange gains/(losses) on cash and cash equivalents	<u>10</u>	<u>114</u>
Net increase/(decrease) in cash and cash equivalents	<u>(59,357)</u>	<u>67,114</u>
Cash and cash equivalents		
Beginning of the period	<u>148,061</u>	<u>127,594</u>
End of the period	<u>88,704</u>	<u>194,708</u>
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	87,790	194,663
Short-term bank deposits	914	45

SEGMENT INFORMATION

Operating segments

The Group operates in life insurance business segment, health insurance business segment, accident insurance business segment and other business segments:

(i) *Life insurance business (Life)*

Life insurance business relates primarily to the sale of life insurance policies, including those life insurance policies without significant insurance risk transferred.

(ii) *Health insurance business (Health)*

Health insurance business relates primarily to the sale of health insurance policies, including those health insurance policies without significant insurance risk transferred.

(iii) *Accident insurance business (Accident)*

Accident insurance business relates primarily to the sale of accident insurance policies.

(iv) *Other businesses (Others)*

Other businesses relate primarily to income and cost of the agency business in respect of transactions with China Life Insurance (Group) Company, etc., as well as income and expenses of subsidiaries, etc.

The segment information submitted by the Group to the operating decision-maker for 2023, is prepared in accordance with ASBE, among which data related to insurance contracts are prepared in accordance with ASBE No. 25 – Direct Insurance Contracts (Caikuai [2006] No. 3), ASBE No. 26 – Reinsurance Contracts (Caikuai [2006] No. 3) and Regulations regarding the Accounting Treatment of Insurance Contracts (Caikuai [2009] No. 15), and data related to financial instruments are prepared in accordance with ASBE No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2006] No. 3), ASBE No. 23 – Transfer of Financial Assets (Caikuai [2006] No. 3), ASBE No. 24 – Hedging (Caikuai [2006] No. 3) and ASBE No. 37 – Presentation of Financial Instruments (Caikuai [2014] No. 23).

SEGMENT INFORMATION (CONTINUED)

Allocation basis of income and expenses

Insurance service income and expenses directly related to the segments, such as insurance revenue and insurance service expenses, are directly recognised in each insurance segments. Some items, such as interest income and investment income, are allocated to each segment using systematic and reasonable method. Other items that are not directly attributable to the portfolio of insurance contracts are not allocated and are directly recognised in other business segments.

	For the six months ended 30 June 2024				
	Life	Health	Accident	Others	Total
	<i>RMB million</i>				
Insurance revenue	71,938	27,852	6,832	–	106,622
Interest income	53,581	3,483	108	2,241	59,413
Investment income	49,703	3,230	101	3,702	56,736
Investment income from associates and joint ventures	5,942	386	12	(29)	6,311
Other income	–	–	–	5,153	5,153
Total revenue	181,164	34,951	7,053	11,067	234,235
Insurance service expenses	(53,720)	(23,140)	(6,962)	–	(83,822)
Allocation of reinsurance premiums paid	(626)	(2,545)	(50)	–	(3,221)
Less: Amounts recovered from reinsurers	136	2,029	187	–	2,352
Insurance finance income/(expenses) from insurance contracts issued	(85,952)	(5,632)	(151)	–	(91,735)
Less: Reinsurance finance income/(expenses) from reinsurance contracts held	65	270	1	–	336
Finance costs	(1,524)	(99)	(2)	(526)	(2,151)
Expected credit losses	66	4	–	(216)	(146)
Other expenses	–	–	–	(7,948)	(7,948)
Profit before income tax	39,609	5,838	76	2,377	47,900
Supplementary Information:					
Depreciation and amortisation expenses	1,379	594	179	353	2,505

SEGMENT INFORMATION (CONTINUED)

