The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement do not constitute the statutory annual consolidated financial statements of the Group for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Group has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Group's auditor has reported on the consolidated financial statements for both years. The auditor's reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

中国太平
CHINA TAIPING

中國太平保險控股有限公司

China Taiping Insurance Holdings Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 966)

ANNOUNCEMENT

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors of China Taiping Insurance Holdings Company Limited announces the audited financial results of the Company and its subsidiaries for the year ended 31 December 2024 as follows:

Chairman's Statement

2024 marks the 95th anniversary of China Taiping's establishment and a pivotal year for achieving the objectives of the 14th Five-Year Plan. Confronted with a complex and challenging external environment, all China Taiping employees responded with composure and determination, driving progress in transforming growth models, adjusting structures, improving quality, and enhancing efficiency. We remained focused on our core responsibilities, steadily advanced the implementation of the 14th Five-Year Plan, and delivered high-quality operational results, achieving the strongest financial performance in recent years.

Comprehensive Improvement in Operational Quality and Efficiency. The Group's total assets exceeded HK$1.7 trillion, growing by 14.9% compared to the 2023 year-end. Profit attributable to shareholders reached HK$8.432 billion, grew by 36.2% over the Last Year. **The insurance sector** maintained steady growth in scale while significantly improving business quality. Insurance revenue and insurance service results sustained robust growth momentum. TPL saw a notable rise in new business contribution to CSM, with new business value rebounding to HK$10 billion platform, increased by 94.2%, reaching a record high. The persistency ratios for bancassurance and individual agency channel led the industry for twelve consecutive years, and the transition towards participating products progressed resolutely. P&C insurance and reinsurance achieved optimisation in combined ratios over the Last Year, maintaining underwriting profitability. TPP's new business contribution to CSM grew by 37.0% over the Last Year. **The investment sector** demonstrated stable progress, with investment income rebounding significantly. Both the Group's managed investment assets and Group's insurance fund investment assets expanded. Total investment income grew by 98.2% compared to 2023, and the comprehensive investment yield improved markedly over the Last Year.

Delivering Effective Services to National Strategies. Advancing the "Five Target Areas" to Support the Real Economy and Safeguard the People's Livelihood. Technology Finance: Premiums of strategic emerging industries grew over the Last Year, investments in innovation surged, tech insurance products diversified, and our cybersecurity insurance solution was selected as a pilot product by the Ministry of Industry and Information Technology. Green Finance: Green insurance premiums and investments expanded rapidly, achieving a full coverage of the five major central power enterprises. The Group has also successfully joined the Green Shipping Community and the Maritime Community. Inclusive Finance: Coverage of critical illness insurance, Hui Min Bao（惠民保）, long-term care insurance, and small and micro enterprises insured continued to rise. TPG, with CTIH as a core subsidiary, was awarded the highest grade in the Evaluation of targeted Poverty Alleviation Performance among centrally administered state-owned units for three consecutive years. Ageing Finance: The second pillar annuity fund net assets increased by HK$66.088 billion, the development of the third-pillar business achieved new breakthroughs, and the individual pension premiums increase significantly over the Last Year. The first public pension fund product was set up and included in the "Individual Pension Fund Directory". Digital Finance: AI and big data technologies were widely applied in operations. Data governance and data security are being steadily promoted. Information systems related to the new international accounting standards, overseas P&C core platforms, and risk reduction information systems are continuously improved, forming a digital financial service model integrating "Insurance, Technology, and Services".

Active Participation in the Guangdong-Hong Kong-Macau Greater Bay Area (GBA) Development. In 2024, the Group generated premium income of HK$60.165 billion in the GBA, serving over 7 million effective individual customers and 150 thousand group customers in the region. Investment scale in the GBA surged to HK$124.5 billion. We focused on "Cross-border Protection", launching the cross-border collaborative product "Infinite Legacy" across Mainland China, Hong Kong, and Singapore. Our leadership in cross-border vehicle insurance was further solidified. The Group officially took over the operation of the Hengqin Traditional Chinese Medicine Science and Technology Industrial Park of Co-operation between Guangdong and Macau, significantly improving overall occupancy rates and fostering industrial clustering.

Strong Support for Hong Kong's Role as an International Financial Hub. The Group formulated an action plan to bolster Hong Kong's status as an international financial hub, introducing a series of supportive measures. Our Hong Kong and Macau subsidiaries strengthened their market positions, with P&C insurance and reinsurance businesses in Hong Kong further consolidating their advantages. The "China Taiping Solution for Hong Kong Residents Retirement Care in GBA" won The Hong Kong Insurance Awards 2024 and the "Grand Prize in Outstanding Cross Border Financial Service Awards". We successfully issued Asia's first catastrophe bond in Hong Kong featuring dual-risk and dual-trigger mechanisms.

Robust Progress in Ecosystem Development. China Taiping · Furong Home in Chengdu and China Taiping · Yulan Home in Beijing were officially opened, completing the launch of all five self-owned elder care communities. The Group's "Self-owned + Third-party Cooperation" elder care communities have reached 76, covering 62 cities in 26 provinces. A nation-wide elder care landscape combining light and heavy assets has initially taken shape. Home-based elder care services were explored and carried out in six cities of the Greater Bay Area. The joint conference of Medical Health & Elder Care Ecological Alliance and Fintech Ecological Alliance were successfully held, further expanding the "Circle of Friends".

Steady International Development. Overseas business operations improved in quality and efficiency. TP Luxembourg and Dubai Representative Offices opened, enhancing our global network. Efforts have been increased to serve the high-quality "Belt and Road" cooperation and the "Going Global" of Chinese enterprises. Through actively "Bringing In", TPP received a strategic investment from Ageas group.

Deepened Comprehensive Synergy. As at the end of 2024, China Taiping had established strategic client cooperation relationships with 123 large clients, unlocking collaborative value continuously. We optimised the profit-sharing mechanism for collaborative businesses, expanded the incentive scope of the Comprehensive Synergy Development Fund, and established specialised incentive programs for insurance-sales linkage and technology insurance, driving synergy efforts to deeper levels. TPL, TPI, and TPP jointly launched the "Voyage Plan" to target premium clients. Cross-border insurance collaboration advanced through dedicated initiatives.

Enhanced Customer Service. The 5th "Lucky Elephant Festival · China Taiping Customer Festival" and the 2nd "Taiping Global Intern Camp" were successfully held. In Hong Kong, we unveiled the city's first family office service brand "SMILE" in insurance industry and inaugurated our second overseas "Taiping 1929 Global Reception Room". We further deepened the "Comprehensive Consumer Protection" service pattern, holding Customer Service and Consumer Rights Protection Conference for three consecutive years, and exploring innovative "Digital Consumer Protection" models. A big-data-driven complaint analysis model was developed to enhance service quality. Multiple subsidiaries were commended by the Insurance Association of China in the "7.8 National Insurance Public Propaganda Day" event.

Significantly Enhanced Risk Management Capabilities. We steadily advanced comprehensive risk management, systematically optimised the Group's risk appetite framework, and established a comprehensive, multi-dimensional risk monitoring framework, continuously enhancing the refinement level of risk management. TPL, TPI, TPP, and TPRe (China) all received the highest "Class A" rating in the regulatory risk assessment. TPL and TPI have maintained its highest "Class A" rating in the corporate operational assessment of insurance companies for nine and seven consecutive years, respectively.

At the end of 2024, Mr. WANG Sidong ceased to be the chairman of the Company, the Board of Directors would like to express its sincere gratitude to Mr. WANG Sidong for his outstanding contributions during his tenure in leading all employees of China Taiping and driving the Company's development.

2025 marks the final year of the "14th Five-Year Plan" and a pivotal year for formulating the "15th Five-Year Plan". Standing at this historic juncture of continuity and innovation, China Taiping will maintain strategic resolve, steadfastly pursue high-quality development, and continue to consolidate and strengthen its favorable momentum. We will confront opportunities and challenges head-on, scientifically plan for the "15th Five-Year Plan", and adopt a more proactive stance to advance development while staying true to our mission. With a focus on practical actions, we will strive to achieve the goal of building a "Century-Old Taiping".

We are acutely aware that while the external environment remains complex and challenging, China's economy is underpinned by stable fundamentals, diverse strengths, strong resilience, and enormous potential. The long-term positive trajectory of the economy remains unchanged. The transformation and development of the domestic economy have provided new momentum for the insurance industry. The explosive application of artificial intelligence has propelled breakthroughs in insurance innovation. Meanwhile, sectors such as the silver economy, low-altitude economy, and enterprise globalisation present enormous opportunities, and the insurance industry still has significant room for growth. Over the years, the Group has invested in ecosystem construction and established a well-known brand in elder care services. With decades of experience in internationalisation, we have accumulated rich expertise in serving Chinese enterprises "Going Global", particularly in supporting the "Belt and Road". Looking ahead, the favorable external factors increasingly align with the Group's strategic direction.

Looking ahead to 2025, opportunities and challenges coexist, and hopes and difficulties are intertwined. We will unwaveringly implement the high-quality development strategy, build on the achievements of previous years, maintain focus, and continue to advance. We will develop while inheriting past successes and innovate while staying true to our roots. We have been driven by our adherence to the principles of pursuing progress while ensuring stability, and will continue to put solid work first, uphold a bottom-line mindset, and take risk prevention, strengthened management, development and safety as the main tasks, and use continuous deepening of reform as the driving force, we will earnestly fulfill our responsibilities as a central enterprise, align service to national strategies with leveraging our own strengths, and strive to translate all positive factors into tangible development outcomes, working tirelessly to write a new chapter in high-quality development.

1. Actively Fulfill Responsibilities and Focus on Key National Strategies.

- **Fully Utilise Insurance Functions to Enhance Service Quality for the Real Economy.** We will solidly advance the "Five Target Areas" focusing on key areas critical to high-quality economic and social development, including expanding domestic demand, supporting the growth of new-quality productive forces, promoting high-level opening-up, rural revitalisation, comprehensive green transformation, and improving people's livelihoods. We will actively and effectively leverage insurance functions to reinforce the economic security, social security, and disaster prevention networks. Adhering to a people-centered development philosophy, we will establish and improve a customer-centric operational and service system.
- **Fully Participate in the Guangdong-Hong Kong-Macau Greater Bay Area Development.** Adhering to the strategic direction of "Rooted in Hong Kong and Macau and Cultivating Business in the Greater Bay Area", we will persistently develop the Greater Bay Area into a pacesetter for China Taiping's high-quality development and a demonstration zone for serving national strategies. We will formulate and release a White Paper on China Taiping Serving Guangdong-Hong Kong-Macau Greater Bay Area, optimise top-level design, allocate additional resources, strengthen regional institutions, refine investment layouts, expand high-quality projects, deeply engage in key area development, and ensure the high-quality operation of the Hengqin Traditional Chinese Medicine Science and Technology Industrial Park of Co-operation between Guangdong and Macau.
- **Fully Support Hong Kong to Consolidate and Enhance Its Status as an International Financial Hub**. We will strengthen and optimise our institutions in Hong Kong to maintain our leading position among Chinese enterprises. We will consolidate and expand our first-mover advantages in areas such as Northbound Travel for Hong Kong and Macau Vehicles and elder care services for Hong Kong residents in the Greater Bay Area, and actively facilitate the implementation of the "Southbound Travel for Guangdong Vehicles" policy. Leveraging our comprehensive financial and cross-border collaboration capabilities, we will explore and enrich offshore RMB insurance and investment products, support the development of Hong Kong's captive insurance market, contribute to Hong Kong's international shipping center, support key development plans such as the Northern Metropolis, and establish a "Centralised Insurance Service Platform for Overseas Chinese Enterprises".

2. Accelerate Transformation and Deepen High-Quality Development. We will strengthen and optimise core insurance business with continued optimisation of business structure and improvement of quality and efficiency. We will accelerate value transformation by adopting a correct mindset on operations, performance, and risk management, shifting towards a value- and efficiency-driven approach. We will enhance capital efficiency by balancing scale and strength, short-term and long-term interests, and improving endogenous capital growth capabilities. We will improve investment capabilities by reinforcing the philosophy of "Long-term Investment, Value Investment and Responsible Investment", strengthening investment talent teams, refining long-term performance evaluation mechanisms, and enhancing technological support for investment.

3. Firmly Establish a Bottom-Line Awareness and Build Up a Strong Defense Line for Risk Control and Compliance. Considering our Hong Kong-based headquarters and cross-border operations, we will enhance macroeconomics situation analysis, firmly uphold bottom-line and worst-case thinking, to ensure compliance and operational safety. We will closely monitor interest rate and exchange rate risks, improve interest rate cascading and liability cost adjustment mechanisms, strengthen duration and interest rate risk management, and enhance the stability of net assets amid downward interest rate pressures. We will strengthen asset-liability coordination, advance cross-border asset allocation research to strictly prevent investment risks, and leverage technological empowerment to improve risk monitoring, analysis, and early-warning capabilities.

4. Expedite Reforms and Innovations to Enhance Refined Management. We will actively promote reforms in key areas and fully implement the Group's priority reform tasks, advance the asset-liability management system reform, deepen the four-party joint working mechanism among finance, insurance, investment, and risk control, and strengthen deep integration between the insurance and investment segments. We will reform the comprehensive collaboration mechanism, optimise collaboration incentives, and better support frontline operations. We will promote quality and efficiency improvements by strengthening budget execution monitoring, continuously optimising performance against targets, and embedding efficiency enhancement into daily operations and project implementations.

5. Deepen Strategic Layout to Build Future Competitive Advantages. Our strategic layout of internationalisation, ecosystem construction, and digital transformation, formulated during the "14^{th} Five-Year Plan" period based on industry trends and market changes, has gradually evolved into our core strengths. We will remain committed to this vision, take consistent actions, and strive for qualitative leaps through sustained efforts.

2025 is the concluding year of China Taiping's "14^{th} Five-Year Plan". As the saying goes. We will align with the national goal of building a financial powerhouse, focus on our insurance mission, remain confident, act with determination, stay focused, and steadfastly advance our own development, as well as actively serve national strategies and the real economy. By diligently advancing the "Five Target Areas" of finance, we aim to provide high-quality financial services for economic and social development, do our best in creating greater value for shareholders, customers, employees and the community, forge a path of higher quality, better efficiency, optimised structure, and sustainable growth, and contribute to the great cause of national rejuvenation through the Group's high-quality development.

On behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders who have always cared and supported the development of China Taiping! I would also like to extend my sincere gratitude to all the employees of Taiping for their hard work!

YIN Zhaojun
Chairman

Hong Kong, 24 March 2025

Management Review and Analysis

In 2024, China Taiping adhered to the general principle of pursuing progress while ensuring stability, thoroughly implemented the high-quality development strategy, and made proactive efforts in transforming growth models, adjusting structures, improving quality, and enhancing efficiency. By continued deepening of value transformation, the Company achieved comprehensive improvements in operational quality and efficiency. It actively fulfilled its responsibilities and missions, delivering effective services to national strategies. With vigorous efforts in advancing the "Five Target Areas", the Company intensified its efforts to support the real economy and safeguard the people's livelihood. Through enhanced risk and compliance management, its risk prevention capabilities were significantly bolstered. By deepening reforms and optimising strategic layouts, development vitality was continuously unleashed, yielding new achievements in high-quality development.

2024 Business Operations and Consolidated Results

Profit Attributable to Shareholders Continued to Grow with Positive Development in Business Segments

- Profit attributable to owners was HK$8.432 billion, increased by 36.2% over the Last Year, mainly due to the increase of insurance service results and net investment results over the Last Year

- Profit of the life insurance business exceeded HK$10 billion, increased by 11.6% over the Last Year; profit of the PRC domestic property and casualty insurance business was HK$804 million, increased by 831.0% over the Last Year; profit of the reinsurance business was HK$957 million, increased by 187.5% over the Last Year, mainly due to the increase of net investment results of these businesses over the Last Year

- Profit of the asset management business was HK$539 million, reversed the loss in 2023 to profit, mainly due to increase in management fee income and cost saving over the Last Year

- Insurance revenue was HK$111.3 billion, increased by 3.5% over the Last Year

- Insurance service results was HK$22.024 billion, increased by 18.8% over the Last Year, mainly due to the better performance of life insurance business over the Last Year

- Net investment results was HK$5.831 billion, reversed the loss in 2023 to profit, mainly due to the increase of investment return over the Last Year

- Total assets were HK$1,734.3 billion, increased by 14.9% over the last year-end, mainly due to the increase of total financial investments over the Last Year

- Contractual service margin ("CSM") was HK$207.8 billion, decreased by 1.6% over the last year-end, mainly due to the impact of RMB exchange rate

- Group embedded value per share attributable to owners was HK$48.57, which would become HK$63.78 before economic assumptions adjustment, increased by 12.9% over the last year-end figure of HK$56.51. TPL's embedded value before economic assumptions adjustment increased by 13.9% over the end of Last Year, increased by 16.4% in terms of RMB

2024 Business Operations and Consolidated Results *(Continued)*

Life Insurance Businesses[1] Transformation Deepened, with Breakthroughs in Quality and Value

- Insurance revenue and insurance service results of the life insurance increased by 5.9% and 19.9% over the Last Year respectively, mainly due to the excellent performance of the PRC domestic life insurance[2] business, with insurance revenue and insurance service results of the PRC domestic life insurance increased by 4.6% and 23.5% over the Last Year respectively, mainly due to in-depth promotion of value restructuring, which significantly enhance operational quality and efficiency

- As at the end of December 2024, CSM of the life insurance was RMB191.6 billion, increased by 0.5% over the 2023 year-end; new business contribution to CSM was RMB17.963 billion, increased by 20.7% over the Last Year, mainly due to improved profitability of the PRC domestic life insurance business

- TPL realised a record high new business value[3] of RMB13.216 billion, increased by 94.2% over the Last Year, new business margin was 32.5%, increased by 16.6 percentage points over the Last Year, mainly due to the company's focused on the promotion of value-based products and serious implementation of "Aligning Sales Practices with Regulatory Filings". Insurance revenue and insurance service results both achieved positive growth over the Last Year. Direct premium increased by 5.7% over the Last Year and four persistency ratios of the individual agency and bancassurance channels have maintained industry leading over the years

- TPP continued to deepen its transformation, with the contribution of high value long term insurance business steadily increasing, and business structure continuously optimised, focused on pension main business and vigorously developed the ageing finance business, with private pension business achieving a premium income of RMB261 million, significantly increased by 88.2% over the Last Year, mainly due to the implementation of private pension system as an opportunity to promote business sales, and new annual payments in commercial pension business exceeding RMB20 billion

- Overseas life insurance saw continued transformation towards value orientation, with business structure optimised

Property and Casualty Insurance Businesses Continuously Optimised, with Improved Underwriting Profitability

- TPI's[1] insurance revenue increased by 3.5% over the Last Year and the combined ratio was 98.1%. Insurance revenue of motor insurance up by 2.8% over the Last Year with the persistency ratio of motor insurance up by 1.9 percentage points over the Last Year. Insurance revenue of non-motor insurance increased by 4.8% over the Last Year, with business structure continuously optimised

- CTPI (HK)'s insurance revenue increased by 0.9% over the Last Year and the combined ratio was 94.0%, maintaining underwriting profitability

- TP Macau continued to hold the No.1 position in market ranking, the combined ratio was 83.9%, with outstanding underwriting performance

- TP Singapore's property and casualty insurance revenue increased by 2.6% over the Last Year and the combined ratio was 87.8%, with outstanding underwriting performance

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[1] *Calculated in RMB*
[2] *Including TPL and TPP*
[3] *Before economic assumptions adjustment*

2024 Business Operations and Consolidated Results *(Continued)*

Property and Casualty Insurance Businesses Continuously Optimised, with Improved Underwriting Profitability *(Continued)*

- TP Indonesia's insurance revenue increased by 34.8% over the Last Year, mainly benefited from a rapid growth in Chinese enterprise business, and the combined ratio was 94.7%, maintaining underwriting profitability

- TP Luxembourg was successfully inaugurated and started issuing insurance policies, making a breakthrough in serving local Chinese enterprises

Reinsurance Business Structure Continuously Optimised, with Improved Underwriting Profitability

- TPRe's insurance service revenue decreased by 8.4% over the Last Year, mainly due to the downward exchange rate of RMB against HKD and the optimisation of business structure. Benefited from seizing the opportunities in the reinsurance market and proactively adjusting its business structure, the property and casualty reinsurance combined ratio was 92.7%, maintaining good underwriting profitability, and continued to lead the Hong Kong's property insurance professional reinsurance market

Steady Progress in Investment Business, with Significantly Higher Investment Yields

- Investment size grew steadily and net investment income stably increased. As at the end of December 2024, the total investment assets of the Group were HK$1,562.1 billion, increased by 15.8% over the last year-end, and net investment income was HK$50.336 billion, representing an increase of 12.0% over the Last Year, mainly due to higher interest income from debt securities than the Last Year

- Big jump in total investment income with significantly improved investment yield. The total investment income of the Group for 2024 was HK$66.543 billion, a significant increase of 98.2% over the Last Year, mainly due to the realised and unrealised investment gains achieved a turnaround over the Last Year, the total investment yield was 4.57%, an increase of 1.91 percentage points over the Last Year

- Strengthened investment capacity building, with the Hong Kong stock portfolio significantly outperformed the Hang Seng Index. In 2024, the Group strengthened its equity market research, continued to enhance its investment capacity, and its holdings of high-dividend strategy performed well. As a result, the Group's Hong Kong stocks achieved a comprehensive investment yield of 27.66%, outperformed the Hang Seng Index (including dividends) by 4.73 percentage points

- The Group's investment information system has been further strengthened, with enhanced investment risk monitoring capabilities, accelerated the disposal of existing risky assets, and strict prevention of new risks, thus promoting the high-quality development of the investment business

2024 Business Operations and Consolidated Results *(Continued)*

Comprehensive Synergy and Strategic Cooperation Business Expanding in Depth

- As at the end of 2024, China Taiping had established strategic client cooperation relationships with 123 large clients who contributed a total of HK$61.689 billion insurance premium and HK$82.395 billion new pension payment

- In 2024, our domestic cross-selling initiatives achieved HK$9.154 billion insurance sales, including HK$7.150 billion of property insurance sales through TPL, HK$1.575 billion of pension sales through TPL

Serving National Strategies in a Solid Manner

- Increased engagement in the development of the Guangdong-Hong Kong-Macau Greater Bay Area (GBA). The business in the GBA has seen steady growth, achieving a premium income of HK$60.165 billion, with over 7 million effective individual customers and 150 thousand group customers, and investment scale of HK$124.5 billion at the end of the Year, increased by 43.1% over the 2023 year-end. Focusing on “Cross-border Protection”, the cross-border collaborative product “Infinite Legacy” was globally launched across Mainland China, Hong Kong and Singapore. The Group has underwritten 39,000 cross-border vehicles of the three regions of the GBA, increased by 22.7% over the Last Year, further consolidated its business leading position. It officially took over the operation of the Hengqin Traditional Chinese Medicine Science and Technology Industrial Park of Co-operation between Guangdong and Macau, with overall occupancy rate increased to 77.7%, an increase of 31.1 percentage points over the 2023 year-end, showcasing the emergence of industrial clustering effects

- Actively contributing to Hong Kong’s position as an international financial center. Successfully issued Asia’s first catastrophe bond in Hong Kong featuring dual-risk and dual-trigger mechanisms, making a breakthrough in insurance risk securitisation. “China Taiping Solutions for Hong Kong Residents Retirement Care in GBA” advanced significantly, earning The Hong Kong Insurance Awards 2024 and the “Grand Prize in Outstanding Cross Border Financial Services Awards”. The Hong Kong Insurance Innovation and Technology Venture Fund was honored with “Best Investment Institution Award” for 2 consecutive years

2024 Business Operations and Consolidated Results *(Continued)*

Significant Progress in the "Five Target Areas"

- Developing Technology Finance: Premiums of strategic emerging industries was HK$535 million, increased by 2.4% over the Last Year, with investments reaching HK$121.2 billion, up 30.5% from 2023 year-end. 4 cybersecurity insurance projects were shortlisted in the Catalog of Typical Service Solutions by the Ministry of Industry and Information Technology, and China's first batch of insurance policies against data asset loss was successfully issued