	For the six months ended 30 June 2023					Total
	Life	Health	Accident	Others	Elimination	
	<i>RMB million</i>					
I. Operating income	482,661	60,123	7,652	4,841	(1,682)	553,595
Premiums earned	387,850	53,634	7,431	–	–	448,915
Premium income	388,558	73,058	8,499	–	–	470,115
Less: Premiums ceded to reinsurers	(708)	(3,149)	(36)	–	–	(3,893)
Change in unearned premium reserves	–	(16,275)	(1,032)	–	–	(17,307)
Investment income	90,255	6,188	213	517	–	97,173
Including: Share of profit of associates and joint ventures	5,450	373	13	137	–	5,973
Other gains	68	5	–	43	–	116
Fair value gains/(losses)	2,979	204	7	10	–	3,200
Foreign exchange gains/(losses)	414	28	1	(815)	–	(372)
Other operating income	1,073	63	–	5,086	(1,682)	4,540
Including: Inter-segment transactions	–	–	–	1,682	(1,682)	–
Gains/(losses) on disposal of assets	22	1	–	–	–	23
II. Operating expenses	(474,925)	(58,216)	(7,486)	(3,327)	1,682	(542,272)
Surrenders	(26,276)	(1,194)	(11)	–	–	(27,481)
Claims expense	(68,858)	(29,477)	(3,366)	–	–	(101,701)
Less: Claims recoverable from reinsurers	250	2,691	31	–	–	2,972
Increase in insurance contracts reserve	(299,275)	(18,677)	(366)	–	–	(318,318)
Less: Insurance reserves recoverable from reinsurers	135	–	7	–	–	142
Policyholder dividends resulting from participation in profits	(5,943)	(119)	–	–	–	(6,062)
Tax and surcharges	(459)	(89)	(9)	(69)	–	(626)
Underwriting and policy acquisition costs	(34,995)	(4,561)	(2,134)	(782)	–	(42,472)
Administrative expenses	(12,227)	(4,859)	(1,319)	(1,754)	–	(20,159)
Less: Expenses recoverable from reinsurers	161	116	4	–	–	281
Other operating expenses	(15,450)	(1,228)	(295)	(722)	1,682	(16,013)
Including: inter-segment transactions	(1,571)	(107)	(4)	–	1,682	–
Impairment losses	(11,988)	(819)	(28)	–	–	(12,835)
III. Operating profit	7,736	1,907	166	1,514	–	11,323
Add: Non-operating income	21	1	–	2	–	24
Less: Non-operating expenses	(182)	(12)	–	(1)	–	(195)
IV. Net profit before income tax	7,575	1,896	166	1,515	–	11,152
Supplementary Information:						
Depreciation and amortisation expenses	1,414	525	152	418	–	2,509

The reconciliation of segment information to the consolidated statement of comprehensive income is as follows:

Segment information	Adjustments		Consolidated statement of comprehensive income
	IFRS 9	IFRS 17	
	For the six months ended 30 June 2023		
Operating income: 553,595	(3,819)	(363,452)	Total revenue: 186,324
Net profit before income tax: 11,152	9,813	16,573	Profit before income tax: 37,538

EMBEDDED VALUE

Summary of Results

The embedded value as at 30 June 2024 and the corresponding results as at 31 December 2023 are shown below:

Components of Embedded Value

ITEM	RMB million	
	30 June 2024	31 December 2023
A Adjusted Net Worth	786,762	675,760
B Value of In-Force Business before Cost of Required Capital	685,915	648,848
C Cost of Required Capital	(68,141)	(64,040)
D Value of In-Force Business after Cost of Required Capital (B + C)	617,774	584,807
E Embedded Value (A + D)	1,404,536	1,260,567

Note: Numbers may not be additive due to rounding.

The value of half year's sales for the six months ended 30 June 2024 and for the corresponding period of last year is shown below:

Components of Value of Half Year's Sales

ITEM	RMB million	
	30 June 2024	30 June 2023
A Value of Half Year's Sales before Cost of Required Capital	36,418	35,501
B Cost of Required Capital	(4,156)	(8,300)
C Value of Half Year's Sales after Cost of Required Capital (A + B)	32,262	27,200
Including: Value of Half Year's Sales of Individual Agent Channel	29,291	25,555

Notes:

1. Numbers may not be additive due to rounding.
2. The corresponding results for the year 2023 have been restated using the EV assumptions as at the end of 2023.