- Developing Green Finance: Green insurance premiums income reached HK$5.325 billion, increased by 25.3% over the Last Year, providing risk protection of HK$4.1 trillion, up 40.2% from the 2023 year-end; green investments reached HK$85.687 billion, up 14.4% from the 2023 year-end. Achieved a full coverage of the five major central power enterprises and successfully joined the Green Shipping Community and the Maritime Community. TPG was selected in the Fortune China ESG Influence List for 3 consecutive years

- Developing Inclusive Finance: Critical illness insurance covers over 30 million people. Hui Min Bao（惠民保）covers over 25 million people, and long-term care insurance serves approximately 18 million people. Agricultural insurance premium income was HK$1.027 billion, increased by 58.1% over the Last Year. Premium income from PRC domestic property and casualty insurance for small and micro enterprises amounted to HK$1.526 billion, increased by 9.9% over the Last Year, providing risk protection of HK$2.1 trillion for small and micro enterprises. TPG was awarded the highest grade for 3 consecutive years in the Evaluation of targeted Poverty Alleviation Performance among centrally administered state-owned units

- Developing Ageing Finance: The second-pillar annuity fund net assets increased by HK$66.088 billion, up 9.6% from the 2023-year-end and the development of the third-pillar business achieved new breakthroughs, with HK$25.126 billion of new commercial pension payments and 72.6% increase in individual pension premiums over the Last Year. The first public pension fund product was set up and included in the "Individual Pension Fund Directory"

- Developing Digital Finance: The second phase of the Wuhan data center project commenced smoothly, passing both Data Security Capability Maturity Model (DSMM) and Data Management Capability Maturity Model (DCMM) Level 3 certifications. Self-developed a cluster of risk reduction systems, secured 55 new national patents authorisations, built a preliminary privacy computing platform, published the Group's high-level plan for AI Large Model Development, and successfully applied the Large Model technology to 18 business scenarios, including the underwriting & claims, marketing, and risk control

2024 Business Operations and Consolidated Results *(Continued)*

Further Deepening of the Strategic Layout

- Steadily promoting international development. The market positions of the Group's business in Hong Kong and Macau of China were consolidated and enhanced, while the quality and efficiency of overseas business operations continued to improve. The opening of TP Luxembourg and Dubai Representative Office went smoothly, marking new breakthroughs in setting up subsidiaries in important strategic regions. Efforts have been increased to serve the high-quality "Belt and Road" cooperation and the "Going Global" of Chinese enterprises. Through actively "Bringing In", TPP received a strategic investment from Ageas group

- Active advancement of ecosystem construction. The Group's "Self-owned + Third-party Cooperation" elder care communities have reached 76, covering 62 cities in 26 provinces. A nation-wide elder care landscape combining light and heavy assets has initially taken shape. China Taiping · Furong Home in Chengdu and China Taiping · Yulan Home in Beijing were officially opened. China Taiping· Mumian Home improved its "Hong Kong-Macau Adaptation" design and established a Hong Kong-style medical service system. Home-based elder care services were explored and carried out in six cities of the Greater Bay Area. The joint conference of Medical Health & Elder Care Ecological Alliance and Fintech Ecological Alliance were successfully held, further expanding the "Circle of Friends"

Further Strengthening of the Risk Management and Compliance Capabilities

- The comprehensive risk management system is robust and effective. The group has further strengthened the foundation of risk management, with full completion of enhancement measures raised through the SARMRA regulatory assessment. The management framework has been further refined, and the management mechanisms and tools have been further enhanced. In the NFRA's comprehensive risk rating of insurance companies, four out of the Group's five domestic member companies received the highest "Class A" rating. The Group has intensified risk management training for all employees, and continuously enhancing risk prevention awareness across the entire organisation

- The refinement level of risk management continues to enhance. The Group has systematically optimised its risk appetite framework, establishing a comprehensive, multi-dimensional risk monitoring framework. Consolidated management has seen significantly enhancement in automation levels. The Group has further improved overseas sovereign and entity rating models, continuously strengthening its preemptive credit risk control capabilities

- With the goal of serving the Group's high-quality development, the Group firmly established an awareness of the entire region and the concept of system, strictly abide to laws, regulations and various regulatory requirements, made compliance with laws and regulations the bottom line and red line that must be adhered to in all activities, comprehensively integrates compliance management into various tasks, and, with a view to risk orientation, implements the requirements of compliance through the entire process of decision-making, execution, supervision and feedback, covering all areas and segments, so as to fully utilise its services, support and protection

2024 Business Operations and Consolidated Results *(Continued)*

Social Influence and Brand Value Continuously Enhanced, and a "Comprehensive Consumer Protection" Service Pattern Comprehensively Constructed

- TPG, with CTIH as a core subsidiary, was selected in "Insurance 100 2024" by Brand Finance for ten consecutive years, ranked 60th. It was also selected in "China's 500 Most Valuable Brands" by World Brand Lab, ranked 45th. And it was selected in the "Fortune China 500" list for fifteen consecutive years, ranked 172nd. TPG's 11 subsidiaries were rated "A" by international leading rating agencies

- The Group successfully held the 5th "Lucky Elephant Festival · China Taiping Customer Festival", with more than 10,000 various activities, which attracted over 50 million participants. The Hong Kong "Taiping 1929 Global Reception Room" was officially opened, and the 95589 service hotline was upgraded to an intelligent customer service that supports voice answering and dialect recognition. The Group held its Customer Service and Consumer Rights Protection Conference for three consecutive years, improvement in building a four-tier prevention mechanism for consumer protection complaints, revised the administrative rules for handling consumer complaints, setup a consumer protection management system, and launched 17,112 consumer protection education activities, covering 160 million consumers. Eight units were commended by the Insurance Association of China in the "7.8 National Insurance Public Propaganda Day" event. According to the regulatory disclosures, the number of complaints received by the Group in the 2024 decreased by 69.0% over the Last Year, with a decline rate 9% higher than the overall industry level

CONSOLIDATED FINANCIAL RESULTS

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Insurance revenue	**111,267.76**	107,488.85	+3.5%
Insurance service expenses	**(86,432.64)**	(86,255.38)	+0.2%
Insurance service results	**22,024.09**	18,531.26	+18.8%
Net investment results	**5,831.17**	(1,838.15)	N/A
Profit before taxation	**22,127.70**	11,658.07	+89.8%
Profit after taxation	**12,797.84**	10,276.94	+24.5%
Profit attributable to owners	**8,431.61**	6,189.76	+36.2%
Basic earnings per share *(HK$)*	**2.068**	1.495	+0.573 dollar
Final dividend proposed at 35 HK cents per share (2023: 30 HK cents per share)	**1,257.91**	1,078.21	+16.7%

At 31 December, HK$ million

	2024	2023	Change
Total assets	**1,734,342.01**	1,509,497.49	+14.9%
Contractual service margin	**207,769.38**	211,207.80	-1.6%
Total equity	**122,407.45**	132,595.65	-7.7%
Ordinary shareholders' equity	**71,080.41**	78,988.11	-10.0%
- Per share *(HK$)*	**19.777**	21.978	-2.201 dollars
Return on equity (ROE)	**10.0%**	8.5%	+1.5pts
Group embedded value	**307,014.82** [1]	272,123.42	+12.8%
Ordinary shareholders' group embedded value	**229,242.73** [1]	203,105.77	+12.9%
- Per share *(HK$)*	**63.785** [1]	56.512	+7.273 dollars

[1] *Before economic assumptions adjustment.*

CONSOLIDATED FINANCIAL RESULTS *(Continued)*

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

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Life insurance [1]	**10,504.83**	9,414.77	+11.6%
PRC domestic property and casualty insurance [2]	**804.31**	86.39	+831.0%
Overseas property and casualty insurance [3]	**367.58**	386.41	-4.9%
Reinsurance [4]	**957.37**	333.04	+187.5%
Asset management business [5]	**539.37**	(56.35)	N/A
Others [6]	**(375.62)**	112.68	N/A
Net profit from operations	**12,797.84**	10,276.94	+24.5%
Non-controlling interests	**(4,366.23)**	(4,087.18)	+6.8%
Profit attributable to owners	**8,431.61**	6,189.76	+36.2%

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

[2] *PRC domestic property and casualty insurance is the operating results of TPI.*

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

[4] *Reinsurance mainly includes the operating results of TPRe and TPRe (China).*

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

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

CONSOLIDATED FINANCIAL RESULTS *(Continued)*

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

HK$ million	**2024**	2023
Total equity as at 1 January	**132,595.65**	108,843.60
Net profit recognised in statement of profit or loss	**12,797.84**	10,276.94
Net changes in fair value reserve	**62,971.63**	22,523.02
Net changes in insurance finance reserve	**(80,164.88)**	(33,024.05)
Revaluation gain arising from reclassification of own-use properties into investment properties	**79.61**	83.74
Share of other comprehensive income of associates and joint ventures, net of deferred tax	**185.84**	-
Exchange differences arising from translation of financial statements of foreign and non-foreign operations	**(2,501.07)**	(1,466.85)
Capital injection made to a subsidiary	**-**	11.70
Perpetual capital securities issued	**-**	27,764.84
Dividend declared by subsidiaries to non-controlling interests	**(1,080.45)**	(983.76)
Dividend declared to holders of the perpetual subordinated capital securities/perpetual capital securities	**(1,398.51)**	(499.09)
Dividend declared to shareholders	**(1,078.21)**	(934.44)
Total equity as at 31 December	**122,407.45**	132,595.65
Attributable to:		
Ordinary shareholders of the Company	**71,080.41**	78,988.11
Perpetual subordinated capital securities	**15,990.48**	15,991.52
Non-controlling interests	**35,336.56**	37,616.02
	122,407.45	132,595.65

LIFE INSURANCE BUSINESS

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

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

TPP is incorporated in the Mainland China and is wholly-owned by the Group. TPP operates corporate and personal retirement insurance and group life insurance business, apart from its annuity and retirement plan's investment, entrustment and other management services business under the section headed "Asset Management Business". On 20 May 2024, the Company, Dragon Jade, Ageas and TPP entered into a capital increase agreement, pursuant to which TPP has conditionally agreed to issue new shares representing approximately 10% of the enlarged issued share capital of TPP at the consideration of RMB1.075 billion to Ageas. As at 31 December 2024, TPP has received the consideration and the obtainment of relevant regulatory approvals is still in progress. For details of the capital increase agreement, please refer to the announcement of the Company dated 20 May 2024.

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

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

Financial Performance

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

The Group's insurance revenue of the life insurance business was HK$64.454 billion, grew by 4.7% over the Last Year, profit after taxation was HK$10.505 billion, grew by 11.6% over the Last Year, the increase of profit after taxation was mainly due to continuous optimisation of expense margin and mortality margin, and also year-over-year improvement in interest margin.

For the year ended 31 December, HK$ million

	2024	2023	Change
Insurance revenue	**64,453.92**	61,575.46	+4.7%
Insurance service expenses	**(44,175.10)**	(44,636.60)	-1.0%
Net expenses from reinsurance contracts held	**(595.45)**	(319.46)	+86.4%
Insurance service results	**19,683.37**	16,619.40	+18.4%
Net investment results	**2,286.24**	(4,620.30)	N/A
Profit before taxation	**18,972.00**	9,795.70	+93.7%
Profit after taxation	**10,504.83**	9,414.77	+11.6%

At 31 December, HK$ million	**2024**	2023	Change
Total assets	**1,493,130.58**	1,255,876.78	+18.9%
Total equity	**56,594.22**	61,767.89	-8.4%

LIFE INSURANCE BUSINESS *(Continued)*

Financial Performance *(Continued)*

Contractual Service Margin

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

HK$ million

	2024	2023	Change
Balance as at 1 January	**210,336.64**	220,683.17	-4.7%
Contracts initially recognised in this Period	**19,709.64**	16,532.71	+19.2%
CSM recognised for service provided	**(17,466.39)**	(17,450.27)	+0.1%
Changes in estimates that adjust the CSM	**(8,807.71)**	(14,248.70)	-38.2%
Changes in estimates that result in onerous contract losses or reversal of losses	**9.23**	(28.52)	N/A
Financial movements in insurance contracts	**7,652.20**	7,919.37	-3.4%
Effect of exchange differences	**(4,497.75)**	(3,071.12)	+46.5%
Balance as at 31 December	**206,935.86**	210,336.64	-1.6%

LIFE INSURANCE BUSINESS *(Continued)*

Insurance Performance

Premium

Direct premium of life insurance business are summarised below:

For the year ended 31 December, HK$ million

	2024	2023	Change
TPL	**195,866.77**	187,502.91	+4.5%
TPP	**8,844.25**	9,878.52	-10.5%
TPL (HK)	**15,081.27**	17,855.71	-15.5%
TP Singapore	**779.33**	757.31	+2.9%

TPL's direct premium increased by 4.5% to HK$195.867 billion from HK$187.503 billion in the Last Year.

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Individual	**127,857.34**	125,322.83	+2.0%
Bancassurance	**58,899.87**	53,216.57	+10.7%
Group	**563.98**	656.74	-14.1%
Other Channels [1]	**8,545.58**	8,306.77	+2.9%
	195,866.77	187,502.91	+4.5%

[1] *Other Channels mainly consisted of telemarketing.*

LIFE INSURANCE BUSINESS *(Continued)*

Insurance Performance *(Continued)*

Premium *(Continued)*

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

For the year ended 31 December, HK$ million

Individual

	2024	2023	Change
Long-term First Year			
– Single Premium	**245.27**	240.69	+1.9%
– Regular Premium	**20,202.07**	19,958.87	+1.2%
Renewal Year	**99,430.93**	96,691.62	+2.8%
Short-term	**7,979.07**	8,431.65	-5.4%
	127,857.34	125,322.83	+2.0%

Bancassurance

	2024	2023	Change
Long-term First Year			
– Single Premium	**354.53**	84.37	+320.2%
– Regular Premium	**15,390.48**	16,937.65	-9.1%
Renewal Year	**43,080.79**	36,109.43	+19.3%
Short-term	**74.07**	85.12	-13.0%
	58,899.87	53,216.57	+10.7%

Group

	2024	2023	Change
Group Insurance	**563.98**	656.74	-14.1%

Other Channels

	2024	2023	Change
Long-term First Year			
– Single Premium	**1,531.16**	1,526.96	+0.3%
– Regular Premium	**1,273.17**	1,077.24	+18.2%
Renewal Year	**5,703.15**	5,667.00	+0.6%
Short-term	**38.10**	35.57	+7.1%
	8,545.58	8,306.77	+2.9%

LIFE INSURANCE BUSINESS *(Continued)*

Premium *(Continued)*

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Traditional life	**94,060.41**	71,770.57	+31.1%
Long-term health	**35,460.41**	36,646.02	-3.2%
Annuity	**26,117.52**	36,034.81	-27.5%
Participating	**30,172.87**	32,268.62	-6.5%
Accident and short-term health	**10,036.96**	10,762.90	-6.7%
Universal life	**16.73**	18.27	-8.4%
Investment-linked	**1.87**	1.72	+8.7%
Total	**195,866.77**	187,502.91	+4.5%

Key Operational Data

TPL's key operational data was summarised below:

At 31 December

	2024	2023	Change
Market share [1]	**4.5%**	4.8%	-0.3pt
Number of provincial branches	**38**	38	-
Number of sub-branches and marketing centers	**1,312**	1,378	-66
Number of customers			
- Individual	**13,907,025**	15,174,031	-1,267,006
- Corporate	**804**	811	-7
Distribution network			
- Number of individual agents	**226,102**	234,715	-8,613
- Number of bancassurance outlets	**88,908**	78,997	+9,911
Agent monthly per capita regular direct premium *(RMB)* [2]	**16,628**	14,410	+2,218 yuan
Direct premium persistency ratios – 13th month [3]			
- Individual	**98.7%**	96.2%	+2.5pts
- Bancassurance	**98.6%**	98.0%	+0.6pt
Direct premium persistency ratios – 25th month [3]			
- Individual	**95.0%**	90.0%	+5.0pts
- Bancassurance	**97.6%**	95.9%	+1.7pts

[1] *Derived according to the direct premium published by the NFRA.*
[2] *Based on regular direct premium and number of active agents.*
[3] *Based on the amount of direct premium.*

PRC DOMESTIC PROPERTY AND CASUALTY INSURANCE BUSINESS

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

Financial Performance

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

TPI's key financial data was summarised below:

For the year ended 31 December, HK$ million

	2024	2023	Change
Insurance revenue	**33,145.98**	32,404.44	+2.3%
Insurance service expenses	**(31,913.60)**	(31,102.55)	+2.6%
Net expenses from reinsurance contracts held	**(603.55)**	(776.45)	-22.3%
Insurance service results	**628.83**	525.44	+19.7%
Net investment results	**740.19**	(187.16)	N/A
Profit/(loss) before taxation	**932.45**	(4.33)	N/A
Profit after taxation	**804.31**	86.39	+831.0%
Combined ratio [1]	**98.1%**	98.4%	-0.3 pt

At 31 December, HK$ million

	2024	2023	Change
Total assets	**46,219.26**	43,089.43	+7.3%
Total equity	**10,461.71**	9,218.42	+13.5%

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

PRC DOMESTIC PROPERTY AND CASUALTY INSURANCE BUSINESS *(Continued)*

TPI's BUSINESS *(Continued)*

Insurance Performance

Premium

TPI's direct premium increased by 2.7% to HK$34.297 billion from HK$33.387 billion in the Last Year. The detailed breakdown of TPI's direct premium by category are summarised below:

For the year ended 31 December, HK$ million

Business Line	2024	2023	Change
Motor	**21,005.56**	20,559.56	+2.2%
Marine	**802.19**	716.91	+11.9%
Non-marine	**12,489.26**	12,110.34	+3.1%
	34,297.01	33,386.80	+2.7%

Key Operational Data

TPI's key operational data was summarised below:

At 31 December

	2024	2023	Change
Market share [1]	**1.9%**	1.9%	-
Number of provincial branches	**33**	33	-
Number of sub-branches and marketing centers	**1,029**	953	+76
Number of customers			
- Individual	**8,686,947**	9,853,300	-1,166,353
- Corporate	**480,872**	503,502	-22,630
Number of direct sales representatives	**10,516**	12,218	-1,702

[1] *Derived according to the direct premium published by the NFRA.*

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS

The Group's overseas property and casualty insurance segment covers Hong Kong and Macau of China, UK, Luxemburg, Singapore and Indonesia, and is operated by CTPI (HK), TP Macau, TP UK, TP Luxemburg, TP Singapore and TP Indonesia respectively. CTPI (HK), TP Macau, TP UK, TP Luxemburg, TP Singapore are wholly-owned by the Group. TP Indonesia is 55% owned by the Group.

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

TP Luxembourg started operation in June 2024 and its business is in initial state.

Financial Performance

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

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Insurance revenue			
CTPI (HK)	**3,313.46**	3,284.46	+0.9%
TP Macau	**929.00**	748.94	+24.0%
TP UK	**308.82**	293.50	+5.2%
TP Singapore [1]	**820.87**	800.02	+2.6%
TP Indonesia	**611.35**	453.69	+34.8%
Insurance service results			
CTPI (HK)	**197.67**	218.82	-9.7%
TP Macau	**150.02**	144.02	+4.2%
TP UK	**104.63**	92.45	+13.2%
TP Singapore [1]	**100.11**	58.59	+70.9%
TP Indonesia	**32.62**	89.82	-63.7%
Net investment results			
CTPI (HK)	**144.43**	178.58	-19.1%
TP Macau	**85.79**	67.74	+26.6%
TP UK	**40.10**	44.38	-9.6%
TP Singapore [1]	**63.42**	(29.13)	N/A
TP Indonesia	**28.49**	6.30	+352.2%
Profit/(loss) before taxation			
CTPI (HK)	**82.16**	276.52	-70.3%
TP Macau	**206.87**	190.35	+8.7%
TP UK	**(56.47)**	(4.76)	+1,086.3%
TP Singapore [1]	**132.00**	(12.67)	N/A
TP Indonesia	**62.05**	25.59	+142.5%
Profit/(loss) after taxation			
CTPI (HK)	**74.26**	232.73	-68.1%
TP Macau	**182.80**	167.93	+8.9%
TP UK	**(55.87)**	(10.43)	+435.7%
TP Singapore [1]	**102.58**	(18.66)	N/A
TP Indonesia	**51.11**	19.96	+156.1%

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

OVERSEAS PROPERTY AND CASUALTY INSURANCE BUSINESS *(Continued)*

Combined ratio

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

For the year ended 31 December, HK$ million

	2024	2023	Change
CTPI (HK)	**94.0%**	93.3%	+0.7pt
TP Macau	**83.9%**	80.8%	+3.1pts
TP UK	**66.1%**	68.5%	-2.4pts
TP Singapore [1]	**87.8%**	92.7%	-4.9pts
TP Indonesia	**94.7%**	80.2%	+14.5pts

[1] *The results of TP Singapore from its property and casualty insurance business, which do not include its life insurance business.*
[2] *Combined ratio = (Insurance service expenses + Net expenses from reinsurance contracts held) /insurance revenue.*

Insurance Performance

Premium

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

For the year ended 31 December, HK$ million

	2024	2023	Change
CTPI (HK)	**2,605.94**	2,471.09	+5.5%
TP Macau	**924.14**	902.49	+2.4%
TP UK	**418.26**	407.41	+2.7%
TP Singapore [1]	**791.60**	779.58	+1.5%
TP Indonesia	**610.53**	525.21	+16.2%

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

REINSURANCE BUSINESS

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

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

Financial Performance

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

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Insurance revenue	**8,629.67**	9,418.50	-8.4%
Insurance service expenses	**(7,419.96)**	(8,541.66)	-13.1%
Net expenses from reinsurance contracts held	**(625.24)**	(588.46)	+6.3%
Insurance service results	**584.47**	288.38	+102.7%
Net investment results	**895.43**	(4.01)	N/A
Profit before taxation	**1,076.94**	409.14	+163.2%
Profit after taxation	**957.37**	333.04	+187.5%
Combined ratio [1]	**92.7%**	95.6%	-2.9pts

At 31 December, HK$ million

	2024	2023	Change
Total assets	**44,777.20**	48,181.66	-7.1%
Total equity	**12,123.32**	11,130.59	+8.9%

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

REINSURANCE BUSINESS *(Continued)*

Insurance Performance

Premium

Reinsurance business's total premium decreased by 5.1% to HK$15.426 billion from HK$16.251 billion in the Last Year.

Total premium by types of reinsurance contracts are summarised below:

For the year ended 31 December, HK$ million

	2024	2023	Change
Life	**4,001.61**	3,715.73	+7.7%
Non-life	**11,424.17**	12,534.97	-8.9%
	15,425.78	16,250.70	-5.1%

ASSET MANAGEMENT BUSINESS

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

TPAM is incorporated in the Mainland China and is 80% owned by the Group.

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

TP Fund being acquired by TPAM in September 2016, is 56.3% owned by TPAM and 38.5% owned by TPL.

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

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

Financial Performance

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

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Management fee income	**3,003.53**	2,755.21	+9.0%
Profit before taxation	**862.81**	185.39	+365.4%
Profit/(loss) after taxation	**539.37**	(56.35)	N/A

Assets Under Management

The assets under management of TPAM increased steadily due to the inflow of insurance funds. The assets under management of TPCA declined due to the maturity of certain investment projects. The assets under management of TPFH declined due to capital outflows. The assets under management of TPP increased due to the proactive expansion of enterprise annuity and occupational annuity businesses.

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

At 31 December, HK$ million

	2024	2023	Change
TPAM	**1,677,513.93**	1,548,163.58	+8.4%
TPCA	**57,117.40**	67,814.66	-15.8%
TPFH	**113,508.00**	118,426.53	-4.2%
TPP	**664,773.66**	605,571.96	+9.8%

ASSET MANAGEMENT BUSINESS *(Continued)*

Assets Under Management *(Continued)*

Due to premium inflows and rising asset prices, the assets of the Group's insurance funds increased by 15.8% over the Last Year. The Group took the initiative to enhance the quality of its third-party asset management business by reducing the engagement in low-rate mandates, resulting in a 6.2% decrease in third-party assets under management over the Last Year.

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

At 31 December, HK$ million

	2024	2023	Change
Insurance fund assets within the Group	**1,562,099.00**	1,349,531.70	+15.8%
Managed assets for third parties	**1,022,499.09**	1,090,003.12	-6.2%

Insurance Fund Management within the Group

Investment Income

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

For the year ended 31 December, HK$ million

	2024	2023	Change
Net investment income [1]	**50,335.79**	44,924.36	+12.0%
Including: Share of results of associates and joint ventures [2]	***2,664.69***	*(162.69)*	*N/A*
Net realised and unrealised investment gains [3]	**16,207.49**	(11,358.51)	N/A
Total investment income	**66,543.28**	33,565.86	+98.2%
Net investment yield	**3.46%**	3.56%	-0.10pt
Total investment yield [4]	**4.57%**	2.66%	+1.91pts
Comprehensive investment yield [5]	**10.32%**	5.01%	+5.31pts

[1] *Including the interests income from deposits, interests income from debt financial assets, dividends from equity financial assets, rental income from investment properties, share of results of associates and joint ventures and deducting interest expenses on securities sold under repurchase agreements.*

[2] *Including the income generated from asset management products, funds etc., that has been classified as share of results of associates and joint ventures.*

[3] *Including the income from the spread of investment securities, gain or loss on changes in fair value and impairment loss of investment assets.*

[4] *In the calculation of total investment yield, as the denominator, the average investment assets take into account the effect of securities purchased under resale agreements and securities sold under repurchase agreements.*

[5] *In the calculation of comprehensive investment yield includes the effect of changes in fair value of debt securities under FVOCI of approximately HK$77.6 billion.*

ASSET MANAGEMENT BUSINESS *(Continued)*

Assets Under Management *(Continued)*

Insurance Fund Management within the Group *(Continued)*

Net investment income grew by 12.0% from HK$44.924 billion in 2023 to HK$50.336 billion in 2024. The realised and unrealised investment gains achieved a turnaround from a loss of HK$11.359 billion in 2023 to a gain of HK$16.207 billion in 2024, mainly because the optimised equity structure performed better than in 2023.

Under the combined influence of the above factors, the total investment income of investment assets of the Group amounted to HK$66.543 billion in 2024, increased by 98.2% over the HK$33.566 billion in 2023; the total investment yield increased from 2.66% in 2023 to 4.57% in 2024.

Investment Portfolio

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

At 31 December, HK$ million

	2024	**% of Total**	2023	% of Total
By investment category				
Fixed income				
Term deposits	**68,323.70**	**4.4%**	52,714.61	3.9%
Debt securities	**1,163,458.01**	**74.5%**	926,465.69	68.7%
Debt products	**61,598.10**	**3.9%**	77,538.72	5.7%
Equity investments				
Equity securities	**130,240.27**	**8.3%**	113,353.32	8.4%
Investment Funds	**73,277.01**	**4.7%**	82,872.22	6.1%
Other equity investments	**13,743.14**	**0.9%**	23,679.92	1.8%
Long-term equity investments	**28,918.67**	**1.9%**	27,874.85	2.1%
Investment properties	**22,829.11**	**1.5%**	24,685.92	1.8%
Cash, cash equivalents and others				
Cash and cash equivalents	**44,388.58**	**2.8%**	42,554.40	3.2%
Securities purchased under resale agreements/ securities sold under repurchase agreements	**(44,677.59)**	**-2.9%**	(22,207.95)	-1.7%
Total invested assets	**1,562,099.00**	**100.0%**	1,349,531.70	100.0%

Based on research and judgement of the capital market, the Group optimised its investment portfolio structure. As at the end of 2024, the proportion of fixed income investments to the insurance fund within the Group was 82.8%, the proportion of equity investments was 13.9%, the proportion of long-term equity investments was 1.9%, the proportion of investment properties was 1.5% and the proportion of cash and others was -0.1%.

ASSET MANAGEMENT BUSINESS *(Continued)*

Assets Under Management *(Continued)*

Insurance Fund Management within the Group *(Continued)*

Analysis of Investment in Securities

High Credit Ratings for Debt Securities

As at the end of 2024, debt securities held by the Group amounted to HK$1,163.5 billion, representing approximately 67.1% of the total assets, of which 89.1% were PRC domestic bonds investment. Within the PRC domestic bonds, 99.9% were bonds with AAA ratings, government bonds and financial policy bonds, investment grade bonds with BBB ratings or higher reaching 100%. Overseas bonds investment constitutes 10.9% of debt securities held by the Group, and about 91.4% of them were investment grade bonds with international ratings of BBB or higher.

Relatively Good Credit Status for Debt Products

As at the end of 2024, debt products held by the Group amounted to HK$61.6 billion, representing approximately 3.6% of the total assets. The credit ratings of the PRC domestic financial investment debt products remained relatively high, with products rated AAA accounting for 81.2%, the remaining being low risk bank wealth management products which accounted for 18.8%; overseas debt products mainly were private debts. The Group's investment in debt products have gone through a rigorous investment decision-making process, with a proprietary information system in place for monitoring during the investment and post-investment management. In general, the Group has made sufficient assessment on its alternative investment risks, which indicated sound asset credit.

- *Relatively Low Proportion of Real Estate Debt Products*

  As at the end of 2024, real estate debt products approximated HK$15.2 billion, representing 0.9% of the total assets, down by 0.5 percentage point over the 2023 year-end. The credit ratings of the real estate financial investment debt products remained high, with relatively comprehensive credit enhancement measures in place, and major projects are located in tier 1, provincial capital cities or developed tier 2 cities, thus financing entities have relatively strong solvencies.

Third-party Assets under Management

In 2024, the Group proactively enhanced the quality of third-party asset management business by reducing the size of entrusted assets with lower management fee rates. As at the end of 2024, the total third-party entrusted assets managed by the Group amounted to HK$1,022.5 billion, decreased by 6.2% over the Last Year.

In 2024, TPAM (including TP Fund) recorded a total management fee income before taxation and deduction of HK$2,005 million, including HK$791 million derived from assets outside of the Group, which accounted for 39.5% of total management fee.

SOLVENCY

As at 31 December 2024, the solvency ratios of PRC domestic major subsidiaries TPL, TPI and TPP were significantly higher than PRC domestic regulatory requirements.

	2024	2023	Change
Core Solvency Ratio			
TPL	**186%**	148%	+38pts
TPI	**172%**	138%	+34pts
TPP	**186%**	152%	+34pts
Comprehensive Solvency Ratio			
TPL	**298%**	284%	+14pts
TPI	**239%**	216%	+23pts
TPP	**245%**	229%	+16pts

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank deposits as at 31 December 2024 amounted to HK$112.712 billion (31 December 2023: HK$95.269 billion).

FINANCIAL LEVERAGE

The Group's interest-bearing notes and bank facilities drawn as at 31 December 2024 amounted to HK$10.813 billion and HK$69.872 billion, respectively (31 December 2023: HK$28.607 billion and HK$71.177 billion). As at 31 December 2024, CTIH's consolidated financial leverage ratio (calculated by interest-bearing debts over the summation of interest-bearing debts plus ordinary shareholders' equity and the contractual service margin after taxation) was 26.2% (31 December 2023: 29.6%).

CAPITAL STRUCTURE

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

In March 2023, the Company had issued USD2 billion of perpetual subordinated capital securities, with an initial distribution rate of 6.4%, callable in 2028. Particulars are set out in Note 39 to the consolidated financial statements.

PRINCIPAL PROPERTIES

The location and use of the principal properties held for investment purposes by the Group are set out below, other details are set out in Note 18 of the consolidated financial statements.

Property location	**Use**
Taiping Finance Tower, Pudong New District, Shanghai, the PRC	Medium term lease ; Commercial
Taiping Finance Tower, Futian District, Shenzhen, the PRC	Medium term lease ; Commercial
Taiping Finance Tower, Shangcheng District, Hangzhou, the PRC	Medium term lease ; Commercial
China Taiping Finance Centre, North Point, Hong Kong, the PRC	Medium term lease ; Commercial
The Exchange, Chaoyang District, Beijing, the PRC	Medium term lease ; Commercial

STAFF AND STAFF REMUNERATION

As at 31 December 2024, the Group had a total of 62,266 employees (2023: 65,378 employees), a decrease of 3,112 employees. Total staff costs (excluding retirement plans contributions) for the Year amounted to HK$14.215 billion (2023: HK$12.762 billion), with an increase of 11.4%. Bonuses are linked to both the performance of the Group and the performance of the individual.

CONTINGENT LIABILITIES

Other than those incurred in the normal course of the Group's insurance businesses, there was no outstanding litigation nor any other contingent liabilities as at 31 December 2024.

OUTLOOK

Grounded in Action and Committed to Striving, Writing a New Chapter in the High-Quality Development of China Taiping

2025 is the concluding year of the "14th Five-Year Plan". China Taiping will adhere to the principles of pursuing progress while ensuring stability, put solid work first, uphold a bottom-line mindset, and take risk prevention, strengthened management, development and safety as the main line, and use continuous deepening of reform as the driving force to strive for writing a new chapter in high-quality development. We will actively perform our duties and missions, focus on key national strategies, fully participate in the Guangdong-Hong Kong-Macau Greater Bay Area Development, and fully support Hong Kong to consolidate and enhance its status as an international financial hub. We will give full play to the functions of insurance, improve the quality and efficiency of our services to the real economy, and committed towards the "Five Target Areas". We will accelerate the pace of transformation and continue to deepen high-quality development to further accelerate value transformation, improve investment capabilities and enhance capital efficiency. We will firmly establish a bottom-line awareness, build up a strong defense line for risk control and compliance, and make efforts to improve our risk management capabilities and strengthen compliance management. We will accelerate reform and innovation, enhance the level of refined management, actively promote reforms in key areas, and place greater importance on improving quality and efficiency. We will deepen our strategic layout, focus on building our future competitive advantages, steadily and prudently promote international development, solidly promote the construction of ecosystems, and pragmatically promote digital transformation.

PRC Domestic Life Insurance Business – TPL

- Proactively adapting to the development trend of the industry, TPL will resolutely implement regulatory policy decisions, deeply implement the high-quality development strategy, focus on the optimisation of the liability structure, and comprehensively promote the transition towards participating products

- Continuing to focus on the main tasks of "Adjusting Structure, Reducing Costs, Promoting Innovation, Nurturing Talent and Preventing Risks", TPL will strive to do a good job in the "Five Target Areas", continuously optimise the business structure, fully implement the "Aligning Sales Practices with Regulatory Filings", strengthen the implementation of innovation-driven empowerment, enhance the building of talent team, and improve the comprehensive risk management system, so as to effectively implement all tasks to achieve new milestones in promoting high-quality development with ground breaking initiatives

PRC Domestic Property and Casualty Insurance Business – TPI

- On motor insurance, TPI will adhere to a profitability-first principle to enhance risk screening and pricing capabilities. Benchmarking against the market, TPI will continue to optimise business structure and the quality of new energy vehicle insurance business, strengthen industry-specific marketing and cross-channel collaboration, it will maintain steady growth in vehicle insurance premiums while achieving underwriting profitability

- On non-motor insurance, anchored in serving national strategies, TPI will solidly promote the "Five Target Areas", through accelerating the development of policy health insurance, green insurance, technology insurance, catastrophe insurance, social security protection, strategic new industries and technological innovation, and continue to optimise the management of claims process, intensify the efforts in claims reduction and loss mitigation, so as to solidly promote risk reduction management and improve the quality and efficiency of handling claims

OUTLOOK *(Continued)*

Group Life Insurance and Pension Business – TPP

- TPP will drive steady progress of the annuity business, vigorously explore new enterprise annuity projects and expand the scale of assets under management for annuity. It will strengthen the capabilities of trustee and account management, and continuously enhance annuity investment capabilities

- TPP will steadily promote business model restructuring of group insurance. It will also vigorously promote value growth through enhancing value contribution from long term new business while optimising the structure and quality of short term business. TPP will deepen the development of commercial pension annuity business, and continue to increase premium income and business scale

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

- TPL (HK) will accelerate value transformation, further optimise business structure, strengthen the synergistic and coordinated management among liabilities, assets and capital. It will adopt multiple measures to manage various types of risks, advance improvement projects through innovative initiatives, and strengthen business support capabilities

- TPL (Macau) will continue to strengthen its ability to sell value-based long term insurance policies, expand and consolidate its advantages of the bancassurance channel, while enrich offerings and diversify distribution channels

- TP Singapore’s life insurance business will continue to transform steadily, strengthen rules of capital constraints, accelerate product research and development, enrich product portfolio, and continue to enhance business value and capital efficiency for its life business

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

- CTPI (HK) will accelerate digital transformation, promote product innovation and service upgrades, accelerate the implementation of major strategic projects, and maintain its market leading position

- TP Macau will focus on the construction of major projects in Macau, further enrich cross-border insurance products, optimise service system, and consolidate its market leading position

- TP UK will continue to enhance internal control system, optimise business structure, and strengthen capabilities in product research and development, as well as market expansion, and provide more comprehensive risk coverage for Chinese enterprises “Going Global” and overseas Chinese communities

- TP Luxembourg will fully commit to strengthen its professional team to ensure a steady start of business

- TP Singapore will uphold a quality-first and efficiency-driven approach, stay close to market demands and customer needs. It will refine underwriting and claims handling processes, optimise business structure, maintain underwriting profitability to achieve steady business growth

- TP Indonesia will continue to consolidate its foundation in serving Chinese corporate clients, ensuring stable growth in this segment. Concurrently, it will improve local business quality and enhance overall profitability, driving balanced and sustainable development

OUTLOOK *(Continued)*

Reinsurance Business – TPRe, TPRe (China) and TPRB

- TPRe will grasp the cyclical changes in the global reinsurance market, continue to optimise business structure, strengthen its ability to serve the national strategy, refine management capabilities, continue to promote synergies between domestic and overseas resources, strengthen the cultivation and recruitment of professional and technical talents, and enhance the quality of operations through digital transformation to continuously improve underwriting profitability

- TPRe (China) will step up its efforts to serve the national strategy, continuously improve the efficiency of capital utilisation, improve the organisational layout, vigorously participate in the construction of the international reinsurance center in Shanghai, further enhance the quality of operations, and continue to improve innovation capability and profitability

- TPRB will continue to consolidate and expand its domestic and overseas reinsurance channels, enhance its professional capabilities, improve its organisational layout and steadily promote the development of life insurance brokerage business

INVESTMENT

In 2025, global economic growth will remain stable and inflationary pressure will continue to decline. According to the World Economic Outlook released by the International Monetary Fund in January this year, the global economy is expected to grow by 3.3% in 2025, representing a slight increase of 0.1 percentage point compared with 2024. Among the major economies in the world, it is estimated that the US economy will grow at 2.7%, the Eurozone at 1.0% and Japan at 1.1%. For China, according to the PRC Government Work Report, China's economic growth target rate is set at around 5%.

In December 2024, the Central Economic Work Conference pointed out that 2025 is a critical year for achieving the objectives and tasks of the "14^{th} Five-Year" plan, and that it was necessary to maintain stable economic growth, maintain overall stability in employment and prices, maintain a basic balance in the balance of payments and promote the synchronisation of the growth of residents' income and economic growth. It is expected that market expectations and investor confidence will continue to improve under the influence of a more proactive fiscal policy and a moderately accommodative monetary policy. On the international front, the US Federal Reserve's interest rate meeting in January 2025 announced that the US federal funds rate would be maintained at 4.25%-4.50%. The minutes of the meeting indicated that as inflation in the US was still at a high level, the committee would decide whether to relax its policy depending on the subsequent changes in labour market conditions and inflation. US interest rate futures prices indicate that the US Federal Reserve is expected to cut interest rates 2-3 times during the year, with continued attention to the impact of US fiscal and tariff policies on inflation.

The Group will resolutely implement China's general principle of "Pursuing Progress to Ensure Stability While Promoting Stability through Advancing the Economy", strengthen its services to the national strategies, enhance the quality and effectiveness of services to the real economy, make full use of the long term advantages of insurance funds, promote the "Five Target Areas" as in "Technology Finance, Green Finance, Inclusive Finance, Ageing Finance and Digital Finance" while optimising medical, health, elder care and other industrial layouts around the insurance industry to promote a virtuous cycle for the combined development of insurance, investment and the greater business ecosystem.

The Group will adhere to the philosophy of "Long-term Investment, Value Investment and Responsible Investment", pay close attention to domestic and international macro policies and capital market changes, build a stable and prudent investment portfolio, and respond to the challenges of the domestic interest rate environment through a diversified asset allocation strategy, so as to stabilise long-term investment returns.

EMBEDDED VALUE

BACKGROUND

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

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

BASIS OF PREPARATION

The Group has appointed KPMG Advisory (China) Limited ("KPMG Advisory") to examine whether the methodology and assumptions used by TPL in the preparation of the Embedded Value and the New Business Value as at 31 December 2024 complied with the valuation standard requirements, general actuarial principles and relevant laws and regulations, and are consistent with available market information. KPMG Advisory has also examined the adjustment steps used by the Group for the adjusted net worth of its other core businesses in preparing the Group Embedded Value.

CAUTIONARY STATEMENT

The calculations of Embedded Value and the New Business Value of TPL are based on certain assumptions with respect to future experience. Thus, the actual results could differ significantly from what is envisioned when these calculations were made. In addition, the Group Embedded Value is also based on certain assumptions, and should not be viewed as the only benchmark for evaluating and valuing the businesses and operations of the Group. From an investor's perspective, the valuation of CTIH is measured by the stock market price of the Company's shares on any particular day. In valuing CTIH's shares, investors should take into account not only the Embedded Value and the New Business Value of TPL and the Group Embedded Value, but also various other considerations. In addition, TPL is 75.1%-owned by the Company. The Embedded Value and the New Business Value of TPL as at 31 December 2024 as disclosed below should therefore not be applied 100% in valuing CTIH. Investors are advised to pay particular attention to this factor, as well as the other assumptions underlying the calculations of the Embedded Value and New Business Value of TPL and the Group Embedded Value, if they believe such calculations are important and material to the valuation of the Company.

EMBEDDED VALUE *(Continued)*

Group Embedded Value

At 31 December, HK$ million

	2024 (After Adjustment)	2024 *(Before Adjustment)*[2]	2023
Adjusted Net Worth[1]	**182,917**	211,681	185,712
Value of in-force business before cost of capital for TPL	**121,124**	140,976	131,025
Cost of capital for TPL	**(69,816)**	(45,642)	(44,614)
Group Embedded Value	**234,224**	307,015	272,123
Attributable to:			
Owners of the Company	**174,577**	229,243	203,106
Non-controlling interests	**59,647**	77,772	69,018
Group Embedded Value	**234,224**	307,015	272,123

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

[1] *The adjusted net worth is based on CTIH's audited net asset value, after making the following major adjustments:*
i Goodwill and intangible assets produced during consolidation have been deducted;
ii Adjustment for after-tax difference between market value and book value of assets; and
iii Adjustment for after-tax difference between provisions and valuation-related liabilities.

[2] *The economic assumptions used to calculate the embedded value at 31 December 2024 (before adjustment) were with those as at 31 December 2023.*

Group Embedded Value after adjustment measured in RMB at 31 December 2024 was RMB216.901 billion, Group Embedded Value before adjustment was RMB284.308 billion (31 December 2023: RMB246.604 billion).

EMBEDDED VALUE *(Continued)*

TPL's Embedded Value

1 EMBEDDED VALUE

At 31 December, HK$ million

	2024 *(After Adjustment)*	2024 *(Before Adjustment)*	2023
Adjusted net worth	**155,443**	184,207	158,964
Value of in-force business before cost of capital	**121,124**	140,976	131,025
Cost of capital	**(69,816)**	(45,642)	(44,614)
Embedded Value	**206,751**	279,541	245,375
Attributable to:			
Owners of the Company	**155,270**	209,936	184,277
Non-controlling interests	**51,481**	69,606	61,098
Embedded Value	**206,751**	279,541	245,375

Embedded Value after adjustment measured in RMB at 31 December 2024 was RMB191.460 billion, Embedded Value before adjustment was RMB258.867 billion (31 December 2023: RMB222.364 billion), among them, the adjusted net worth after adjustment was RMB143.947 billion, the adjusted net worth before adjustment was RMB170.583 billion (31 December 2023: RMB144.057 billion).

EMBEDDED VALUE *(Continued)*

TPL's Embedded Value *(Continued)*

2 NEW BUSINESS VALUE

HK$ million

	For the Past 12 Months as of 31 December 2024 *(After Adjustment)*	For the Past 12 Months as of 31 December 2024 *(Before Adjustment)*	For the Past 12 Months as of 31 December 2023
New Business Value before cost of capital	**13,940**	17,886	13,219
Cost of capital	**(4,837)**	(3,614)	(5,708)
New Business Value after cost of capital	**9,103**	14,272	7,512

New Business Value after adjustment measured in RMB for 2024 was RMB8.430 billion, New Business Value before adjustment was RMB13.216 billion (2023: RMB6.807 billion).

New business margin of TPL after adjustment for 2024 was 20.7%, new business margin before adjustment was 32.5% (2023: 15.9%); from which the new business margin for individual business after adjustment was 20.6%, new business margin for individual business before adjustment was 32.6% (2023: 22.2%); new business margin for bancassurance business after adjustment was 20.8%, new business margin for bancassurance business before adjustment was 32.6% (2023: 5.9%).

New Business Value by line of business was as follows:

HK$ million

	For the Past 12 Months as of 31 December 2024 *(After Adjustment)*	For the Past 12 Months as of 31 December 2024 *(Before Adjustment)*	For the Past 12 Months as of 31 December 2023
Individual	**5,481**	8,695	6,124
Bancassurance	**3,179**	4,982	996
Others [1]	**443**	595	391
	9,103	14,272	7,512

[1] *Others mainly consists of channel business such as internet & telemarketing and group insurance.*

EMBEDDED VALUE *(Continued)*

TPL's Embedded Value *(Continued)*

3 MOVEMENT ANALYSIS OF EMBEDDED VALUE

The following analysis shows the movement of the Embedded Value to 31 December 2024.

	notes	***HK$ million***
Embedded Value as at 31 December 2023		245,375
Expected return on Embedded Value	*a*	14,764
New Business Value	*b*	14,272
Minimum capital dispersion effect	*c*	3,415
Operational assumption and model change	*d*	1,529
Other experience variance and exchange rate impact etc.	*e*	2,657
Capital injection or dividend to shareholders	*f*	(2,470)
Embedded Value before economic assumption change as at 31 December 2024		279,541
Economic assumption change	*g*	(72,791)
Embedded Value as at 31 December 2024		206,751

notes:

(a) Return on value of in-force business plus expected interest on adjusted net assets.

(b) New business contribution from sales of new business in the year of 2024.

(c) Minimum capital dispersion effect refers to the difference caused by the different evaluation level of cost of capital under C-ROSS embedded value framework. Cost of capital of new business is evaluated on the policy level while cost of capital of in-force business is evaluated on the company level.

(d) Operational assumption and model change.

(e) Including differences between the actual experience and expected experience for investment return, dividend, mortality, morbidity, lapses, expenses and the effect from reinsurance contracts and assumption changes, as well as exchange rate impact arising from the exchange rate of the RMB etc.

(f) Dividend to shareholders in 2024.

(g) Economic assumption change.

EMBEDDED VALUE *(Continued)*

TPL's Embedded Value *(Continued)*

4 KEY ASSUMPTIONS

TPL has adopted the best estimate approach in setting the assumptions used in the calculation of its Embedded Value and New Business Value. The assumptions have been based on the actual experience of TPL and certain benchmarks set by referencing general PRC economic conditions and the experience of other life insurance companies.

4.1 Risk discount rate

The risk discount rate represents the long-term, post-tax cost of capital of the investor for whom the valuation is made, together with an allowance for risk, taking into account of factors such as the political and economic environment in the PRC.

As calculated, the discount rate is equal to the risk-free rate plus a risk premium. The risk free rate is based on the PRC ten-year government bond and the risk premium reflects the risk associated with future cash flows, including all of the risks which have not been considered in the valuation.

The risk discount rate currently applied by TPL is 8.5% (2023:9.0%) for all in force and new business.

4.2 Investment return

The annual investment returns have been assumed to be 4.0% (2023: annual investment returns assumed to be 4.5%).

4.3 Expenses

Expenses have been projected based on benchmark assumptions.

4.4 Tax

The tax rate is assumed to be 25% according to the tax regulations of the PRC.

EMBEDDED VALUE *(Continued)*

TPL's Embedded Value *(Continued)*

4 KEY ASSUMPTIONS *(Continued)*

4.5 Mortality

The experience mortality rate is calculated based on the product characteristics and the characteristics of the insured population, using 70% of the China Life Insurance Mortality Table

4.6 Morbidity

The morbidity rate assumptions have been set with reference to actual experience and distinguished between types of insurance.