Summary of Results (continued)

The new business margin of half year's sales of individual agent channel for the six months ended 30 June 2024 is shown below:

New Business Margin of Half Year's Sales of Individual Agent Channel

	30 June 2024	30 June 2023
By First Year Premium	30.6%	25.2%
By Annual Premium Equivalent	<u>31.0%</u>	<u>28.2%</u>

Notes:

1. The corresponding results for the year 2023 have been restated using the EV assumptions as at the end of 2023.
2. First Year Premium is the written premium used for calculation of the value of half year's sales and Annual Premium Equivalent is calculated as the sum of 100 percent of first year regular premiums and 10 percent of single premiums.

Movement Analysis

The following analysis tracks the movement of the embedded value from the start to the end of the Reporting Period:

Analysis of Embedded Value Movement in the First Half Year of 2024

RMB million

ITEM

A Embedded Value at the Start of Year	1,260,567
B Expected Return on Embedded Value	39,946
C Value of New Business in the Period	32,262
D Operating Experience Variance	3,432
E Investment Experience Variance	6,675
F Methodology and Model Changes	363
G Market Value and Other Adjustments	70,942
H Exchange Gains or Losses	(2)
I Shareholder Dividend Distribution and Capital Changes	(12,154)
J Others	2,506
K Embedded Value as at 30 June 2024 (sum A through J)	<u>1,404,536</u>

Notes:

1. Numbers may not be additive due to rounding.
2. Items B through J are explained below:
 - B Reflects expected impact of covered business, and the expected return on investments supporting the 2024 opening net worth.
 - C Value of half year's sales for the six months ended 30 June 2024.
 - D Reflects the difference between actual operating experience in the first half year of 2024 (including mortality, morbidity, lapse, and expenses etc.) and the assumptions.
 - E Compares actual with expected investment returns during the first half year of 2024.
 - F Reflects the effects of appraisal methodology and model enhancement.
 - G Change in the market value adjustment from the beginning of year 2024 to 30 June 2024 and other adjustments.
 - H Reflects the gains or losses due to changes in exchange rate.
 - I Reflects dividends distributed to shareholders during the first half year of 2024.
 - J Other miscellaneous items.

Sensitivity Results

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

Sensitivity Results

	Value of In-Force Business after Cost of Required Capital	<i>RMB million</i> Value of Half year's Sales after Cost of Required Capital
Base case scenario	617,774	32,262
1. Risk discount rate +50bps	587,400	30,719
2. Risk discount rate -50bps	650,614	33,926
3. 10% increase in investment return	754,652	39,389
4. 10% decrease in investment return	481,519	25,148
5. 10% increase in expenses	609,848	30,074
6. 10% decrease in expenses	625,700	34,449
7. 10% increase in mortality rate for non-annuity products and 10% decrease in mortality rate for annuity products	612,758	31,740
8. 10% decrease in mortality rate for non-annuity products and 10% increase in mortality rate for annuity products	622,833	32,788
9. 10% increase in lapse rates	609,280	31,396
10. 10% decrease in lapse rates	626,442	33,183
11. 10% increase in morbidity rates	607,528	31,158
12. 10% decrease in morbidity rates	628,291	33,366
13. Allowing for diversification in calculation of VIF	663,721	–

CORPORATE GOVERNANCE

The Company has applied the principles of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and has complied with all code provisions during the Reporting Period.