4.7 Claim ratio

The claim ratio assumptions for short-term insurance business have been set with reference to actual experience and distinguish between channels and types of insurance.

4.8 Lapses

The lapse assumptions have been based on TPL's actuarial pricing assumptions and adjusted to reflect the results of its recent experience studies.

4.9 Required capital

The required capital has been based on 100% of the minimum solvency margin (2023: 100%).

EMBEDDED VALUE *(Continued)*

TPL's Embedded Value *(Continued)*

5 SENSITIVITY TESTING

Sensitivity testing in respect of the following key assumptions are summarised below:

At 31 December 2024, HK$ million

Assumptions	Embedded value	New business value after cost of capital
Base scenario	**206,751**	**9,103**
10% increase in investment return and risk discount rate	225,776	11,004
10% decrease in investment return and risk discount rate	183,828	6,747
10% increase in mortality rates	205,645	9,011
10% decrease in mortality rates	207,864	9,197
10% increase in morbidity rates	202,546	9,046
10% increase in lapse rates	210,465	9,094
10% decrease in lapse rates	202,849	9,112
10% increase in expense ratio assumption	205,320	8,914

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	**2024** **$'000**	2023 $'000
Insurance revenue	4(a)	**111,267,759**	107,488,846
Insurance service expenses	9	**(86,432,636)**	(86,255,383)
Net expenses from reinsurance contracts held		**(2,811,029)**	(2,702,206)
Insurance service results		**22,024,094**	18,531,257
Interest revenue	5	**40,239,750**	35,716,881
Financial assets not measured at fair value through profit or loss		**30,064,493**	27,560,492
Financial assets measured at fair value through profit or loss		**10,175,257**	8,156,389
Other investment return	6	**24,970,928**	(250,704)
Net impairment loss on financial assets	7	**(1,332,088)**	(1,737,633)
Share of results of associates and joint ventures		**2,664,685**	(162,686)
Investment return	4(b)(i)	**66,543,275**	33,565,858
Finance expenses from insurance contracts issued	4(b)(ii)	**(61,035,012)**	(36,012,224)
Finance income from reinsurance contracts held	4(b)(iii)	**387,959**	252,969
Net changes in investment contract liabilities	4(b)(iv)	**(65,049)**	355,249
Net investment results		**5,831,173**	(1,838,148)
Other income	8	**4,647,209**	5,740,050
Other operating expenses	9	**(6,917,399)**	(7,011,340)
Other finance costs	10(a)	**(3,457,378)**	(3,763,752)
Profit before taxation	10	**22,127,699**	11,658,067
Income tax charges	13	**(9,329,863)**	(1,381,126)
Profit after taxation		**12,797,836**	10,276,941
Attributable to:			
Owners of the Company		**8,431,613**	6,189,764
Non-controlling interests		**4,366,223**	4,087,177
		12,797,836	10,276,941
Earnings per share attributable to the ordinary shareholders	14	**dollars**	dollars
Basic		**2.068**	1.495
Diluted		**2.068**	1.495

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	2024	2023
	$'000	*$'000*
Profit after taxation	**12,797,836**	10,276,941
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Revaluation gain arising from reclassification of own-use properties to investment properties, net of deferred tax	**79,610**	83,743
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures which are not foreign operations	**(2,431,731)**	(1,547,688)
Changes in the fair value of equity investments at fair value through other comprehensive income, net of deferred tax	**4,710,515**	353,417
Finance expenses from insurance contracts issued, net of deferred tax	**(17,213)**	-
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of the financial statements of foreign operations	**(69,346)**	80,850
Changes in the fair value of debt investments at fair value through other comprehensive income, net of deferred tax	**58,261,112**	22,169,599
Finance expenses from insurance contracts issued, net of deferred tax	**(80,182,811)**	(33,099,875)
Finance income from reinsurance contracts held, net of deferred tax	**35,146**	75,829
Share of other comprehensive income of associates and joint ventures, net of deferred tax	**185,837**	-
Total comprehensive income for the year	**(6,631,045)**	(1,607,184)
Attributable to:		
Owners of the Company	**(5,830,321)**	(2,601,496)
Non-controlling interests	**(800,724)**	994,312
	(6,631,045)	(1,607,184)

Consolidated Statement of Financial Position
as at 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	**At 31 December 2024 $'000**	At 31 December 2023 $'000
Assets			
Statutory deposits	16	**6,430,618**	6,126,504
Fixed assets			
- Property and equipment	17	**39,871,354**	34,787,745
- Investment properties	18	**22,829,108**	24,685,922
- Right-of-use assets	19	**6,263,500**	6,729,005
		68,963,962	66,202,672
Goodwill	20	**352,587**	353,658
Intangible assets	20	**261,408**	261,408
Interests in associates and joint ventures	22	**28,918,673**	27,874,851
Deferred tax assets	23	**8,495,132**	11,549,792
Financial investments	24		
- At fair value through profit or loss		**449,973,516**	460,487,656
- At amortised cost		**112,160,533**	125,324,198
- Debt investments at fair value through other comprehensive income		**828,786,139**	612,963,068
- Equity investments at fair value through other comprehensive income		**51,396,341**	25,134,939
Securities purchased under resale agreements	25	**2,005,621**	7,108,241
Amounts due from group companies	26	**1,312,476**	1,313,246
Insurance contract assets	27	**870,982**	1,451,667
Reinsurance contract assets	27	**10,793,568**	11,295,059
Finance lease receivables	28	**44,903,617**	53,388,724
Other assets	29	**12,435,180**	9,519,295
Pledged and restricted bank deposits	30	**1,226,236**	2,412,297
Deposits at banks with original maturity more than three months		**60,666,843**	44,175,811
Cash and cash equivalents	31	**44,388,582**	42,554,402
		1,734,342,014	1,509,497,488
Liabilities			
Insurance contract liabilities	27	**1,413,410,381**	1,196,541,128
Reinsurance contract liabilities	27	**93,082**	133,735
Investment contract liabilities	32	**20,379,713**	6,030,767
Deferred tax liabilities	23	**1,871,363**	1,964,299
Interest-bearing notes	33	**10,813,422**	28,606,595
Bank borrowings	34	**69,872,231**	71,176,964
Lease liabilities		**1,437,899**	1,646,685
Securities sold under repurchase agreements	25	**46,683,213**	29,316,187
Amounts due to group companies	26	**22,146**	16,639
Other payables and accruals	35	**46,773,159**	40,409,767
Current taxation		**577,955**	1,059,068
		1,611,934,564	1,376,901,834
Net assets		**122,407,450**	132,595,654

Consolidated Statement of Financial Position *(Continued)*
as at 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	**At 31 December 2024** **\$'000**	At 31 December 2023 \$'000
Capital and reserves attributable to owners of the Company			
Share capital	*37*	**40,771,408**	40,771,408
Reserves	*38*	**30,309,000**	38,216,702
		71,080,408	78,988,110
Perpetual subordinated capital securities	*39*	**15,990,486**	15,991,524
		87,070,894	94,979,634
Non-controlling interests		**35,336,556**	37,616,020
Total equity		**122,407,450**	132,595,654

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

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

		Attributable to owners of the Company											
	Notes	**Share capital** *$'000*	**Capital reserve** *$'000*	**Merger reserve** *$'000*	**Exchange reserve** *$'000*	**Fair value reserve** *$'000*	**Insurance finance reserve** *$'000*	**Revaluation reserve** *$'000*	**Retained profits** *$'000*	**Ordinary shareholders sub-total** *$'000*	**Perpetual subordinated capital securities** *$'000*	**Non-controlling interests** *$'000*	**Total** *$'000*
Balance at 1 January 2024		40,771,408	(5,618,303)	(6,842,218)	(5,962,339)	32,151,963	(61,414,865)	1,562,384	84,340,080	78,988,110	15,991,524	37,616,020	132,595,654
Profit for the year		-	-	-	-	-	-	-	8,431,613	8,431,613	-	4,366,223	12,797,836
Other comprehensive income for the year, net of deferred tax		-	-	-	(1,891,869)	48,073,908	(60,521,543)	77,570	-	(14,261,934)	-	(5,166,947)	(19,428,881)
Total comprehensive income		-	-	-	(1,891,869)	48,073,908	(60,521,543)	77,570	8,431,613	(5,830,321)	-	(800,724)	(6,631,045)
Dividend declared to shareholders	*15*	-	-	-	-	-	-	-	(1,078,206)	(1,078,206)	-	-	(1,078,206)
Dividend declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(1,080,447)	(1,080,447)
Distribution to holders of perpetual subordinated capital securities	*39*	-	-	-	-	-	-	-	(999,175)	(999,175)	999,175	-	-
Declared to holders of perpetual subordinated capital securities/ perpetual capital securities	*39*	-	-	-	-	-	-	-	-	-	(1,000,213)	(398,293)	(1,398,506)
Disposal of equity investments at fair value through other comprehensive income	*24(ii)*	-	-	-	-	(141,402)	-	-	141,402	-	-	-	-
Balance at 31 December 2024		40,771,408	(5,618,303)	(6,842,218)	(7,854,208)	80,084,469	(121,936,408)	1,639,954	90,835,714	71,080,408	15,990,486	35,336,556	122,407,450

Note: The nature or purpose of reserves are disclosed in Note 38(a).

Consolidated Statement of Changes in Equity *(Continued)*
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

		Attributable to owners of the Company											
	Notes	Share capital *$'000*	Capital reserve *$'000*	Merger reserve *$'000*	Exchange reserve *$'000*	Fair value reserve *$'000*	Insurance finance reserve *$'000*	Revaluation reserve *$'000*	Retained profits *$'000*	Ordinary shareholders sub-total *$'000*	Perpetual subordinated capital securities *$'000*	Non-controlling interests *$'000*	Total *$'000*
Balance at 1 January 2023		40,771,408	(5,618,303)	(6,842,218)	(4,839,608)	15,011,588	(36,410,708)	1,479,780	79,787,927	83,339,866	-	25,503,729	108,843,595
Profit for the year		-	-	-	-	-	-	-	6,189,764	6,189,764	-	4,087,177	10,276,941
Other comprehensive income for the year, net of deferred tax		-	-	-	(1,122,731)	17,253,024	(25,004,157)	82,604	-	(8,791,260)	-	(3,092,865)	(11,884,125)
Total comprehensive income		-	-	-	(1,122,731)	17,253,024	(25,004,157)	82,604	6,189,764	(2,601,496)	-	994,312	(1,607,184)
Dividend declared to shareholders		-	-	-	-	-	-	-	(934,445)	(934,445)	-	-	(934,445)
Dividend declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(983,759)	(983,759)
Capital injections made to a subsidiary		-	-	-	-	-	-	-	-	-	-	11,700	11,700
Issuance of perpetual subordinated capital securities/perpetual capital securities	*39*	-	-	-	-	-	-	-	-	-	15,674,799	12,090,038	27,764,837
Distribution to holders of perpetual subordinated capital securities	*39*	-	-	-	-	-	-	-	(815,815)	(815,815)	815,815	-	-
Declared to holders of perpetual subordinated capital securities	*39*	-	-	-	-	-	-	-	-	-	(499,090)	-	(499,090)
Disposal of equity investments at fair value through other comprehensive income	*24(ii)*	-	-	-	-	(112,649)	-	-	112,649	-	-	-	-
Balance at 31 December 2023		40,771,408	(5,618,303)	(6,842,218)	(5,962,339)	32,151,963	(61,414,865)	1,562,384	84,340,080	78,988,110	15,991,524	37,616,020	132,595,654

Note: The nature or purpose of reserves are disclosed in Note 38(a).

Consolidated Statement of Cash Flows
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	**2024** **$'000**	2023 $'000
Operating activities			
Profit before taxation		**22,127,699**	11,658,067
Adjustments for:			
- Depreciation of property and equipment	*10*	**2,245,560**	2,325,901
- Depreciation of right-of-use assets	*10*	**939,935**	1,002,755
- Deficit on revaluation of investment properties	*6*	**778,581**	427,421
- Other finance costs	*10*	**3,457,378**	3,763,752
- Dividend income	*6*	**(6,569,250)**	(8,552,940)
- Interests income	*5*	**(40,239,750)**	(35,716,881)
- Share of results of associates and joint ventures		**(2,664,685)**	162,686
- Gains on disposal of interest in associates	*6*	**(48,320)**	-
- Net losses on disposal of property and equipment	*8*	**46,904**	3,622
- Loss on disposal of investment properties	*6*	**-**	173
- Net losses/(gains) from financial investments		**(21,896,896)**	8,524,752
- Recognition of impairment losses on goodwill	*8*	**-**	364,870
- Recognition of impairment losses on property and equipment	*8*	**30,077**	23,910
- Net impairment loss on financial assets	*7*	**1,332,088**	1,737,633
- Reversal of impairment losses on finance lease receivables	*8*	**(283,780)**	(27,177)
- Recognition of impairment losses on other assets	*8*	**645,797**	258,137
- Recognition of impairment losses on interest in associates and joint venture	*6*	**3,463,161**	687,508
Operating loss before changes in working capital		**(36,635,501)**	(13,355,811)

Consolidated Statement of Cash Flows *(Continued)*
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	2024	2023
	$'000	*$'000*
Change in insurance contract assets/liabilities	**136,155,636**	124,807,756
Decrease/(increase) in other assets	**(2,515,883)**	1,100,777
Decrease/(increase) in finance lease receivables	**6,432,606**	(7,657,006)
Change in reinsurance contract assets/liabilities	**327,367**	(837,215)
Increase in bank borrowings for finance lease receivables	**2,847,279**	10,159,063
Increase in investment contract liabilities	**14,679,039**	660,843
Increase/(decrease) in other payables and accruals	**5,183,875**	(3,105,744)
Cash generated from operations	**126,474,418**	111,772,663
Income tax paid	**(525,062)**	(192,603)
Net cash from operating activities	**125,949,356**	111,580,060

Consolidated Statement of Cash Flows *(Continued)*
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	2024	2023
	$'000	*$'000*
Investing activities		
Decrease/(increase) in pledged and restricted bank deposits	**1,186,061**	(892,375)
Increase in statutory deposits	**(363,779)**	(35,538)
Decrease/(increase) in deposits at banks with original maturity more than three months	**(17,555,168)**	21,681,300
Decrease in amounts due from group companies	**770**	746,618
Payment for purchase of financial investments	**(553,326,979)**	(504,983,674)
Proceeds from redemption of financial investments	**419,256,849**	314,247,923
Decrease in securities purchased under resale agreements	**5,033,010**	6,997,925
Increase in securities sold under repurchase agreements	**18,206,297**	2,302,556
Interests income received	**37,439,852**	29,684,358
Dividend income received	**5,761,418**	7,898,550
Payment for purchase of property and equipment	**(9,711,595)**	(6,923,032)
Proceeds from sale of property and equipment	**1,367,519**	743,884
Payment for purchase of investment properties	**(21,543)**	(262,911)
Proceeds from sale of investment properties	**-**	1,118
Payment for purchase of associates and joint ventures	**(4,424,634)**	(5,481,439)
Dividend received from associates and joint ventures	**1,087,242**	648,882
Sale proceeds from disposal of associates and joint ventures	**433,410**	2,674,819
Net cash used in investing activities	**(95,631,270)**	(130,951,036)

Consolidated Statement of Cash Flows *(Continued)*
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Notes	**2024** **$'000**	2023 $'000
Financing activities			
Increase/(decrease) in amounts due to group companies		**5,507**	(2,366)
Proceeds from interest-bearing notes issued		**3,291,675**	1,443,562
Redemption of interest-bearing notes		**(20,441,304)**	-
Proceeds from bank borrowings		**-**	2,500,000
Repayment of bank borrowings		**(3,000,000)**	(3,950,000)
Repayment of the lease liabilities		**(900,379)**	(1,007,184)
Proceeds from perpetual subordinated capital securities issued		**-**	27,764,837
Dividend paid to holders of perpetual subordinated capital securities		**(1,398,506)**	(499,090)
Capital injections made to a subsidiary by non-controlling interests	35	**1,179,517**	11,700
Dividend paid by subsidiaries to non-controlling interests		**(1,080,447)**	(983,759)
Interest paid		**(4,488,535)**	(4,557,722)
Dividend paid	15	**(1,078,206)**	(934,445)
Net cash generated from/(used in) financing activities		**(27,910,678)**	19,785,533
Effect of changes in exchange rates		**(573,228)**	(332,584)
Net increase in cash and cash equivalents		**1,834,180**	81,973
Cash and cash equivalents at 1 January	31	**42,554,402**	42,472,429
Cash and cash equivalents at 31 December	31	**44,388,582**	42,554,402

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

Notes to the Consolidated Financial Statements
(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Material Accounting Policy Information

(a) Statement of compliance

The Company is a limited liability company incorporated in Hong Kong, PRC and its shares are listed on the Stock Exchange of Hong Kong Limited. The address of the registered office of the Company is disclosed in the “Corporate Information” section to the announcement.

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are disclosed in Note 21.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and requirement of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the material accounting policies adopted by the Group are disclosed below.

The presentation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the Note 47.

(b) Basis of preparation of the financial statements

The consolidated financial statements comprise the Company and its subsidiaries.

The functional currency of the majority number of operating subsidiaries in the Group is RMB, the currency of the primary economic environment in which the respective entities in the Group operate. For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in Hong Kong dollars.

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

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(b) Basis of preparation of the financial statements *(Continued)*

Stated at fair value

(i) Investment properties;

(ii) Financial investments at fair value through profit or loss;

(iii) Debt investments at fair value through other comprehensive income;

(iv) Equity investments at fair value through other comprehensive income; and

(v) Certain investment contract liabilities.

Measured primarily based on actuarial methods

Insurance and reinsurance contract assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(b) Basis of preparation of the financial statements *(Continued)*

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the following year are discussed in Note 47.

(c) Insurance contracts

(i) Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to “Insurance Contracts” and “Reinsurance Contracts” include contracts issued, initiated or acquired by the Group, unless otherwise stated.

Some contracts issued by the Group have the legal form of insurance contracts but do not transfer significant insurance risk. These contracts are referred to as “Investment Contracts”. Investment contracts issued by the Group that contain discretionary participation features, whereby investors have the right and is expected to receive, as a supplement to the amount not subjected to the Group’s discretion, potential significant additional benefits based on the return of specified pools of assets, are accounted for under HKFRS 17 and applying the accounting treatments for insurance contracts. Investment contracts that do not contain discretionary participation features are classified as investment contracts and follow financial instrument accounting under HKFRS 9.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(i) Classification of insurance contracts (Continued)

Insurance contracts are classified as contracts with direct participation features or contracts without direct participation features. Contracts with direct participation features are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features.

(ii) Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and

- distinct investment components, i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(iii) Significant insurance risk test

The Group performs significant insurance risk testing on insurance contract issued and reinsurance contracts held at the contract inception date.

In performing the significant insurance risk test, the Group determines that contracts that simultaneously meet the following conditions transfer significant insurance risk:

Insurance risk is significant if, and only if, an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance (i.e. no discernible effect on the economics of the transaction). If an insured event could mean significant additional amounts would be payable in any scenario that has commercial substance, the condition in the previous sentence can be met even if the insured event is extremely unlikely, or even if the expected (i.e. probability-weighted) present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

In addition, a contract transfers significant insurance risk only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis. However, even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(iv) Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;

- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and

- any remaining contracts in the annual cohort.

An insurance contract issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the boundary of the contract);

- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and

- for a group of contracts, when facts and circumstances indicate that the group becomes onerous.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts held

Reinsurance contracts held are similar to insurance contracts issued and are aggregated and recognised using the same way as insurance contracts issued, using assumptions consistent with the assumptions used for the measurement of underlying insurance contracts.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(iv) Aggregation and recognition of insurance and reinsurance contracts (Continued)

Reinsurance contracts held (Continued)

Reinsurance contracts held are divided, grouped and recognised on the following date:

- Reinsurance contracts initiated by the Group that provide proportionate coverage: The beginning of the coverage period of the group of reinsurance contracts held or date on which any underlying insurance contract is initially recognised if the date is later than the beginning of the coverage period of the group of reinsurance contracts held.

- Other reinsurance contracts initiated by the Group: the beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.

(v) Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group and to the groups that will include insurance contracts that are expected to arise from renewals of those contracts in that group.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vi) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

Insurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

Reinsurance contracts held

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or

- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group’s substantive rights and obligations and, therefore, may change over time.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach

Insurance contracts - Initial measurement

On initial recognition, the Group measures a group of insurance contracts as the total of the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and the contractual service margin (“CSM”). The fulfilment cash flows of a group of insurance contracts do not reflect the Group’s non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, any cash flows arising at that date, and any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach (Continued)

<u>*Insurance contracts - Subsequent measurement*</u>

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses and CSM (for contracts with direct participation features)

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach (Continued)

The CSM of each group of contracts is calculated at each reporting date as follows:

Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
    - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component; or
    - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Insurance contracts with direct participation features

Insurance contracts with direct participation features are contracts under which the Group's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the contracts, being the amount of the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach (Continued)

Insurance contracts with direct participation features (Continued)

When measuring a group of contracts with direct participation features, the Group adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Group then adjusts any CSM for changes in the amount of the Group's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
  - a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
  - an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses);
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items - e.g. the effect of financial guarantees.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach (Continued)

Onerous contracts

Onerous contracts at initial recognition

If a group of insurance contracts is onerous at the date of initial recognition, or if additional loss caused by contracts added to the group of onerous contracts, the Group recognises a loss as insurance service expenses in profit or loss for the net outflow for the group of onerous contracts, resulting in the carrying amount of the liability for remaining coverage for the group being equal to the fulfilment cash flows.

Profitable contract group converts to onerous contract group

A group of insurance contracts becomes onerous on subsequent measurement and the Group recongises the loss component of the liability for remaining coverage and insurance service expenses if the following amounts exceed the carrying amount of the CSM:

- Unfavourable changes in the FCF allocated to the group arising from changes in estimates of future cash flows relating to future service; and

- For a group of insurance contracts with direct participation features, the Group's share of a decrease in the fair value of the underlying items.

Onerous contract group becomes less onerous or converts to profitable contract group

The Group reverses the loss component of the liability for remaining coverage and insurance service expenses for the decrease of the estimates in fulfillment cash flow and non-financial risk adjustments relating to future services, and the Group's share of a increase in the fair value of the underlying items. If the decrease of the liability for remaining coverage exceeds the loss component amount, the CSM is recognised.

Onerous contract group becomes more onerous

The Group recongises the loss component of the liability for remaining coverage and insurance service expenses for:

- Unfavourable changes in the FCF allocated to the group arising from changes in estimates of future cash flows relating to future service; and

- For a group of insurance contracts with direct participation features, the Group's share of a decrease in the fair value of the underlying items.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach (Continued)

Onerous contracts (Continued)

Allocation of loss component

After the Group has recognised a loss on an onerous group of insurance contracts, the Group allocates below changes of the liability for remaining coverage on a systematic basis between the loss component of the liability for remaining coverage and the liability for remaining coverage excluding the loss component:

- Estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage because of incurred insurance service expenses;

- Changes in the risk adjustment for non-financial risk recognised in profit or loss because of the release from risk;

- Insurance finance income or expenses.

Any amounts allocated to the loss component of the liability for remaining coverage shall not be recognised as insurance revenue.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach (Continued)

Reinsurance contracts held

To measure a group of reinsurance contracts held, the Group applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications:

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises the fulfilment cash flows that relate to services that will be received under the contracts in future periods and any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts where applicable, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of the fulfilment cash flows, any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, any cash flows arising at that date, and any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of a group of reinsurance contracts, then the Group recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;

- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(vii) Measurement in contracts not measured under the premium allocation approach (Continued)

Reinsurance contracts held *(Continued)*

- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts;

- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;

- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;

- the effect of any currency exchange differences on the CSM; and

- the amount recognised in profit or loss because of the services received in the year.

The Group adjusts the CSM of the group to which a reinsurance contract held belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract held is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and

- the percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contracts.

If the reinsurance contract held covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(viii) Measurement in contracts measured under the premium allocation approach

The Group uses the premium allocation approach ("PAA") to simplify the measurement of groups of contracts when the following criteria are met at inception.

- The coverage period of each contract in the group is one year or less; or the Group reasonably expects that the resulting measurement of the liability for remaining coverage would not differ materially from the result of applying the accounting policies for contracts not measured under the PAA.

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses, and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Group expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Group has adjusted the liability for remaining coverage to reflect the time value of money and the effect of financial risks.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, to the extent that the fulfilment cash flows exceed the carrying amount of the liability for remaining coverage, the Group recognises a loss as insurance service expenses in profit or loss and increase the liability for remaining coverage.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(viii) Measurement in contracts measured under the premium allocation approach (Continued)

Insurance contracts *(Continued)*

The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted.

Reinsurance contracts held

The Group applies the same accounting policies to measure a group of reinsurance contracts held, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts held measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage.

Derecognition and contract modification

The Group derecognises a contract when it is extinguished - i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(ix) Presentation

Insurance contract assets and liabilities

Portfolios of insurance contracts in an asset position are presented separately from those in a liability position (no offsetting). Portfolios of insurance contracts issued are presented separately from portfolios of reinsurance contracts held.

Insurance revenue

As the Group provides services under the group of insurance contracts, it reduces the liability for remaining coverage and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services. For contracts not measured under the PAA, insurance revenue comprises the following:

Amounts relating to the changes in the liability for remaining coverage:

- claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts allocated to the loss component;
    - repayments of investment components;
    - amounts of transaction-based taxes collected in a fiduciary capacity; and
    - and insurance acquisition expenses;
- changes in the risk adjustment for non-financial risk, excluding:
    - changes included in insurance finance income (expenses);
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss component;
- amounts of the CSM recognised for the services provided in the period;
- experience adjustments arising from premiums received in the period other than that relate to future service; and
- other amounts.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(ix) Presentation (Continued)

Insurance revenue (Continued)

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- incurred claims and benefits, excluding investment components reduced by loss component allocations;

- other incurred directly attributable expenses;

- insurance acquisition cash flows amortisation;

- changes that relate to past service (changes in the fulfilment cash flows relating to the liability for incurred claims); and

- changes that relate to future service (changes in the fulfilment cash flows that result in onerous contract losses or reversals of those losses).

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue. For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(ix) Presentation (Continued)

Net income/(expenses) from reinsurance contracts held

The Group recognises the reduction in the asset for remaining coverage because of services received from the reinsurer in the period as allocation of reinsurance premiums paid. The Group recognises the increase in the asset for incurred claims because of claims and expenses that are expected to be reimbursed in the period and any subsequent related changes in fulfilment cash flows as amount recovered from reinsurer.

The Group treats amounts from the reinsurer that it expects to receive that are not contingent on claims of the underlying contracts as the reduction to the allocation of reinsurance premiums paid. Allocation of reinsurance premiums paid and recoveries of insurance service expenses from reinsurer recognised in profit or loss excludes any investment components of the reinsurance contracts held.

For reinsurance contracts held measured under the PAA, the Group recognises the allocation of reinsurance premiums paid as following:

- Based on the passage of time over the coverage period of a group of contracts;

- If the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then based on the expected timing of incurred insurance service expenses.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(ix) Presentation (Continued)

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and

- the effect of financial risk and changes in financial risk.

For contracts measured under the general measurement model, the main amounts within insurance finance income or expenses are:

- interest accreted on the fulfilment cash flows and the CSM; and

- the effect of changes in interest rates and other financial assumptions.

For contracts measured under the variable fee approach, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- interest accreted on the liability for incurred claims; and

- the effect of changes in interest rates and other financial assumptions.

For insurance contracts without direct participation features, the Group chooses to disaggregate insurance finance income or expenses for the period to include in insurance finance profit or loss an amount determined by the discount rate determined at the initial recognition of the group of contracts and reflecting the cash flow characteristics that do not vary based on the returns on underlying items of the expected total finance expenses from insurance contracts over the duration of the group of contracts.

For insurance contracts with direct participation features, the Group chooses to disaggregate insurance finance income or expenses for the period to include in profit or loss an amount that eliminates accounting mismatches with income or expenses included in profit or loss on the underlying items held.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(x) Interim financial statement choice

Estimates made by the Group in previous interim financial statements are not changed when applying HKFRS 17 in subsequent interim periods or in the annual financial statements. The Group adopt the cumulative catch up (year-to-date) method to update estimates from previous interim periods, and applies to all groups of insurance contracts issued and groups of reinsurance contracts held by the Group.

(xi) Transition

At transition date, identified as 1 January 2022, the Group has applied full retrospective approach to the extent practicable. To the extent where it was impracticable to use a full retrospective approach, the Group applied modified retrospective or the fair value approach as at transition date.

Contracts measured under the modified retrospective approach

The Group has applied the modified retrospective approach to certain groups of contracts at transition date, where the full retrospective approach has not been applied because it was impracticable but the closest possible outcome could have been achieved using reasonable and supportable information. The modified retrospective approach was applied as follows:

To the extent that reasonable and supportable information was not available to estimate future cash flows at initial recognition, future cash flows at the date of initial recognition of a group of insurance contracts were estimated as the future cash flows at the transition date, adjusted by the actual cash flows that have occurred between the transition (or earlier) date and the date of initial recognition.

The risk adjustment for non-financial risk was estimated at the transition date by adjusting the risk adjustment for non-financial risk at the transition date by the expected release of risk before the transition date.

The amount of the CSM for contracts without direct participation features recognised in profit or loss before transition date was determined by comparing the coverage units on initial recognition and the remaining coverage units at transition date.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(xi) Transition (Continued)

Contracts measured under the modified retrospective approach *(Continued)*

For the insurance contracts with direct participation features, a proxy for the CSM or loss component of the liability of remaining coverage at the transition date was calculated based on:

- the total fair value of the underlying assets at the transition date; minus
- the fulfilment cash flow at the date, adjusted for:
  - amounts charged to policyholders before that date;
  - amounts paid before the transition date that would not have varied based on the returns on the underlying items; and
  - the estimated release of the risk adjustment for non-financial risks before the transition date.

The calculated amount of the CSM was reduced for the allocation to profit or loss for services provided before the transition date by comparing the remaining coverage units as at the transition date with the coverage units provided under the group of contracts before the transition date. If the calculated amount of the CSM resulted in a loss component, then the Group adjusted the loss component to zero and increased the liability of remaining coverage excluding the loss component by the same amount at the transition date.

Contracts measured under the fair value approach

For all contracts measured under the fair value approach, the Group used reasonable and supportable information available as at transition date to determine:

- how to identify group of contracts; and
- whether a contract meets the definition of a direct participating contract; and
- how to identify discretionary cash flows for contracts without direct participation features.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(c) Insurance contracts *(Continued)*

(xi) Transition (Continued)

<u>Contracts measured under the fair value approach</u> (Continued)

For groups of contracts measured under the fair value approach, discount rate at the date of initial recognition were determined at the transition date. Fulfilment cash flows were estimated prospectively as at the transition date.

The amount of CSM (or the loss component) for the contracts measured under the fair value approach as at transition date was determined as the difference between the fair value of the group of contracts at the date and the fulfilment cash flow at that date.

The insurance finance income and expense accumulated in insurance service reserve at transition date was determined to be zero except for contracts with direct participation features. For insurance contracts with direct participation features as equal to the cumulative amount recognised in other comprehensive income from the underlying items.

(xii) Investment contracts

Contracts issued by the Group that contain discretionary participation features are accounted for under HKFRS 17 and applying the accounting treatments for insurance contracts. Contracts that do not contain discretionary participation features are classified as “Investment Contracts” and follow financial instrument accounting under HKFRS 9.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year, except those acquired under common control combinations for which merger accounting method is used, are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(d) Basis of consolidation *(Continued)*

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (Note 1(n)). The results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(e) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's investment in that associate or joint venture, including any other unsecured receivables, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(e) Associates and joint ventures *(Continued)*

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in a former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with its associate or joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associates or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(f) Business combinations and goodwill

(i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(f) Business combinations and goodwill *(Continued)*

(ii) Acquisition of additional interests in subsidiaries

On acquisition of additional interests in subsidiaries, the difference between the cost of additional interest acquired and the decrease in the carrying amount of the non-controlling interest is recorded in capital reserve.

(iii) Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combinations occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

(iv) Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(f) Business combinations and goodwill *(Continued)*

(iv) Goodwill (Continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

(v) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (Note 1(n)).

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities

(i) Recognition and initial measurement

The Group recognises financial assets and liabilities on the date on which they are originated or on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument (including regular-way purchases and sales of financial assets).

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

<u>Classification</u>

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

Classification (Continued)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are SPPI.

The Group elects to present changes in the fair value of certain equity investments that are not held for trading in other comprehensive income ("OCI"). The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

Business model assessment (Continued)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

For a majority of debt investments, the objective of the Group's business model is to fund insurance contract liabilities. The Group undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to ensure that contractual cash flows from the financial assets are sufficient to settle insurance contract liabilities. The Group determines that both collecting contractual cash flows as they come due and selling financial assets to maintain the desired asset profile are integral to achieving the business model's objective.

Certain debt securities are held in separate portfolios for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets; and
- features that modify consideration for the time value of money.

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. In addition, for a financial asset acquired at a premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Some prepayment features permit the debtor to prepay the debt instrument at an amount calculated as the remaining contractual cash flows discounted at the current market benchmark interest rate plus a fixed spread. The Group has determined that these prepayment features are consistent with the SPPI criterion. Because the Group would be compensated only for the change in the market benchmark interest rate and for lost interest margin, the prepayment penalty would not include any non-SPPI risks and may be seen as reasonable compensation.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

<u>Subsequent measurement and gains and losses</u>

Financial assets at FVPL are measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

Debt investments at FVOCI are measured at fair value. Interest revenue calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are measured at fair value. Dividends are recognised as income in profit or loss when the Group's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Financial assets at amortised cost are measured at amortised cost using the effective interest method. Interest revenue, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(ii) Classification and subsequent measurement (Continued)

Financial liabilities

Classification

The Group classified its financial liabilities, other than financial guarantees, into one of the following categories:

- financial liabilities at FVPL, and within this category as:
  - held-for trading; or
  - designated as at FVPL;
- financial liabilities at amortised cost.

All investment contract liabilities without discretionary participation features and third party interests in consolidated funds have a unit-linking feature whereby the amount due to contract holders is contractually determined on the basis of specified assets. The effect of the unit-linking feature on the fair value of the liability is asset specific performance risk and not credit risk, and the liabilities are fully collateralised. The Group has determined that any residual credit risk is insignificant and has not had any impact on the fair value of the liabilities.

Subsequent measurement and gains and losses

Financial liabilities at FVPL are measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(ii) Classification and subsequent measurement (Continued)

Interest revenue and expense

Interest revenue and expense are recognised in profit or loss using the effective interest method. The effective interest rate is calculated on initial recognition of a financial instrument and is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance.

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the asset, but not expected credit loss (“ECL”). If the financial asset has become credit-impaired subsequent to initial recognition, then interest revenue is calculated by applying the effective interest rate to the amortised cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest revenue reverts to the gross basis.

For financial liabilities, interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost and debt investments measured at FVOCI.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(ii) Classification and subsequent measurement (Continued)

Derivatives, including embedded derivatives

A derivative embedded in a host insurance or reinsurance contract is not accounted for separately from the host contract if the embedded derivative itself meets the definition of an insurance or reinsurance contract.

(iii) Impairment

The Group recognises loss allowances for ECL on:

- financial assets measured at amortised cost; and

- debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECL for trade receivables arising that result from transactions that are within the scope of HKFRS 15.

Financial assets for which 12-month ECL are recognised are defined as “Stage 1”. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial assets for which lifetime ECL are recognised because of a significant increase in credit risk since initial recognition but that are not credit-impaired are defined as “Stage 2”. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Financial assets for which lifetime ECL are recognised and that are credit-impaired are defined as “Stage 3”.

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(iii) Impairment (Continued)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Although the Group expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(iv) Derecognition and contract modification

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. For debt investments at FVOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. The cumulative gain or loss on equity investments designated as at FVOCI is not reclassified to profit or loss.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. Examples of such transactions are securities sold under repurchase agreements.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(iv) Derecognition and contract modification (Continued)

Financial assets (Continued)

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the new asset.

- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the debtor is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual cash flows rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place.

If a financial asset measured at amortised cost or FVOCI is modified but not substantially, then the financial asset is not derecognised. The Group recalculates the gross carrying amount of the financial asset by discounting the modified contractual cash flows at the original effective interest rate and recognises the resulting adjustment to the gross carrying amount as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses; in other cases, it is presented as interest revenue. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(g) Financial assets and financial liabilities *(Continued)*

(iv) Derecognition and contract modification (Continued)

Financial liabilities

The Group generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notwithstanding the above, when, and only when, the Group repurchases its financial liability and includes it as an underlying item of contracts with direct participation features, the Group may elect not to derecognise the financial liability. Instead, the Group may elect to continue to account for that instrument as a financial liability and to account for the repurchased instrument as if it were a financial asset and measure it at FVPL. This election is irrevocable and is made on an instrument by-instrument basis.

If a financial liability measured at amortised cost is modified but not substantially, then it is not derecognised.

The Group recalculates the amortised cost of the financial liability by discounting the modified contractual cash flows at the original effective interest rate and recognises any resulting adjustment to the amortised cost as a modification gain or loss in "Other Finance Costs" in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred adjust the carrying amount of the modified financial liability and are amortised over the remaining term of the modified financial liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when it is required or permitted by a standard.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(h) Securities purchased under resale agreements/securities sold under repurchase agreements

Securities sold under repurchase agreements represent short-term financing arrangements secured by the securities sold. The securities remain in the consolidated statement of financial position and a liability is recorded in respect of the consideration received. Interest is calculated based upon the effective interest method. The "securities sold under repurchase agreements" liabilities are carried in the consolidated statement of financial position at amortised cost. Conversely, securities purchased under resale agreements represent short-term lending arrangements secured by the securities purchased. The securities purchased are not recognised as financial assets in the consolidated statement of financial position and the consideration paid is recorded as "securities purchased under resale agreements" and carried in the consolidated statement of financial position at amortised cost. Interest is calculated using the effective interest method.

(i) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the consolidated statement of financial position at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the consolidated statement of profit or loss. Rental income from investment properties is accounted for as described in Note 1(u)(ii).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it was held under a finance lease, and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases.

(j) Property and equipment

Property and equipment including buildings and leasehold land (classified as finance leases) held for use in supply of services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and impairment losses (Note 1(n)).

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the consolidated statement of profit or loss on the date of retirement or disposal.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(j) Property and equipment *(Continued)*

Depreciation is recognised to write off the cost of items of property and equipment for administrative purpose, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Land and buildings are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

- Other fixed assets 3 - 10 years

Depreciation is recognised to write off the cost of items of operating lease assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Drilling platform	35 years
- Aircraft equipment	15 - 25 years
- Vessel equipment	5 - 25 years
- Machinery and equipment	6 - 25 years
- Wellbore assets	15 years

Where parts of an item of property and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

If an item of property and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

(k) Prepaid lease payments and buildings under construction

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(k) Prepaid lease payments and buildings under construction *(Continued)*

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "Prepaid Lease Payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property and equipment.

Properties in the course of construction for administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(l) Other debtors and amounts due from group companies

Other debtors and amounts due from group companies are initially recognised at fair value and thereafter stated at amortised cost using effective interest method less allowance for impairment (Note 1(g)(iii)), except the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment.

(m) Amounts due to group companies

Amounts due to group companies are initially recognised at fair value and thereafter stated at amortised cost using effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or, where appropriate, a shorter period to the net carrying amount of the liability on initial recognition.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(n) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired:

- property and equipment;
- investments in subsidiaries, associates and joint ventures;
- intangible asset; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible asset and goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Recognition of impairment losses

An impairment loss is recognised in the consolidated statement of profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value in use, if determinable.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(n) Impairment of other assets *(Continued)*

(iii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated statement of profit or loss in the year in which the reversals are recognised.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

(q) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(r) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "Profit Before Tax" as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(r) Income tax *(Continued)*

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets of such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. When current tax or deferred tax arises from initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(s) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(t) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(u) Revenue recognition

(i) Insurance revenue

The accounting policies for the recognition of insurance revenue are disclosed in Note 1(c).

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the consolidated statement of profit or loss in equal instalments over the periods covered by the lease term. Lease incentives granted are recognised in the consolidated statement of profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Income from asset management, advisory, insurance intermediary and pension businesses

Income from asset management, advisory, insurance intermediary and pension businesses are recognised based on the actual service provided to the end of the reporting period as a proportion of the total service to be provided.

(iv) Dividends

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

(v) Interest revenue calculated using the effective interest method

The accounting policies for the recognition of interest revenue calculated using the effective interest method are disclosed in Note 1(g).

(vi) Interest from finance lease receivable

Interest from finance lease receivable is recognised over the lease periods based on the effective interest method.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated into the functional currencies of respective entities in the Group at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currencies of respective entities in the Group at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the consolidated statement of profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currencies of respective entities in the Group using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency of respective entities in the Group using the foreign exchange rates ruling at the dates the fair value was determined. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

The results of operations outside Hong Kong, PRC are translated into the Group's presentation currency (i.e. Hong Kong dollars) at approximately the average exchange rates for the year. Statement of financial position items are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in a separate component of equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation, or a disposal involving loss of joint ventures that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(w) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(x) Finance lease receivables and unearned finance income

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. At the commencement of the lease term, the Group recognises the minimum lease payments receivable by the Group as a finance lease receivable and records the unguaranteed residual value at the same time. The difference between (a) the aggregate of the minimum lease payments and the unguaranteed residual value and (b) their present value is recognised as unearned finance income. Finance lease receivable net of unearned finance income is recorded in the consolidated statement of financial position.

Unearned finance income is amortised during the lease term using effective interest method.

(y) Leasing

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of equipment and small items of office furniture that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(y) Leasing *(Continued)*

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material Accounting Policy Information *(Continued)*

(z) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

(aa) Perpetual subordinated capital securities

Perpetual subordinated capital securities with no contractual obligation to repay its principal nor to pay any distribution are classified as part of equity. Respective distributions if and when declared are treated as equity movement.

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

In the current year, the Group has applied the following amendments to Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Risk management objectives, policies and processes for mitigating insurance risk

The Group is principally engaged in the underwriting of life insurance business in the PRC, Hong Kong, PRC, Macau, PRC and Singapore, property and casualty insurance business in the PRC, Hong Kong, PRC, Macau, PRC, UK, Luxembourg, Singapore and Indonesia and reinsurance business around the world. The Group's management of insurance and financial risk is a critical aspect of the business. Insurance risks are managed through the application of various policies and procedures relating to underwriting, pricing, claims and reinsurance as well as experience monitoring.

The Group uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses and scenario analyses.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected. Insurance events are, by their nature, random, and the actual number and size of events during any year may vary from those estimated using established statistical techniques.

(b) Underwriting strategy

Life insurance business

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

Property and casualty insurance business

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(b) Underwriting strategy *(Continued)*

Reinsurance business

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

For life reinsurance business strategy, current portfolio of life business is mainly made up of saving business with emphasis on Hong Kong, PRC market. Besides maintaining current business scale, in order to diversify and balance the underwriting portfolio, the Group starts to emphasise on the development of protection business and financial reinsurance business. The Group's strategy is to develop business with prudent attitude, gain more sophisticated market experience instead of seeking fast business expansion.

(c) Reinsurance strategy

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

(d) Asset and liability matching

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(d) Asset and liability matching *(Continued)*

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

- actively seeking to acquire longer dated fixed rate debt investments with an acceptable level of yield;

- upon the maturity dates of fixed rate debt investments, rolling over the proceeds to longer dated fixed rate debt investments;

- disposing of some of the shorter dated fixed rate debt investments, particularly those with lower yields, and rolling over the proceeds to longer dated fixed rate debt investments; and

- investing in equities for the long-term and in property holding company.

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(e) Insurance risk

(i) Life insurance business

Concentration of insurance risks

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

The distribution of sum insured per policy is summarised as follows:

	Before reinsurance		After reinsurance	
RMB'000	Year ended 31 December		Year ended 31 December	
	2024	2023	**2024**	2023
0-200	**88.10%**	88.34%	**95.92%**	96.15%
201-500	**10.89%**	10.73%	**4.03%**	3.80%
>500	**1.01%**	0.93%	**0.05%**	0.05%
	100.00%	100.00%	**100.00%**	100.00%

Management of risks

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

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(e) Insurance risk *(Continued)*

(i) Life insurance business (Continued)

Sensitivity analysis

The table below analyses how the profit before tax and total equity would have increased/(decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

	Impact to profit before tax		Impact to total equity	
	Gross	**Net**	**Gross**	**Net**
	$'000	***$'000***	***$'000***	***$'000***
31 December 2024				
Mortality/mobidity rates (+10%)	**(1,098,762)**	**(1,091,308)**	**(5,510,475)**	**(5,486,622)**
Mortality/mobidity rates (-10%)	**1,150,017**	**1,144,119**	**5,880,985**	**5,861,452**
Lapses rate (+10%)	**224,736**	**218,476**	**601,932**	**591,156**
Lapses rate (-10%)	**(507,005)**	**(497,486)**	**(401,102)**	**(386,962)**
31 December 2023				
Mortality/mobidity rates (+10%)	(1,072,366)	(1,059,024)	(3,708,379)	(3,690,744)
Mortality/mobidity rates (-10%)	1,099,983	1,087,749	3,915,653	3,899,798
Lapses rate (+10%)	(367,757)	(375,664)	159,228	151,097
Lapses rate (-10%)	41,533	50,984	(273,063)	(263,369)

Underlying items

The underlying items of insurance contracts with direct participating features are mainly debt and equity investments. The fair value of underlying debt and equity investments as at 31 December 2024 is $584.437 billion (2023: $471.992 billion).

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(e) Insurance risk *(Continued)*

(ii) Property and casualty insurance business

Concentration of insurance risks

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

The concentration of insurance risk by classes of business is summarised below, with reference to insurance contract assets and insurance contract liabilities as at 31 December 2024 and 2023.

TPI

	At 31 December 2024		At 31 December 2023	
	Insurance contract assets	**Insurance contract liabilities**	Insurance contract assets	Insurance contract liabilities
	$'000	***$'000***	*$'000*	*$'000*
Motor	**-**	**14,889,435**	-	14,462,377
Non-Motor	**803,581**	**10,194,665**	754,511	9,333,382
Total	**803,581**	**25,084,100**	754,511	23,795,759

CTPI (HK)

	At 31 December 2024		At 31 December 2023	
	Insurance contract assets	**Insurance contract liabilities**	Insurance contract assets	Insurance contract liabilities
	$'000	***$'000***	*$'000*	*$'000*
Motor	**-**	**1,137,352**	-	1,039,586
Non-Motor	**-**	**3,438,509**	19,422	3,502,806
Total	**-**	**4,575,861**	19,422	4,542,392

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(e) Insurance risk *(Continued)*

(ii) Property and casualty insurance business (Continued)

Management of risks

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

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

Sensitivity analysis

The table below analyses how the profit before tax and total equity would have increased/(decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

	Impact to profit before tax		**Impact to total equity**	
	Gross	**Net**	**Gross**	**Net**
	$'000	***$'000***	***$'000***	***$'000***
31 December 2024				
Ultimate claims (5% increase)	**(1,956,919)**	**(1,753,936)**	**(1,922,798)**	**(1,726,438)**
Ultimate claims (5% decrease)	**1,951,316**	**1,748,585**	**1,912,959**	**1,718,496**
31 December 2023				
Ultimate claims (5% increase)	(1,730,421)	(1,474,832)	(1,727,910)	(1,470,587)
Ultimate claims (5% decrease)	1,719,027	1,465,319	1,716,342	1,460,929

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(e) Insurance risk *(Continued)*

(iii) Reinsurance business

Concentration of insurance risks

Concentration of risk arises from the accumulation of risks within a particular business line. The Group's key methods in managing these risks are diversification of the business line and areas where the gross premiums are written. The tables below indicate the insurance contract assets and liabilities and reinsurance contract assets and liabilities by business line as at 31 December 2024 and 2023.