RECOMMENDATION OF INTERIM DIVIDEND AND WITHHOLDING AND PAYMENT OF INCOME TAX

In accordance with the 2024 interim profit distribution plan approved by the Board on 29 August 2024, the Company proposed to distribute a cash dividend (the “Interim Dividend”) of RMB0.20 per share (inclusive of tax) to all shareholders of the Company, based on a total of 28,264,705,000 shares in issue, totalling approximately RMB5,653 million (inclusive of tax). The proposed distribution of the Interim Dividend is subject to the approval by the shareholders at the general meeting. After the date of the general meeting is determined, the Company will timely announce the details in relation to the closure of its register of members, the record date and the payment date for the distribution of the Interim Dividend.

According to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations and other relevant rules and regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% before distributing the Interim Dividend to non-resident enterprise shareholders as appearing on the H Share register of members of the Company. Any shares registered in the names of non-individual shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the enterprise income tax.

Pursuant to the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) and its implementation regulations and other relevant rules and regulations, the Company is required to withhold and pay individual income tax before distributing the Interim Dividend to individual shareholders as appearing on the H Share register of members of the Company (the “Individual H Shareholders”). However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau). In this regard, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax for the Individual H Shareholders:

- For Individual H Shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the Mainland China stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders in the distribution of the Interim Dividend;
- For Individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the Mainland China stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders in the distribution of the Interim Dividend;

- For Individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of the Interim Dividend;
- For Individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders in the distribution of the Interim Dividend.

If Individual H Shareholders consider that the tax rate adopted by the Company for the withholding and payment of individual income tax on their behalf is not the same as the tax rate stipulated in any tax treaties between the PRC and the countries (regions) in which they are domiciled, please submit promptly to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, a letter of entrustment and all application materials showing that they are residents of a country (region) which has entered into a tax treaty with the PRC. The Company will then submit the above documents to competent tax authorities who will proceed with the subsequent tax related arrangements.

For Hong Kong investors (including enterprises and individuals) investing in the Company's A Shares via the Shanghai Stock Connect Program, the Interim Dividend will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such A Shares. The Company will withhold and pay income tax at the rate of 10% on behalf of those investors. For investors via the Shanghai Stock Connect Program who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, those enterprises or individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

For Shanghai and Shenzhen investors (including enterprises and individuals) investing in the Company's H Shares via the Hong Kong Stock Connect Program, the Shanghai Branch and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the holders of H Shares for investors via the Hong Kong Stock Connect Program, will receive the Interim Dividend distributed by the Company and distribute such Interim Dividend to the relevant investors through its depository and clearing system. The Interim Dividend to be distributed to the investors of H Shares via the Hong Kong Stock Connect Program will be paid in RMB. Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shenzhen Stock Market and the Hong Kong Stock Market (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) and other rules and regulations:

- For Mainland individual investors who invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will withhold individual income tax at the rate of 20% in the distribution of the Interim Dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax refund relating to the withholding tax already paid abroad. For Mainland securities investment funds that invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will withhold individual income tax in the distribution of the Interim Dividend pursuant to the above provisions;
- For Mainland enterprise investors that invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will not withhold income tax in the distribution of the Interim Dividend and the Mainland enterprise investors shall file the tax returns on their own.

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

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

REVIEW OF ACCOUNTS

The Audit Committee of the Board together with external auditors engaged by the Company have reviewed the unaudited consolidated financial statements of the Company for the six months ended 30 June 2024.

PUBLICATION OF INTERIM REPORT

The Company's interim report will be published on the Company's website (<http://www.e-chinalife.com>) and the HKExnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) in due course.

This announcement is published in both English and Chinese. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

As at the date of this announcement, the Board of Directors of the Company comprises:

<i>Executive Directors:</i>	Bai Tao, Li Mingguang, Liu Hui, Ruan Qi
<i>Non-executive Director:</i>	Wang Junhui
<i>Independent Non-executive Directors:</i>	Lam Chi Kuen, Zhai Haitao, Huang Yiping, Chen Jie

By Order of the Board
CHINA LIFE INSURANCE COMPANY LIMITED
Heng Victor Ja Wei
Company Secretary

Beijing, China
 29 August 2024