By business line:

	At 31 December 2024			
	Insurance contract assets	Insurance contract liabilities	Reinsurance contract assets	Reinsurance contract liabilities
	$'000	*$'000*	*$'000*	*$'000*
General business	**16,205**	**13,103,693**	**1,456,438**	**8,045**
Life business	**25,820**	**15,586,745**	**168,255**	**2,331**
Total	**42,025**	**28,690,438**	**1,624,693**	**10,376**

	At 31 December 2023			
	Insurance contract assets	Insurance contract liabilities	Reinsurance contract assets	Reinsurance contract liabilities
	$'000	*$'000*	*$'000*	*$'000*
General business	10,551	12,002,633	1,643,997	6,071
Life business	93,992	19,642,053	143,075	36,247
Total	104,543	31,644,686	1,787,072	42,318

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(e) Insurance risk *(Continued)*

(iii) Reinsurance business

Management of risks

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

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

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk

The carrying amounts of financial assets at the reporting date were as follows:

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
At FVPL		
- Debt investments	**284,109,432**	265,717,137
- Equity securities	**92,587,070**	111,898,302
- Investment funds	**73,277,014**	82,872,217
	449,973,516	460,487,656
At FVOCI		
- Debt investments	**828,786,139**	612,963,068
- Equity investments	**51,396,341**	25,134,939
	880,182,480	638,098,007
At amortised cost		
- Statutory deposits	**6,430,618**	6,126,504
- Debt investments	**112,160,533**	125,324,198
- Securities purchased under resale agreements	**2,005,621**	7,108,241
- Amounts due from group companies	**1,312,476**	1,313,246
- Other assets	**12,313,111**	9,458,636
- Finance lease receivables	**44,903,617**	53,388,724
- Pledged and restricted bank deposits	**1,226,236**	2,412,297
- Deposits at banks with original maturity more than three months	**60,666,843**	44,175,811
- Cash and cash equivalents	**44,388,582**	42,554,402
	285,407,637	291,862,059
	1,615,563,633	1,390,447,722

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

The carrying amounts of financial liabilities at the reporting date were as follows:

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
At FVPL		
- Investment contract liabilities	**16,834,329**	1,378,204
At amortised cost		
- Interest-bearing notes	**10,813,422**	28,606,595
- Lease liabilities	**1,437,899**	1,646,685
- Bank borrowings	**69,872,231**	71,176,964
- Securities sold under repurchase agreements	**46,683,213**	29,316,187
- Amounts due to group companies	**22,146**	16,639
- Other payables and accruals	**46,773,159**	40,409,767
- Investment contract liabilities	**3,545,384**	4,652,563
	179,147,454	175,825,400
	195,981,783	177,203,604

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(i) Market risk

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices or foreign currency exchange rates. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

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

(a) Interest rate risk

Interest rate risk is risk to the earnings or market value of a fixed-rate financial instrument due to uncertain future market interest rates. Some of the contracts issued by the Group contain interest rate guarantees.

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

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

The Group's interest-sensitive instruments are as follows.

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
Debt investments measured at FVPL	**284,109,432**	265,717,137
Debt investments measured at FVOCI	**828,786,139**	612,963,068
Net reinsurance contract assets	**10,700,486**	11,161,324
Net insurance contract liabilities	**(1,412,539,399)**	(1,195,089,461)
	(288,943,342)	(305,247,932)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(i) Market risk (Continued)

(a) Interest rate risk (Continued)

Sensitivity analysis

An analysis of the Group's sensitivity to a 25 basis points increase or decrease in market interest rates at the reporting date, assuming that all other variables remain constant, is presented below.

	Impact to profit before tax		Impact to total equity	
	Increase 25 basis points *$'000*	Decrease 25 basis points *$'000*	Increase 25 basis points *$'000*	Decrease 25 basis points *$'000*
31 December 2024				
Debt investments	**(3,961,852)**	**4,056,349**	**(33,256,091)**	**34,956,576**
Net insurance contract liabilities	**6,042,848**	**(6,780,137)**	**39,332,406**	**(41,922,836)**
Net reinsurance contract assets	**(8,413)**	**6,953**	**(21,552)**	**20,240**
	2,072,583	**(2,716,835)**	**6,054,763**	**(6,946,020)**
31 December 2023				
Debt investments	(2,393,979)	2,438,446	(22,262,899)	23,405,439
Net insurance contract liabilities	2,194,881	(3,368,194)	38,661,908	(42,611,571)
Net reinsurance contract assets	(21,660)	28,032	(36,082)	42,901
	(220,758)	(901,716)	16,362,927	(19,163,231)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments, net insurance contract liabilities and net reinsurance contract assets in existence at that date.

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(i) Market risk (Continued)

(b) Equity price risk

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

The Group manages the equity price risk by investing in a diverse portfolio of high quality and liquid securities. The Group does not have a significant concentration of equity price risk.

As at 31 December 2024, the Group's investment in equity securities and investment funds was carried at a fair value of $217,260,425,000 (2023: $219,905,458,000), representing approximately 15% (2023: approximately 18%) of the total investments held by the Group.

Sensitivity analysis

An analysis of the Group's sensitivity to a 10% increase or decrease in equity prices at the reporting date, assuming that all other variables remain constant, is presented below:

	Impact to profit before tax		Impact to total equity	
	Increase 10% *$'000*	**Decrease 10%** *$'000*	**Increase 10%** *$'000*	**Decrease 10%** *$'000*
31 December 2024				
Insurance and reinsurance contracts assets/liabilities	**(9,287,274)**	**9,287,274**	**(9,140,186)**	**9,140,186**
Equity securities and investment funds	**16,586,408**	**(16,586,408)**	**21,726,043**	**(21,726,043)**
	7,299,134	**(7,299,134)**	**12,585,857**	**(12,585,857)**
31 December 2023				
Insurance and reinsurance contracts assets/liabilities	(10,040,212)	10,040,212	(9,977,361)	9,977,361
Equity securities and investment funds	19,477,052	(19,477,052)	21,990,546	(21,990,546)
	9,436,840	(9,436,840)	12,013,185	(12,013,185)

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(i) Market risk (Continued)

(c) Foreign exchange risk

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

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

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(i) Market risk (Continued)

(c) Foreign exchange risk (Continued)

The following table presents the financial and insurance assets and liabilities, denominated in a currency other than the functional currency of the respective business units of the Group:

	At 31 December 2024				
	RMB	USD	HKD	Other foreign currencies	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Financial and insurance assets:					
Statutory deposits	1,080	675,978	106,618	158,031	941,707
Financial investments	3,106,854	116,569,226	1,225,502	360,139	121,261,721
- debt securities and debt products	247,220	111,701,693	18,039	267,802	112,234,754
- equity securities/investment funds	2,859,634	4,867,533	1,207,463	92,337	9,026,967
Amounts due from group companies	13,219	-	-	-	13,219
Insurance contract assets	28,388	5,656	325	1,582	35,951
Reinsurance contract assets	22,475	1,046,067	70,940	77,491	1,216,973
Other assets	95,798	512,677	897,604	16,684	1,522,763
Pledged and restricted banks deposits	-	347,831	-	-	347,831
Deposits at banks with original maturity more than three months	41,175	2,182,211	327,370	-	2,550,756
Cash and cash equivalents	682,137	5,090,188	364,203	605,523	6,742,051
	3,991,126	126,429,834	2,992,562	1,219,450	134,632,972
Financial and insurance liabilities:					
Investment contract liabilities	145,745	250,561	-	-	396,306
Interest-bearing notes	-	2,363,299	-	-	2,363,299
Insurance contract liabilities	54,285	1,021,657	62,321	351,157	1,489,420
Reinsurance contract liabilities	170	166	36,751	32,512	69,599
Amounts due to group companies	22,146	-	-	-	22,146
	222,346	3,635,683	99,072	383,669	4,340,770
Net assets	3,768,780	122,794,151	2,893,490	835,781	130,292,202

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(i) Market risk (Continued)

(c) Foreign exchange risk (Continued)

	At 31 December 2023				
	RMB	**USD**	**HKD**	**Other foreign currencies**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***
Financial and insurance assets:					
Statutory deposits	1,103	834,995	205,382	124,632	1,166,112
Financial investments	4,364,769	121,805,536	1,794,318	162,662	128,127,285
- debt securities and debt products	1,560,357	118,379,692	521,898	9,125	120,471,072
- equity securities/investment funds	2,804,412	3,425,844	1,272,420	153,537	7,656,213
Amounts due from group companies	13,368	-	-	-	13,368
Insurance contract assets	91,176	6,820	309	4,520	102,825
Reinsurance contract assets	436,694	947,410	1,145,747	206,893	2,736,744
Other assets	139,713	851,345	845,897	12,456	1,849,411
Pledged and restricted banks deposits	-	470,716	-	-	470,716
Deposits at banks with original maturity more than three months	45,365	510,049	647,864	-	1,203,278
Cash and cash equivalents	2,804,017	9,048,959	142,482	368,097	12,363,555
	7,896,205	134,475,830	4,781,999	879,260	148,033,294
Financial and insurance liabilities:					
Investment contract liabilities	146,534	2,049,196	-	-	2,195,730
Interest-bearing notes	-	2,379,475	-	-	2,379,475
Insurance contract liabilities	37,495	800,193	1,557,326	256,094	2,651,108
Reinsurance contract liabilities	-	4,471	29,560	42,437	76,468
Amounts due to group companies	16,639	-	-	-	16,639
	200,668	5,233,335	1,586,886	298,531	7,319,420
Net assets	7,695,537	129,242,495	3,195,113	580,729	140,713,874

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk

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

The Group is exposed to credit risks primarily associated with debt investments measured at amortised cost and FVOCI, and finance lease receivables. The statutory deposits, pledged and restricted bank deposits, cash and cash equivalent and amounts due from group companies and other assets are subjected to ECL requirement, the identified impairment allowance was immaterial.

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

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

<u>Credit risk management practices</u>

The risk level of the various investment sectors is continuously monitored with the investment mix adjusted accordingly. In respect of the debt securities and debt products invested by life insurance and property and casualty insurance business in the PRC, the investment procedures manual, which is managed by an investment committee, includes the minimum acceptable credit rating of the issuers as required by the NFRA. Any non-compliance or violation of the manual will be followed up and rectification action will be taken immediately.

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

Judgement of significant increase in credit risk

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

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

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

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

Judgement of credit-impaired assets

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

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

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

<u>Judgement of credit-impaired assets</u> *(Continued)*

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

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

Modified financial assets

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

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

– its internal credit rating as at the reporting date based on the modified terms; with

– the internal credit rating based on data on initial recognition and the original contractual terms.

Credit quality analysis

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

	At 31 December 2024			
	Stage 1	*Stage 2*	*Stage 3*	*Total*
	$'000	*$'000*	*$'000*	*$'000*
Net carrying amount:				
Debt investments at FVOCI	**823,463,099**	**5,119,770**	**203,270**	**828,786,139**
Amortised cost				
Debt investments at amortised cost	**99,326,869**	**11,846,047**	**987,617**	**112,160,533**
Finance lease receivables	**43,064,883**	**1,477,269**	**361,465**	**44,903,617**
	965,854,851	**18,443,086**	**1,552,352**	**985,850,289**

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

Credit quality analysis *(Continued)*

	At 31 December 2023			
	Stage 1	*Stage 2*	*Stage 3*	*Total*
	$'000	*$'000*	*$'000*	*$'000*
Net carrying amount:				
Debt investments at FVOCI	610,608,351	2,182,040	172,677	612,963,068
Amortised cost				
Debt investments at amortised cost	115,147,201	8,587,261	1,589,736	125,324,198
Finance lease receivables	51,664,386	1,337,843	386,495	53,388,724
	777,419,938	12,107,144	2,148,908	791,675,990

Inputs, assumptions and techniques used for estimating impairment

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

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

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

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

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment *(Continued)*

The following table sets out information about the credit quality of debt investments measured at amortised cost and FVOCI, excluding impairment, based on the Group's internal credit rating:

	At 31 December 2024 Gross carrying amount			
Internal credit rating	Stage 1 *$'000*	Stage 2 *$'000*	Stage 3 *$'000*	Total *$'000*
AA+ Above	**642,336,398**	**-**	**-**	**642,336,398**
AA	**2,922,149**	**-**	**-**	**2,922,149**
AA-	**3,126,028**	**-**	**-**	**3,126,028**
A+	**20,190,191**	**-**	**-**	**20,190,191**
A	**23,655,160**	**-**	**-**	**23,655,160**
A-	**68,647,080**	**-**	**-**	**68,647,080**
BBB+	**28,630,350**	**-**	**-**	**28,630,350**
BBB	**51,834,149**	**-**	**-**	**51,834,149**
BBB-	**20,121,648**	**-**	**-**	**20,121,648**
BB+ below	**61,471,861**	**17,227,069**	**7,036,621**	**85,735,551**
	922,935,014	**17,227,069**	**7,036,621**	**947,198,704**

	At 31 December 2023 Gross carrying amount			
Internal credit rating	Stage 1 *$'000*	Stage 2 *$'000*	Stage 3 *$'000*	Total *$'000*
AA+ Above	475,410,746	-	-	475,410,746
AA	3,174,409	-	-	3,174,409
AA-	2,267,536	-	-	2,267,536
A+	16,761,075	-	-	16,761,075
A	21,123,018	-	-	21,123,018
A-	48,230,593	-	-	48,230,593
BBB+	18,716,557	-	-	18,716,557
BBB	42,734,957	-	-	42,734,957
BBB-	20,358,278	-	-	20,358,278
BB+ below	77,183,106	10,960,013	6,926,838	95,069,957
	725,960,275	10,960,013	6,926,838	743,847,126

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

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

Incorporation of forward-looking information

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

Loss allowance

The following tables show reconciliations from the opening balance to the closing balance of the credit risk exposure and loss allowance by class of financial instrument. Transfers due to changes in credit risk are determined in accordance with the accounting policy disclosed in Note 1(g).

	Stage 1 *$'000*	*Stage 2* *$'000*	*Stage 3* *$'000*	*Total* *$'000*
Investment in debt securities at FVOCI				
Balance at 1 January 2023	161,201	88,873	205,918	455,992
Transfer to Stage 2	(8,055)	67,361	(59,306)	-
Transfer to Stage 3	-	(20,851)	20,851	-
Net remeasurement/(reversal) of loss allowance	9,804	(29,631)	583,856	564,029
New financial assets acquired	100,116	-	-	100,116
Effects of movements in exchange rates	(9,611)	(9,846)	(340)	(19,797)
Balance at 31 December 2023	**253,455**	**95,906**	**750,979**	**1,100,340**
Transfer to Stage 2	**(26,867)**	**26,867**	**-**	**-**
Net remeasurement/(reversal) of loss allowance	**(49,550)**	**162,296**	**348,536**	**461,282**
New financial assets acquired	**77,110**	**-**	**-**	**77,110**
Effects of movements in exchange rates	**(22,412)**	**(3,427)**	**14,047**	**(11,792)**
Balance at 31 December 2024	**231,736**	**281,642**	**1,113,562**	**1,626,940**

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(ii) Credit risk (Continued)

Loss allowance *(Continued)*

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Investment in debt securities at amortised cost				
Balance at 1 January 2023	189,271	138,180	4,307,369	4,634,820
Transfer to Stage 2	(1,631)	189,734	(188,103)	-
Transfer to Stage 3	-	(120,153)	120,153	-
Net remeasurement/(reversal) of loss allowance	(4,872)	(1,899)	1,035,651	1,028,880
New financial assets acquired	44,608	-	-	44,608
Financial assets derecognised/write-offs	-	-	(156,901)	(156,901)
Effects of movements in exchange rates	(22,653)	(15,150)	46,256	8,453
Balance at 31 December 2023	**204,723**	**190,712**	**5,164,425**	**5,559,860**
Transfer to Stage 2	**(25,655)**	**25,655**	**-**	**-**
Transfer to Stage 3	**-**	**(15,643)**	**15,643**	**-**
Net remeasurement/(reversal) of loss allowance	**(60,783)**	**62,340**	**762,789**	**764,346**
New financial assets acquired	**29,350**	**-**	**-**	**29,350**
Financial assets derecognised/write-offs	**-**	**-**	**(61,820)**	**(61,820)**
Effects of movements in exchange rates	**(2,589)**	**(1,812)**	**(35,303)**	**(39,704)**
Balance at 31 December 2024	**145,046**	**261,252**	**5,845,734**	**6,252,032**

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Finance lease receivables				
Balance at 1 January 2023	1,217,694	244,180	1,687,281	3,149,155
Transfer to Stage 2	(5,600)	34,551	(28,951)	-
Transfer to Stage 3	-	(2,821)	2,821	-
Net remeasurement/(reversal) of loss allowance	(602,118)	(7,440)	(53,803)	(663,361)
New financial assets acquired	636,184	-	-	636,184
Effects of movements in exchange rates	(16,920)	(3,490)	(24,113)	(44,523)
Balance at 31 December 2023	**1,229,240**	**264,980**	**1,583,235**	**3,077,455**
Transfer to Stage 2	**(24,820)**	**24,820**	**-**	**-**
Transfer to Stage 3	**-**	**(247)**	**247**	**-**
Net remeasurement/(reversal) of loss allowance	**(517,050)**	**2,171**	**(93,802)**	**(608,681)**
New financial assets acquired	**324,901**	**-**	**-**	**324,901**
Financial assets derecognised/write-offs	**-**	**-**	**(373,028)**	**(373,028)**
Effects of movements in exchange rates	**(22,885)**	**(5,705)**	**(32,402)**	**(60,992)**
Balance at 31 December 2024	**989,386**	**286,019**	**1,084,250**	**2,359,655**

At 31 December 2024, the maximum exposure to credit risk from insurance contracts is $4,264,246,000 (2023: $4,169,536,000), which primarily relates to premiums receivable for services that the Group has already provided. The maximum exposure to credit risk from reinsurance contracts is $826,694,000 (2023: $753,401,000), which primarily relates to reinsurance premiums receivable.

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(iii) Liquidity risk

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

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

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

<u>*Financial instruments*</u>

The following table details the remaining contractual obligations for its financial instruments based on the agreed repayment terms, except for investment contract liabilities which are based on expected maturity dates since the exercise of all surrender and transfer options would result in all investment contracts being presented as falling due with one year or less.

	At 31 December 2024				
	Less than 1 year *$'000*	1 year to 5 years *$'000*	More than 5 years *$'000*	Total undiscounted cash flows *$'000*	Carrying value *$'000*
Financial assets:					
Statutory deposits	1,506,335	5,262,032	-	6,768,367	6,430,618
Financial investments	346,510,841	250,530,056	1,315,547,238	1,912,588,135	1,442,316,529
Securities purchased under resale agreements	2,005,810	-	-	2,005,810	2,005,621
Amounts due from group companies	1,312,476	-	-	1,312,476	1,312,476
Finance lease receivables	16,947,957	28,459,367	5,791,307	51,198,631	44,903,617
Pledged and restricted bank deposits and deposits at banks with original maturity more than three months	9,454,164	49,387,316	7,570,918	66,412,398	61,893,079
Cash and cash equivalents	44,388,582	-	-	44,388,582	44,388,582
	422,126,165	333,638,771	1,328,909,463	2,084,674,399	1,603,250,522
Financial liabilities:					
Interest-bearing notes	605,267	3,897,362	9,335,404	13,838,033	10,813,422
Bank borrowings	58,030,095	13,350,538	997,446	72,378,079	69,872,231
Lease liabilities	706,837	895,270	41,146	1,643,253	1,437,899
Investment contract liabilities	17,358,602	1,622,359	1,956,494	20,937,455	20,379,713
Securities sold under repurchase agreements	46,688,677	-	-	46,688,677	46,683,213
Amounts due to group companies	22,146	-	-	22,146	22,146
	123,411,624	19,765,529	12,330,490	155,507,643	149,208,624

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(f) Financial risk *(Continued)*

(iii) Liquidity risk (Continued)

	At 31 December 2023				
	Less than 1 year	**1 year to 5 years**	**More than 5 years**	**Total undiscounted cash flows**	**Carrying value**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***
Financial assets:					
Statutory deposits	2,927,209	3,544,096	-	6,471,305	6,126,504
Financial investments	268,658,977	173,968,381	983,313,925	1,425,941,283	1,223,909,861
Securities purchased under resale agreements	7,108,241	-	-	7,108,241	7,108,241
Amounts due from group companies	1,313,246	-	-	1,313,246	1,313,246
Finance lease receivables	19,498,605	35,585,191	6,673,306	61,757,102	53,388,724
Pledged and restricted bank deposits and deposits at banks with original maturity more than three months	7,663,410	40,018,643	-	47,682,053	46,588,108
Cash and cash equivalents	42,554,402	-	-	42,554,402	42,554,402
	349,724,090	253,116,311	989,987,231	1,592,827,632	1,380,989,086
Financial liabilities:					
Interest-bearing notes	5,406,466	4,241,548	23,921,839	33,569,853	28,606,595
Bank borrowings	47,705,048	25,637,924	1,512,480	74,855,452	71,176,964
Lease liabilities	771,972	1,091,307	83,629	1,946,908	1,646,685
Investment contract liabilities	2,598,490	1,902,013	2,133,334	6,633,837	6,030,767
Securities sold under repurchase agreements	29,335,735	-	-	29,335,735	29,316,187
Amounts due to group companies	16,639	-	-	16,639	16,639
	85,834,350	32,872,792	27,651,282	146,358,424	136,793,837

Insurance and reinsurance contracts

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

	At 31 December 2024						
	Less than 1 year	**1 year to 2 years**	**2 years to 3 years**	**3 years to 4 years**	**4 years to 5 years**	**Over 5 years**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Insurance contracts	**80,978,854**	**50,044,159**	**27,705,628**	**19,695,828**	**14,067,444**	**956,086,971**	**1,148,578,884**
Reinsurance contracts	**(4,595,691)**	**(1,160,848)**	**(525,880)**	**(259,449)**	**(61,078)**	**(584,937)**	**(7,187,883)**
Total	**76,383,163**	**48,883,311**	**27,179,748**	**19,436,379**	**14,006,366**	**955,502,034**	**1,141,391,001**

	At 31 December 2023						
	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Insurance contracts	35,951,905	33,243,708	30,105,817	19,397,011	8,601,207	774,116,741	901,416,389
Reinsurance contracts	(3,408,011)	(790,125)	(163,165)	(131,628)	(54,510)	(374,293)	(4,921,732)
Total	32,543,894	32,453,583	29,942,652	19,265,383	8,546,697	773,742,448	896,494,657

The amounts from insurance contracts that are payable on demand are $908,077,668,000 as at 31 December 2024 (2023: $844,238,425,000).

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(g) Capital management

The Group's key business operations are its life insurance business, the property and casualty insurance business and the reinsurance business, which are conducted through its subsidiaries. The Group manages its capital to ensure that the entities conducting the life insurance business, the property and casualty insurance business and reinsurance business will be able to meet statutory solvency requirements in the jurisdictions in which they operate. The statutory solvency requirements for each regulated insurance subsidiary are disclosed in the solvency rules at each jurisdiction. The Group's capital management initiatives also strive to maintain a surplus for future business expansion opportunities. The Group's overall capital management strategy remains unchanged from the prior year. The Group's capital includes the components of total equity of $122,407,450,000 (2023: $132,595,654,000), interest-bearing notes of $10,813,422,000 (2023: $28,606,595,000) and bank borrowings of $69,872,231,000 (2023: $71,176,964,000). The Group complied with the various solvency requirements throughout the Year.

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(h) Claims development

The key assumption underlying the estimates of provision for outstanding claims is the ultimate claims expenses. A respective percentage change in the ultimate claims expenses alone results in a similar percentage change in provision for outstanding claims.

Analysis of claims development – gross of reinsurance for TPI

For the year ended 31 December 2024

	Accident year					
	2020	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	**16,751,106**	**22,464,501**	**18,799,939**	**21,469,826**	**21,748,467**	
One year later	**16,910,608**	**20,642,130**	**17,850,049**	**21,192,151**		
Two years later	**15,447,852**	**20,265,854**	**17,480,723**			
Three years later	**15,212,939**	**19,824,842**				
Four years later	**14,865,089**					
Estimate of cumulative claims	**14,865,089**	**19,824,842**	**17,480,723**	**21,192,151**	**21,748,467**	**95,111,272**
Cumulative payments to date	**(14,748,839)**	**(19,521,686)**	**(16,676,189)**	**(18,686,193)**	**(14,453,422)**	**(84,086,329)**
Liabilities recognised in the consolidated statement of financial position	**116,250**	**303,156**	**804,534**	**2,505,958**	**7,295,045**	**11,024,943**
Liabilities in respect of accident years 2019 and earlier						**395,289**
Effect of discounting and other factors						**747,278**
Total liabilities included in the consolidated statement of financial position						**12,167,510**

For the year ended 31 December 2023

	Accident year					
	2019	**2020**	**2021**	**2022**	**2023**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	13,840,929	16,751,106	22,464,501	18,799,939	21,469,826	
One year later	14,384,248	16,910,608	20,642,130	17,850,049		
Two years later	14,997,157	15,447,852	20,265,854			
Three years later	13,727,838	15,212,939				
Four years later	13,550,268					
Estimate of cumulative claims	13,550,268	15,212,939	20,265,854	17,850,049	21,469,826	88,348,936
Cumulative payments to date	(13,440,026)	(14,924,232)	(19,482,631)	(15,607,596)	(14,337,873)	(77,792,358)
Liabilities recognised in the consolidated statement of financial position	110,242	288,707	783,223	2,242,453	7,131,953	10,556,578
Liabilities in respect of accident years 2018 and earlier						371,311
Effect of discounting and other factors						611,830
Total liabilities included in the consolidated statement of financial position						11,539,719

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(h) Claims development *(Continued)*

Analysis of claims development – net of reinsurance for TPI

For the year ended 31 December 2024

	Accident year					
	2020	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	**14,429,907**	**21,422,187**	**16,980,007**	**18,853,533**	**20,155,884**	
One year later	**15,108,821**	**19,206,770**	**16,262,426**	**18,591,868**		
Two years later	**13,699,894**	**18,872,298**	**15,964,842**			
Three years later	**13,493,478**	**18,448,567**				
Four years later	**13,188,987**					
Estimate of cumulative claims	**13,188,987**	**18,448,567**	**15,964,842**	**18,591,868**	**20,155,884**	**86,350,148**
Cumulative payments to date	**(13,118,187)**	**(18,245,994)**	**(15,393,633)**	**(16,642,556)**	**(18,682,697)**	**(82,083,067)**
Liabilities recognised in the consolidated statement of financial position	**70,800**	**202,573**	**571,209**	**1,949,312**	**1,473,187**	**4,267,081**
Liabilities in respect of accident years 2019 and earlier						**352,416**
Effect of discounting and other factors						**724,791**
Total liabilities included in the consolidated statement of financial position						**5,344,288**

For the year ended 31 December 2023

	Accident year					
	2019	**2020**	**2021**	**2022**	**2023**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	12,014,214	14,429,907	21,422,187	16,980,007	18,853,533	
One year later	12,536,167	15,108,821	19,206,770	16,262,426		
Two years later	13,178,036	13,699,894	18,872,298			
Three years later	12,089,719	13,493,478				
Four years later	11,924,442					
Estimate of cumulative claims	11,924,442	13,493,478	18,872,298	16,262,426	18,853,533	79,406,177
Cumulative payments to date	(11,843,429)	(13,304,847)	(18,256,815)	(14,473,565)	(17,586,504)	(75,465,160)
Liabilities recognised in the consolidated statement of financial position	81,013	188,631	615,483	1,788,861	1,267,029	3,941,017
Liabilities in respect of accident years 2018 and earlier						204,848
Effect of discounting and other factors						600,853
Total liabilities included in the consolidated statement of financial position						4,746,718

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(h) Claims development *(Continued)*

Analysis of claims development – gross of reinsurance for CTPI (HK)

For the year ended 31 December 2024

	Accident year					
	2020	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	**3,313,226**	**2,000,212**	**1,704,367**	**2,182,421**	**2,187,876**	
One year later	**2,788,840**	**2,418,863**	**1,624,919**	**2,082,241**		
Two years later	**2,890,595**	**2,643,184**	**1,510,701**			
Three years later	**2,733,571**	**2,543,923**				
Four years later	**2,697,720**					
Estimate of cumulative claims	**2,697,720**	**2,543,923**	**1,510,701**	**2,082,241**	**2,187,876**	**11,022,461**
Cumulative payments to date	**(2,314,063)**	**(2,243,318)**	**(1,015,555)**	**(950,123)**	**(400,338)**	**(6,923,397)**
Liabilities recognised in the consolidated statement of financial position	**383,657**	**300,605**	**495,146**	**1,132,118**	**1,787,538**	**4,099,064**
Liabilities in respect of accident years 2019 and earlier						**203,827**
Effect of discounting and other factors						**88,807**
Total liabilities included in the consolidated statement of financial position						**4,391,698**

For the year ended 31 December 2023

	Accident year					
	2019	**2020**	**2021**	**2022**	**2023**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	2,436,736	3,313,226	2,000,212	1,704,367	2,182,421	
One year later	2,551,768	2,788,840	2,418,863	1,624,919		
Two years later	2,736,255	2,890,595	2,643,184			
Three years later	2,614,103	2,733,571				
Four years later	2,578,242					
Estimate of cumulative claims	2,578,242	2,733,571	2,643,184	1,624,919	2,182,421	11,762,337
Cumulative payments to date	(2,340,532)	(2,189,493)	(2,021,341)	(742,882)	(506,664)	(7,800,912)
Liabilities recognised in the consolidated statement of financial position	237,710	544,078	621,843	882,037	1,675,757	3,961,425
Liabilities in respect of accident years 2018 and earlier						230,235
Effect of discounting and other factors						26,080
Total liabilities included in the consolidated statement of financial position						4,217,740

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(h) Claims development *(Continued)*

Analysis of claims development – net of reinsurance for CTPI (HK)

For the year ended 31 December 2024

	Accident year					
	2020	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	**2,209,168**	**1,472,554**	**1,191,724**	**1,451,637**	**1,662,944**	
One year later	**2,028,493**	**1,837,914**	**1,199,215**	**1,508,201**		
Two years later	**2,166,915**	**2,090,523**	**1,184,875**			
Three years later	**2,109,286**	**2,054,617**				
Four years later	**2,078,593**					
Estimate of cumulative claims	**2,078,593**	**2,054,617**	**1,184,875**	**1,508,201**	**1,662,944**	**8,489,230**
Cumulative payments to date	**(1,983,933)**	**(1,882,909)**	**(839,586)**	**(793,010)**	**(359,910)**	**(5,859,348)**
Liabilities recognised in the consolidated statement of financial position	**94,660**	**171,708**	**345,289**	**715,191**	**1,303,034**	**2,629,882**
Liabilities in respect of accident years 2019 and earlier						**112,884**
Effect of discounting and other factors						**(46,904)**
Total liabilities included in the consolidated statement of financial position						**2,695,862**

For the year ended 31 December 2023

	Accident year					
	2019	**2020**	**2021**	**2022**	**2023**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of accident year	1,796,205	2,209,168	1,472,554	1,191,724	1,451,637	
One year later	1,866,380	2,028,493	1,837,914	1,199,215		
Two years later	2,069,577	2,166,915	2,090,523			
Three years later	2,096,259	2,109,286				
Four years later	2,077,458					
Estimate of cumulative claims	2,077,458	2,109,286	2,090,523	1,199,215	1,451,637	8,928,119
Cumulative payments to date	(1,958,588)	(1,945,202)	(1,766,314)	(621,911)	(453,778)	(6,745,793)
Liabilities recognised in the consolidated statement of financial position	118,870	164,084	324,209	577,304	997,859	2,182,326
Liabilities in respect of accident years 2018 and earlier						108,824
Effect of discounting and other factors						(137,556)
Total liabilities included in the consolidated statement of financial position						2,153,594

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(h) Claims development *(Continued)*

Analysis of claims development – gross of reinsurance for TPRe

For the year ended 31 December 2024

	Underwriting year					
	2020	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of underwriting year	**2,933,936**	**3,550,847**	**3,389,456**	**3,514,588**	**2,965,882**	
One year later	**6,119,368**	**7,323,214**	**7,572,722**	**7,257,470**		
Two years later	**6,538,672**	**7,857,458**	**7,907,217**			
Three years later	**6,702,160**	**7,990,314**				
Four years later	**6,827,577**					
Estimate of cumulative claims	**6,827,577**	**7,990,314**	**7,907,217**	**7,257,470**	**2,965,882**	**32,948,460**
Cumulative payments to date	**(5,752,783)**	**(6,234,201)**	**(5,653,114)**	**(3,452,105)**	**(361,191)**	**(21,453,394)**
Liabilities recognised in the consolidated statement of financial position	**1,074,794**	**1,756,113**	**2,254,103**	**3,805,365**	**2,604,691**	**11,495,066**
Liabilities in respect of underwriting years 2019 and earlier						**1,827,691**
Effect of discounting and other factors						**2,508,170**
Total liabilities included in the consolidated statement of financial position						**15,830,927**

Note: The above balances exclude the claims liabilities for the life reinsurance business.

For the year ended 31 December 2023

	Underwriting year					
	2019	**2020**	**2021**	**2022**	**2023**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims						
At the end of underwriting year	2,917,941	2,933,936	3,550,847	3,389,456	3,514,588	
One year later	6,460,757	6,119,368	7,323,214	7,572,722		
Two years later	6,917,786	6,538,672	7,857,458			
Three years later	6,667,620	6,702,160				
Four years later	6,768,803					
Estimate of cumulative claims	6,768,803	6,702,160	7,857,458	7,572,722	3,514,588	32,415,731
Cumulative payments to date	(5,990,362)	(5,393,938)	(5,272,589)	(3,778,901)	(551,364)	(20,987,154)
Liabilities recognised in the consolidated statement of financial position	778,441	1,308,222	2,584,869	3,793,821	2,963,224	11,428,577
Liabilities in respect of underwriting years 2018 and earlier						1,466,438
Effect of discounting and other factors						1,525,599
Total liabilities included in the consolidated statement of financial position						14,420,614

Note: The above balances exclude the claims liabilities for the life reinsurance business.

2 INSURANCE, FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

(h) Claims development *(Continued)*

Analysis of claims development – net of reinsurance for TPRe

For the year ended 31 December 2024

	Underwriting year					
	2020	**2021**	**2022**	**2023**	**2024**	**Total**
	\$'000	***\$'000***	***\$'000***	***\$'000***	***\$'000***	***\$'000***
Estimate of cumulative claims						
At the end of underwriting year	**2,629,139**	**3,116,088**	**3,085,920**	**3,208,951**	**2,487,841**	
One year later	**5,363,057**	**6,310,386**	**7,031,943**	**6,718,202**		
Two years later	**5,666,038**	**6,756,385**	**7,336,662**			
Three years later	**5,829,110**	**6,881,024**				
Four years later	**5,939,073**					
Estimate of cumulative claims	**5,939,073**	**6,881,024**	**7,336,662**	**6,718,202**	**2,487,841**	**29,362,802**
Cumulative payments to date	**(5,071,687)**	**(5,444,022)**	**(5,287,053)**	**(3,206,940)**	**(308,502)**	**(19,318,204)**
Liabilities recognised in the consolidated statement of financial position	**867,386**	**1,437,002**	**2,049,609**	**3,511,262**	**2,179,339**	**10,044,598**
Liabilities in respect of underwriting years 2019 and earlier						**1,525,499**
Effect of discounting and other factors						**1,692,574**
Total liabilities included in the consolidated statement of financial position						**13,262,671**

Note: The above balances exclude the claims liabilities for the life reinsurance business.

For the year ended 31 December 2023

	Underwriting year					
	2019	**2020**	**2021**	**2022**	**2023**	**Total**
	\$'000	***\$'000***	***\$'000***	***\$'000***	***\$'000***	***\$'000***
Estimate of cumulative claims						
At the end of underwriting year	2,497,108	2,629,139	3,116,088	3,085,920	3,208,951	
One year later	5,438,086	5,363,057	6,310,386	7,031,943		
Two years later	5,823,648	5,666,038	6,756,385			
Three years later	5,623,921	5,829,110				
Four years later	5,709,471					
Estimate of cumulative claims	5,709,471	5,829,110	6,756,385	7,031,943	3,208,951	28,535,860
Cumulative payments to date	(5,116,344)	(4,778,521)	(4,687,797)	(3,574,693)	(494,985)	(18,652,340)
Liabilities recognised in the consolidated statement of financial position	593,127	1,050,589	2,068,588	3,457,250	2,713,966	9,883,520
Liabilities in respect of underwriting years 2018 and earlier						1,241,801
Effect of discounting and other factors						700,595
Total liabilities included in the consolidated statement of financial position						11,825,916

Note: The above balances exclude the claims liabilities for the life reinsurance business.

3 SEGMENT INFORMATION

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

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

Information regarding the above segments is reported below.

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

3 SEGMENT INFORMATION *(Continued)*

(a) Segmental statement of profit or loss for 2024

	Year ended 31 December 2024						
	Life insurance *$'000*	PRC domestic property and casualty insurance *$'000*	Overseas property and casualty insurance *$'000*	Reinsurance *$'000*	Other businesses *$'000*	Inter-segment elimination and adjustment *$'000*	Total *$'000*
Insurance revenue	64,453,922	33,145,981	5,951,461	8,629,670	-	(913,275)	111,267,759
Insurance service expenses	(44,175,096)	(31,913,596)	(3,989,485)	(7,419,955)	-	1,065,496	(86,432,636)
Net expenses from reinsurance contracts held	(595,453)	(603,552)	(1,346,738)	(625,239)	-	359,953	(2,811,029)
Insurance service results	19,683,373	628,833	615,238	584,476	-	512,174	22,024,094
Interest revenue	35,706,045	859,181	414,763	1,628,053	619,719	1,011,989	40,239,750
Other investment return	23,519,916	532,808	108,530	357,319	265,991	186,364	24,970,928
Net impairment loss on financial assets	(991,225)	5,597	(9,449)	(325,572)	(8,497)	(2,942)	(1,332,088)
Share of results of associates and joint ventures	3,220,514	(24,197)	-	-	3,830	(535,462)	2,664,685
Investment return	61,455,250	1,373,389	513,844	1,659,800	881,043	659,949	66,543,275
Finance expense from insurance contracts issued	(59,179,158)	(766,117)	(282,894)	(858,705)	-	51,862	(61,035,012)
Finance income from reinsurance contracts held	104,185	132,916	139,512	65,343	-	(53,997)	387,959
Net changes in investment contract liabilities	(94,037)	-	-	28,988	-	-	(65,049)
Net investment results	2,286,240	740,188	370,462	895,426	881,043	657,814	5,831,173
Other income	545,980	68,829	(55,428)	(214,741)	8,667,901	(4,365,332)	4,647,209
Other operating expenses	(3,053,157)	(355,268)	(457,715)	(127,570)	(6,408,962)	3,485,273	(6,917,399)
Other finance costs	(490,433)	(150,136)	(33,247)	(60,652)	(2,960,003)	237,093	(3,457,378)
Profit before taxation	18,972,003	932,446	439,310	1,076,939	179,979	527,022	22,127,699
Income tax charges	(8,467,175)	(128,132)	(71,728)	(119,572)	(546,898)	3,642	(9,329,863)
Profit after taxation	10,504,828	804,314	367,582	957,367	(366,919)	530,664	12,797,836
Non-controlling interests							(4,366,223)
Profit attributable to owners of the Company							8,431,613

Segment revenue (including insurance revenue and investment return) and segment profit/(loss) represent the revenue and profit/(loss) earned by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

3 SEGMENT INFORMATION *(Continued)*

(b) Segmental statement of financial position for 2024

	At 31 December 2024						
	Life insurance	PRC domestic property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Other businesses	Inter-segment elimination and adjustment	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Statutory deposits	3,755,681	2,047,675	113,484	511,063	2,715	-	6,430,618
Fixed assets							
- Property and equipment	4,666,102	1,011,492	538,504	40,417	28,824,554	4,790,285	39,871,354
- Investment properties	4,323,867	495,540	3,028,080	216,680	21,106,713	(6,341,772)	22,829,108
- Right-of-use assets	1,591,076	456,965	31,216	113,247	4,744,313	(673,317)	6,263,500
Goodwill	-	-	-	-	48,940	303,647	352,587
Intangible assets	-	-	-	-	-	261,408	261,408
Interests in associates and joint ventures	42,744,173	2,628,583	-	-	2,302,391	(18,756,474)	28,918,673
Financial investments							
- At fair value through profit or loss	410,273,034	9,340,208	877,780	6,741,950	5,145,303	17,595,241	449,973,516
- At amortised cost	79,667,760	6,178,089	3,739,559	14,837,112	2,611,903	5,126,110	112,160,533
- Debt investments at fair value through other comprehensive income	804,269,589	8,405,047	3,094,279	11,293,782	1,723,442	-	828,786,139
- Equity investments at fair value through other comprehensive income	44,676,991	3,058,342	277,062	709,753	2,891,179	(216,986)	51,396,341
Insurance contract assets	33,984	803,581	5,650	42,025	-	(14,258)	870,982
Reinsurance contract assets	3,189,856	2,247,383	3,866,356	1,624,693	-	(134,720)	10,793,568
Finance lease receivables	-	-	-	-	44,903,617	-	44,903,617
Cash and bank deposits	76,542,707	7,529,748	2,291,193	6,143,707	6,641,960	7,132,346	106,281,661
Other segment assets	17,395,764	2,016,608	1,209,435	2,502,769	6,138,159	(5,014,326)	24,248,409
Segment assets	1,493,130,584	46,219,261	19,072,598	44,777,198	127,085,189	4,057,184	1,734,342,014
Insurance contract liabilities	1,351,402,090	25,084,100	8,698,259	28,690,438	-	(464,506)	1,413,410,381
Reiunsurance contract liabilities	48,620	48,698	48,222	10,376	-	(62,834)	93,082
Investment contract liabilities	19,048,583	-	145,744	1,185,386	-	-	20,379,713
Interest-bearing notes	3,752,211	3,248,845	-	1,449,066	2,363,300	-	10,813,422
Bank borrowings	-	-	-	-	69,872,231	-	69,872,231
Lease liabilities	1,441,913	400,793	29,488	118,226	151,247	(703,768)	1,437,899
Securities sold under repurchase agreements	35,381,086	2,149,347	556,820	392,351	264,547	7,939,062	46,683,213
Other segment liabilities	25,461,857	4,825,772	1,357,485	808,032	15,258,978	1,532,499	49,244,623
Segment liabilities	1,436,536,360	35,757,555	10,836,018	32,653,875	87,910,303	8,240,453	1,611,934,564
Non-controlling interests							(35,336,556)
Net assets attributable to owners of the Company							87,070,894

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

3 SEGMENT INFORMATION *(Continued)*

(c) Segmental statement of profit or loss for 2023

	Year ended 31 December 2023						
	Life insurance *$'000*	PRC domestic property and casualty insurance *$'000*	Overseas property and casualty insurance *$'000*	Reinsurance *$'000*	Other businesses *$'000*	Inter-segment elimination and adjustment *$'000*	Total *$'000*
Insurance revenue	61,575,461	32,404,439	5,560,722	9,418,499	-	(1,470,275)	107,488,846
Insurance service expenses	(44,636,601)	(31,102,546)	(3,994,124)	(8,541,655)	-	2,019,543	(86,255,383)
Net expenses from reinsurance contracts held	(319,462)	(776,446)	(988,563)	(588,464)	-	(29,271)	(2,702,206)
Insurance service results	16,619,398	525,447	578,035	288,380	-	519,997	18,531,257
Interest revenue	32,084,379	824,798	359,882	1,651,304	709,533	86,985	35,716,881
Other investment return	(314,263)	(406,657)	42,488	(307,839)	1,150,942	(415,375)	(250,704)
Net impairment loss on financial assets	(1,670,011)	8,316	(12,759)	(608,859)	544,410	1,270	(1,737,633)
Share of results of associates and joint ventures	(288,814)	(27,004)	-	-	14,393	138,739	(162,686)
Investment return	29,811,291	399,453	389,611	734,606	2,419,278	(188,381)	33,565,858
Finance expense from insurance contracts issued	(34,499,052)	(668,099)	(146,356)	(762,128)	-	63,411	(36,012,224)
Finance income from reinsurance contracts held	112,139	81,483	54,684	40,820	-	(36,157)	252,969
Net changes in investment contract liabilities	(44,680)	-	-	(17,309)	-	417,238	355,249
Net investment results	(4,620,302)	(187,163)	297,939	(4,011)	2,419,278	256,111	(1,838,148)
Other income	1,680,517	88,915	5,855	315,780	8,389,153	(4,740,170)	5,740,050
Other operating expenses	(3,095,390)	(272,592)	(381,198)	(140,588)	(6,222,939)	3,101,367	(7,011,340)
Other finance costs	(788,526)	(158,935)	(30,723)	(50,425)	(2,989,061)	253,918	(3,763,752)
Profit before taxation	9,795,697	(4,328)	469,908	409,136	1,596,431	(608,777)	11,658,067
Income tax credits/(charges)	(380,929)	90,721	(83,503)	(76,093)	(856,435)	(74,887)	(1,381,126)
Profit after taxation	9,414,768	86,393	386,405	333,043	739,996	(683,664)	10,276,941
Non-controlling interests							(4,087,177)
Profit attributable to owners of the Company							6,189,764

Segment revenue (including insurance revenue and investment return) and segment profit/(loss) represent the revenue and profit/(loss) earned by each segment which is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

3 SEGMENT INFORMATION *(Continued)*

(d) Segmental statement of financial position for 2023

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

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

3 SEGMENT INFORMATION *(Continued)*

Geographical distribution:

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

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

	At 31 December 2024			
	Hong Kong, PRC and Macau, PRC	**Mainland, PRC**	**Rest of the world**	**Total**
	$'000	***$'000***	***$'000***	***$'000***
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance and joint ventures)	**12,274,884**	**56,611,361**	**691,712**	**69,577,957**

	At 31 December 2023			
	Hong Kong, PRC and Macau, PRC	Mainland, PRC	Rest of the world	Total
	$'000	*$'000*	*$'000*	*$'000*
Non-current assets (other than financial instruments, deferred tax assets, rights arising under insurance and joint ventures)	12,550,258	53,557,692	709,788	66,817,738

Information about major customers:

There were no customers for the years ended 31 December 2024 and 31 December 2023 contributing over 10% of the total insurance service results of the Group.

4 INSURANCE REVENUE AND INSURANCE FINANCE RESULTS

(a) Insurance revenue

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business, property and casualty insurance business, and all classes of reinsurance business. An analysis of insurance revenue for the years ended 31 December 2024 and 31 December 2023 is included in the following tables.

	Year ended 31 December 2024					
	Life insurance	**PRC domestic property and casualty insurance**	**Overseas property and casualty insurance**	**Reinsurance**	**Inter-segment elimination and adjustment**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Contracts not measured under the PAA						
Amounts relating to the changes in the liability for remaining coverage						
- Amount of contractual service margin recognised in profit or loss	**17,449,254**	**52,228**	**92,541**	**1,285,797**	**(106,951)**	**18,772,869**
- Risk adjustment for non-financial risk	**1,727,498**	**52,541**	**43,480**	**548,469**	**(27,337)**	**2,344,651**
- Insurance service expenses incurred during the period	**14,805,544**	**875,682**	**190,522**	**6,037,910**	**(370,783)**	**21,538,875**
- Experience adjustments for premium receipts other than those that relate to future service	**-**	**(17,866)**	**45,796**	**427,759**	**(27,470)**	**428,219**
Insurance acquisition cash flows recovery	**17,034,762**	**453,883**	**48,314**	**329,735**	**(15,639)**	**17,851,055**
	51,017,058	**1,416,468**	**420,653**	**8,629,670**	**(548,180)**	**60,935,669**
Insurance revenue from contracts measured under the PAA	**13,436,864**	**31,729,513**	**5,530,808**	**-**	**(365,095)**	**50,332,090**
Total insurance revenue	**64,453,922**	**33,145,981**	**5,951,461**	**8,629,670**	**(913,275)**	**111,267,759**

	Year ended 31 December 2023					
	Life insurance	PRC domestic property and casualty insurance	Overseas property and casualty insurance	Reinsurance	Inter-segment elimination and adjustment	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Contracts not measured under the PAA						
Amounts relating to the changes in the liability for remaining coverage						
- Amount of contractual service margin recognised in profit and loss	17,465,871	50,189	24,486	1,535,259	(152,517)	18,923,288
- Risk adjustment for non-financial risk	614,692	43,828	23,473	481,899	(62,529)	1,101,363
- Insurance service expenses incurred during the period	12,438,977	730,474	130,161	6,287,077	(757,232)	18,829,457
- Experience adjustments for premium receipts other than those that relate to future service	-	(10,693)	26,116	800,427	(49,119)	766,731
Insurance acquisition cash flows recovery	16,491,455	378,050	37,553	313,837	(12,949)	17,207,946
	47,010,995	1,191,848	241,789	9,418,499	(1,034,346)	56,828,785
Insurance revenue from contracts measured under the PAA	14,564,466	31,212,591	5,318,933	-	(435,929)	50,660,061
Total insurance revenue	61,575,461	32,404,439	5,560,722	9,418,499	(1,470,275)	107,488,846

4 INSURANCE REVENUE AND INSURANCE FINANCE RESULTS *(Continued)*

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

An analysis of the Group's investment return and net insurance finance income/expenses recognised in profit or loss and OCI for the years ended 31 December 2024 and 31 December 2023 are presented in the table below.

		Year ended 31 December	
		2024	2023
		$'000	*$'000*
(i)	**Investment return**		
	Interest revenue	**40,239,750**	35,716,881
	Dividend income	**6,569,250**	8,552,940
	Net rental income receivable from investment properties	**862,100**	817,228
	Net realised investment losses	**(5,247,846)**	(23,715,368)
	Net unrealised investment gains	**22,787,424**	14,094,496
	Net impairment loss on financial assets	**(1,332,088)**	(1,737,633)
	Share of results of associates and joint ventures	**2,664,685**	(162,686)
	Subtotal of investment return recognised in profit and loss	**66,543,275**	33,565,858
	Amounts of investment return recognised in OCI	**83,950,749**	29,633,711
	Total investment return	**150,494,024**	63,199,569
(ii)	**Net finance income/(expenses) from insurance contracts**		
	Change of fair value of contracts with direct participation features	**(53,603,209)**	(25,864,279)
	Interest accrued on insurance contracts	**(26,084,919)**	(21,003,932)
	Changes to interest rate and other financial assumptions	**(88,163,536)**	(33,243,187)
	Net exchange gains/(losses)	**23,426**	(59,005)
	Total net finance expenses from insurance contracts	**(167,828,238)**	(80,170,403)
	Represented by:		
	Amounts recognised in profit or loss	**(61,035,012)**	(36,012,224)
	Amounts recognised in other comprehensive income	**(106,793,226)**	(44,158,179)
	Total	**(167,828,238)**	(80,170,403)
(iii)	**Net finance income from reinsurance contracts**		
	Interest accrued on reinsurance contracts held	**328,216**	243,403
	Changes to interest rate and other financial assumptions	**74,102**	124,621
	Net exchange gains	**25,404**	2,889
	Total net finance income from reinsurance contracts	**427,722**	370,913
	Represented by:		
	Amounts recognised in profit or loss	**387,959**	252,969
	Amounts recognised in other comprehensive income	**39,763**	117,944
	Total	**427,722**	370,913
(iv)	**Net changes in investment contract liabilities**		
	Amounts recognised in profit or loss	**(65,049)**	355,249

5 INTEREST REVENUE

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Financial assets not measured at fair value through profit or loss:		
Debt investments at amortised cost	**5,014,227**	5,682,152
Debt investments at fair value through other comprehensive income	**22,801,357**	18,850,088
Interest revenue on securities purchased under resale agreements	**100,981**	397,952
Interest expenses on securities sold under repurchase agreements	**(806,295)**	(932,083)
Bank deposits and others	**2,954,223**	3,562,383
	30,064,493	27,560,492
Financial assets measured at fair value through profit or loss:		
Debt investments at fair value through profit or loss	**10,175,257**	8,156,389
	40,239,750	35,716,881

6 OTHER INVESTMENT RETURN

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Dividend income		
- Equity securities at fair value through profit or loss	**2,878,823**	5,322,364
- Investment funds	**1,202,754**	1,625,380
- Equity securities at fair value through other comprehensive income	**2,487,673**	1,605,196
	6,569,250	8,552,940
Net rental income receivable from investment properties	**862,100**	817,228
Net realised investment gains/(losses)		
- Debt investments at fair value through profit or loss		
Listed	**(8,165)**	33,041
Unlisted	**528,612**	204,569
- Equity securities at fair value through profit or loss		
Listed	**(9,188,078)**	(21,878,506)
Unlisted	**734,768**	835,017
- Investment funds		
Listed	**(5,670)**	(8,592)
Unlisted	**(1,827,741)**	(2,054,497)
- Debt investments at amortised cost		
Listed	**(547,107)**	(422,818)
Unlisted	**24,226**	-
- Debt investments at fair value through other comprehensive income		
Listed	**54,335**	(770,058)
Unlisted	**5,020,602**	327,666
- Loss on disposal of investment properties	**-**	(173)
- Gain on disposal of interest in associates	**48,320**	-
- Other net realised gains/(losses)	**(81,948)**	18,983
	(5,247,846)	(23,715,368)
Net unrealised investment gains/(losses)		
- Debt investments at fair value through profit or loss		
Listed	**683,012**	437,942
Unlisted	**7,689,091**	2,607,788
- Equity securities at fair value through profit or loss		
Listed	**14,623,820**	11,151,114
Unlisted	**870,857**	(337,485)
- Investment funds		
Listed	**386,019**	(537,198)
Unlisted	**2,776,367**	1,887,264
- Deficit on revaluation of investment properties	**(778,581)**	(427,421)
- Recognition of impairment losses on interest in associates and joint ventures	**(3,463,161)**	(687,508)
	22,787,424	14,094,496
	24,970,928	(250,704)

7 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Impairment loss recognised:		
- Financial investments at amortised cost	**(793,696)**	(1,073,488)
- Debt investment at fair value through other comprehensive income	**(538,392)**	(664,145)
	(1,332,088)	(1,737,633)

8 OTHER INCOME

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Interests from finance lease receivables	**2,145,149**	2,139,129
Income from provision of pension administration services	**968,696**	806,400
Income from provision of asset management and securities broking services	**492,931**	647,304
Income from operating lease	**948,519**	1,253,785
Income from provision of advisory services	**115,652**	119,467
Income from provision of property management services	**137,830**	132,409
Income from provision of agency and insurance intermediary services	**373,460**	521,031
Income from sales of inventories	**1,472**	91,031
Government subsidies	**239,618**	199,747
Net losses on disposal of property and equipment	**(46,904)**	(3,622)
Net exchange losses	**(943,115)**	(113,852)
Recognition of impairment losses on property and equipment	**(30,077)**	(23,910)
Recognition of impairment losses on goodwill	**-**	(364,870)
Reversal of impairment losses on finance lease receivables	**283,780**	27,177
Recognition of impairment losses on other assets	**(645,797)**	(258,137)
Others	**605,995**	566,961
	4,647,209	5,740,050

9 EXPENSES

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Claims and benefits	**43,706,566**	45,084,972
Fees and commissions	**20,462,870**	18,203,773
Staff costs	**15,917,204**	14,813,573
Depreciation and amortisation	**3,185,495**	3,328,656
Taxes and surcharges	**731,097**	624,208
Assets management and other service expenses	**1,841,148**	1,945,005
Other expenses	**5,496,533**	5,101,915
	91,340,913	89,102,102
Amounts attributed to insurance acquisition cash flows incurred during the year	**(28,452,687)**	(26,253,869)
Amortisation of insurance acquisition cash flows	**30,461,809**	30,418,490
	93,350,035	93,266,723
Represented by:		
Insurance service expenses	**86,432,636**	86,255,383
Other operating expenses	**6,917,399**	7,011,340
	93,350,035	93,266,723

10 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
(a) Other finance costs:		
Interests on bank borrowings	**2,663,193**	2,692,540
Interests on interest-bearing notes	**729,509**	999,198
Interests on lease liabilities	**64,676**	72,014
	3,457,378	3,763,752
(b) Staff costs (including directors' remuneration):		
Salaries, wages, bonuses and other benefits	**14,214,955**	12,762,034
Contributions to defined contribution retirement plans	**1,702,249**	2,051,539
	15,917,204	14,813,573
(c) Other items:		
Auditor's remuneration		
- Audit and assurance services *(Note)*	**47,644**	47,183
- Non-audit services	**4,336**	3,208
Depreciation of property and equipment	**2,245,560**	2,325,901
Depreciation of right-of-use assets	**939,935**	1,002,755

Note:

The audit and assurance services of $44.29 million is charged by the Company's auditor, KPMG, for the year ended 31 December 2024.

11 This note will be disclosed in the annual report.

12 This note will be disclosed in the annual report.

13 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Current tax		
Provision for the year	**658,787**	1,169,826
Under/(Over) provision in respect of prior years	**(37,934)**	116,021
	620,853	1,285,847
Deferred tax *(note)*		
Origination of temporary differences	**8,709,010**	95,279
Income tax charges	**9,329,863**	1,381,126

Note: Details of deferred tax assets and liabilities recognised are disclosed in Note 23(a).

The provision for Hong Kong Profits Tax represents the Group's estimated Hong Kong Profits Tax liability calculated at the standard tax rate of 16.5% (2023: 16.5%) on its assessable profits from direct life insurance, property and casualty insurance, asset management, property investment, insurance intermediary, securities dealing and broking businesses. In addition, Hong Kong had a concessionary tax regime whereby a profits tax rate of 8.25% was available to certain qualifying insurance-related businesses which has been applied by the subsidiary of property and casualty insurance business. For reinsurance business, the provision for Hong Kong Profits Tax represents the Group's estimated Hong Kong Profits Tax liability calculated at the concessionary tax rate of 8.25% (2023: 8.25%), one-half of the standard tax rate in Hong Kong except for life business, the estimated assessable profit has been determined at 5% (2023: 5%) of the net written premiums for life insurance products.

Taxation outside Hong Kong, PRC for subsidiaries outside Hong Kong, PRC is calculated at the rates prevailing in the relevant jurisdictions. Under the Enterprise Income Tax Law of the PRC, the enterprise income tax rate for domestic companies in the PRC is 25% (2023: 25%).

The Group is subject to the global minimum top-up tax under the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The Group has conducted a preliminary assessment and no Pillar Two top-up income taxes are levied for the Year. Based on the information available, current tax exposure or impact on the Group's income tax position is not expected to be material for the relevant jurisdictions which have Pillar Two legislation enacted or substantively enacted for the Year. Hong Kong Minimum Top-up Tax released by the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Bill 2024 will be implemented for fiscal years beginning on or after 1 January 2025, the Group is continuing to assess the impact of the Pillar Two legislation on its future financial performance.

13 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*

(b) Reconciliation between tax charges and accounting profit at applicable tax rates:

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Profit before taxation	**22,127,699**	11,658,067
Notional tax on profit before taxation	**5,507,621**	2,892,262
Tax effect of non-deductible expenses	**520,099**	630,187
Tax effect of non-taxable income	**(5,258,475)**	(5,067,190)
Tax effect of temporary differences not recognised	**(124,562)**	(60,488)
Effect of tax concession granted to the businesses of reinsurance with offshore risks	**(31,129)**	(41,272)
Tax effect of tax losses not recognised	**8,774,387**	2,928,228
Utilisation of tax losses not previously recognised	**(35,156)**	(18,828)
Tax effect of different tax rates of group entities operating in other jurisdictions	**15,012**	2,206
Under/(over) provision in respect of prior years	**(37,934)**	116,021
Income tax charges	**9,329,863**	1,381,126

14 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the number of ordinary shares in issue during the Year.

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Profit attributable to owners of the Company	**8,431,613**	6,189,764
Distribution relating to perpetual subordinated capital securities	**(999,175)**	(815,815)
Profit used to determine basic earnings per share	**7,432,438**	5,373,949
Weighted average number of ordinary shares	**3,594,018,538**	3,594,018,538
Basic earnings per share *(HK$ per share)*	**2.068**	1.495

No diluted earnings per share has been presented for the years 2024 and 2023 as the Group had no potential dilutive ordinary shares in issue during the years.

15 DIVIDENDS

The final dividend of ordinary shareholders of the Company in respect of the year ended 31 December 2023 recognised as distribution of $0.30 per ordinary share, in an aggregate amount of $1,078,206,000 during the Year.

Subsequent to the end of reporting period, a final dividend in respect of the year ended 31 December 2024 of $0.35 (2023: $0.30) per ordinary share has been proposed by the Directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

16 STATUTORY DEPOSITS

(a) Certain subsidiaries of the Group have placed $5,459,845,000 (2023: $4,954,474,000) with banks as capital guarantee funds, pursuant to the relevant insurance rules and regulations. The funds can only be used with the prior approval of the relevant authorities in the event that the subsidiaries cannot meet the statutory solvency requirements or go into liquidation.

(b) A subsidiary of the Group has pledged a deposit of $158,031,000 (2023: $124,632,000) registered in favour of the Monetary Authority of Singapore pursuant to section 34D of the Singapore Insurance Act.

(c) A subsidiary of the Group has pledged a deposit of $3,159,000 (2023: $3,299,000) with banks as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.

(d) A subsidiary of the Group has deposited a sum of $1,808,000 (2023: 1,756,000) in the name of Director of Accounting Service with a bank pursuant to section 77(2e) of the Hong Kong Trustee Ordinance.

(e) A subsidiary of the Group has deposited a sum of $908,000 (2023: $1,966,000) with The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Securities and Futures Commission.

(f) Certain subsidiaries of the Group have deposited a sum of $806,867,000 (2023: $1,040,377,000) registered in favour of Autoridade Monetária de Macau ("AMCM") to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

17 PROPERTY AND EQUIPMENT

	Land and buildings *$'000*	Construction in progress *$'000*	Furniture and fixtures *$'000*	Computer equipment *$'000*	Motor vehicles *$'000*	Operating lease assets *$'000*	Total *$'000*
Cost or valuation:							
At 1 January 2023	22,206,911	2,189,788	3,642,171	5,027,124	342,762	11,192,600	44,601,356
Exchange adjustments	(130,187)	(32,887)	(46,692)	(61,420)	(4,661)	(68,006)	(343,853)
Acquisition of assets *(Note 19(b))*	594,600	55,324	19	-	-	-	649,943
Additions	757,015	1,184,269	384,381	547,942	28,458	1,750,746	4,652,811
Disposals	-	-	(72,010)	(169,487)	(24,817)	(1,295,099)	(1,561,413)
Transfer from construction in progress to completed investment properties *(Note 18)*	-	(1,303,266)	-	-	-	-	(1,303,266)
Transfer from land and buildings to completed investment properties *(Note 18)*	(548,700)	-	-	-	-	-	(548,700)
Transfer from construction in progress to land and buildings	10,622	(10,622)	-	-	-	-	-
Transfer from completed investment properties to land and buildings *(Note 18)*	409,750	-	-	-	-	-	409,750
Capitalisation of leasehold land depreciation *(Note 19(a))*	-	75,307	-	-	-	-	75,307
At 31 December 2023	**23,300,011**	**2,157,913**	**3,907,869**	**5,344,159**	**341,742**	**11,580,241**	**46,631,935**
Exchange adjustments	**(309,711)**	**(44,611)**	**(78,770)**	**(101,209)**	**(7,724)**	**(158,267)**	**(700,292)**
Additions	**378**	**604,182**	**323,781**	**527,439**	**7,518**	**6,957,242**	**8,420,540**
Disposals	**-**	**-**	**(37,219)**	**(179,062)**	**(14,397)**	**(1,752,922)**	**(1,983,600)**
Transfer from construction in progress to computer equipment	**-**	**(24,386)**	**-**	**24,386**	**-**	**-**	**-**
Transfer from land and buildings to completed investment properties *(Note 18)*	**(510,787)**	**-**	**-**	**-**	**-**	**-**	**(510,787)**
Transfer from construction in progress to land and buildings	**960,901**	**(960,901)**	**-**	**-**	**-**	**-**	**-**
Transfer from completed investment properties to land and buildings *(Note 18)*	**1,218,932**	**-**	**-**	**-**	**-**	**-**	**1,218,932**
Capitalisation of leasehold land depreciation *(Note 19(a))*	**-**	**53,700**	**-**	**-**	**-**	**-**	**53,700**
At 31 December 2024	**24,659,724**	**1,785,897**	**4,115,661**	**5,615,713**	**327,139**	**16,626,294**	**53,130,428**

17 PROPERTY AND EQUIPMENT *(Continued)*

	Land and buildings $'000	Construction in progress $'000	Furniture and fixtures $'000	Computer equipment $'000	Motor vehicles $'000	Operating lease assets $'000	Total $'000
Accumulated depreciation and impairment:							
At 1 January 2023	2,700,455	-	2,670,864	3,321,590	265,607	1,559,604	10,518,120
Exchange adjustments	(29,604)	-	(36,533)	(44,935)	(4,047)	(15,466)	(130,585)
Charge for the year	566,225	-	467,238	589,871	29,906	672,661	2,325,901
Written back on disposal	-	-	(57,451)	(149,137)	(15,769)	(591,550)	(813,907)
Transfer from land and buildings to completed investment properties *(Note 18)*	(79,249)	-	-	-	-	-	(79,249)
Recognition of impairment during the year *(Note 8)*	-	-	-	-	-	23,910	23,910
At 31 December 2023	**3,157,827**	**-**	**3,044,118**	**3,717,389**	**275,697**	**1,649,159**	**11,844,190**
Exchange adjustments	**(42,256)**	**-**	**(65,867)**	**(82,065)**	**(6,739)**	**(37,408)**	**(234,335)**
Charge for the year	**585,140**	**-**	**394,745**	**646,326**	**18,021**	**601,328**	**2,245,560**
Written back on disposal	**-**	**-**	**(34,641)**	**(171,204)**	**(13,652)**	**(349,680)**	**(569,177)**
Transfer from land and buildings to completed investment properties *(Note 18)*	**(57,241)**	**-**	**-**	**-**	**-**	**-**	**(57,241)**
Recognition of impairment during the year *(Note 8)*	**-**	**-**	**-**	**-**	**-**	**30,077**	**30,077**
At 31 December 2024	**3,643,470**	**-**	**3,338,355**	**4,110,446**	**273,327**	**1,893,476**	**13,259,074**
Net book value:							
At 31 December 2024	**21,016,254**	**1,785,897**	**777,306**	**1,505,267**	**53,812**	**14,732,818**	**39,871,354**
At 31 December 2023	20,142,184	2,157,913	863,751	1,626,770	66,045	9,931,082	34,787,745

As at 31 December 2024, land and buildings of $6,323,870,000 (2023: $11,150,000) located in Macau, PRC or Hong Kong, PRC have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance or to secure bank loans.

As at 31 December 2024, operating lease assets of $2,024,156,000 (2023: $3,182,133,000) have been pledged to financial institutions as collateral in connection with banking facilities arrangements.

18 INVESTMENT PROPERTIES

	Completed investment properties *$'000*	Investment properties under construction *$'000*	Total *$'000*
Valuation:			
At 1 January 2023	21,830,927	-	21,830,927
Exchange adjustments	(141,417)	-	(141,417)
Additions	251,185	11,726	262,911
Write-off	(1,291)	-	(1,291)
Deficit on revaluation	(427,421)	-	(427,421)
Surplus on revaluation upon transfer from land and buildings to completed investment properties	110,474	-	110,474
Transfer from construction in progress to completed investment properties *(Note 17)*	1,303,266	-	1,303,266
Transfer from land and buildings to completed investment properties *(Note 17)*	469,451	-	469,451
Transfer from leasehold land to completed investment properties *(Note 19(a))*	1,688,772	-	1,688,772
Transfer from completed investment properties to land and buildings *(Note 17)*	(409,750)	-	(409,750)
At 31 December 2023	**24,674,196**	**11,726**	**24,685,922**
Exchange adjustments	**(417,655)**	**(257)**	**(417,912)**
Additions	**19,322**	**2,221**	**21,543**
Deficit on revaluation	**(778,581)**	**-**	**(778,581)**
Surplus on revaluation upon transfer from land and buildings to completed investment properties	**83,522**	**-**	**83,522**
Transfer from investment properties under construction to completed investment properties	**11,157**	**(11,157)**	**-**
Transfer from land and buildings to completed investment properties *(Note 17)*	**453,546**	**-**	**453,546**
Transfer from completed investment properties to land and buildings *(Note 17)*	**(1,218,932)**	**-**	**(1,218,932)**
At 31 December 2024	**22,826,575**	**2,533**	**22,829,108**

The investment properties of the Group were revalued at dates of transfer and as at 31 December 2024 and 2023 by independent firm of surveyors. A revaluation deficit of $778,581,000 (2023: $427,421,000) has been recognised in the consolidated statement of profit or loss (Note 6).

As at 31 December 2024, investment properties of $2,160,421,000 (2023: $48,506,000) located in Macau, PRC or Hong Kong, PRC have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance or to secure bank loans.

18 INVESTMENT PROPERTIES *(Continued)*

Fair value measurement of investment properties

The following table analyse the Group's investment properties carried at fair value by level of inputs to valuation techniques used to measure fair value.

	Fair value hierarchy	Fair value at 31 December 2024 *$'000*	Fair value at 31 December 2023 *$'000*	Valuation technique(s)	Significant unobservable inputs	Range of unobservable inputs	Correlation unobservable inputs to fair value
Completed commercial property units	Level 3	**21,549,100**	23,382,118	Income approach	Yield	2.75% - 9%	The higher the yield, the lower the fair value
					Market unit rent	$2 - $943 per square meter	The higher the rent, the higher the fair value
Completed residential property units	Level 3	**536,214**	529,101	Income approach	Yield	1.5% - 9%	The higher the yield, the lower the fair value
					Market unit rent	$3 - $690 per square meter	The higher the rent, the higher the fair value
Completed industrial property units	Level 3	**732,218**	762,977	Income approach	Yield	5% - 8%	The higher the yield, the lower the fair value
					Market unit rent	$1 - $113 per square meter	The higher the rent, the higher the fair value
Investment properties under construction	Level 3	**11,576**	11,726	Income approach	Yield	5% - 8%	The higher the yield, the lower the fair value
					Market unit rent	$1 - $8 per square meter	The higher the rent, the higher the fair value
		22,829,108	24,685,922				

There was no transfer into or out of Level 3 during the Year.

19 RIGHT-OF-USE ASSETS

(a) The movement of right-of-use assets

	Leasehold land *$'000*	Buildings *$'000*	Furniture and fixtures *$'000*	Computer equipment *$'000*	Motor vehicles *$'000*	Total *$'000*
Cost:						
At 1 January 2023	5,931,136	4,047,135	4,108	7,027	2,812	9,992,218
Exchange adjustments	(72,508)	(57,516)	(59)	(2)	(16)	(130,101)
Additions	869	1,137,155	4,068	1,340	90	1,143,522
Acquisition of assets *(Note(b))*	1,621,227	-	-	-	-	1,621,227
Expiry/termination of lease contracts	-	(1,564,646)	(2,330)	-	(1,087)	(1,568,063)
Transfer from leasehold land to completed investment properties *(Note 18)*	(1,932,702)	-	-	-	-	(1,932,702)
At 31 December 2023	**5,548,022**	**3,562,128**	**5,787**	**8,365**	**1,799**	**9,126,101**
Exchange adjustments	**(116,342)**	**(82,207)**	**(123)**	**(89)**	**(47)**	**(198,808)**
Additions	**-**	**1,423,193**	**419**	**16**	**1,608**	**1,425,236**
Expiry/termination of lease contracts	**-**	**(1,747,876)**	**(219)**	**(2,791)**	**(1,492)**	**(1,752,378)**
At 31 December 2024	**5,431,680**	**3,155,238**	**5,864**	**5,501**	**1,868**	**8,600,151**
Accumulated depreciation:						
At 1 January 2023	778,840	2,057,396	2,252	3,159	1,447	2,843,094
Exchange adjustments	(9,577)	(33,557)	(44)	(2)	(15)	(43,195)
Charge for the year	42,464	955,885	1,959	1,830	617	1,002,755
Expiry/termination of lease contracts	-	(1,233,795)	(2,053)	-	(1,087)	(1,236,935)
Depreciation capitalised in construction-in-progress *(Note 17)*	75,307	-	-	-	-	75,307
Transfer from leasehold land to completed investment properties *(Note 18)*	(243,930)	-	-	-	-	(243,930)
At 31 December 2023	**643,104**	**1,745,929**	**2,114**	**4,987**	**962**	**2,397,096**
Exchange adjustments	**(12,742)**	**(55,623)**	**(79)**	**(56)**	**(45)**	**(68,545)**
Charge for the year	**87,237**	**848,270**	**2,263**	**1,489**	**676**	**939,935**
Expiry/termination of lease contracts	**-**	**(982,055)**	**(219)**	**(1,972)**	**(1,289)**	**(985,535)**
Depreciation capitalised in construction-in-progress *(Note 17)*	**53,700**	**-**	**-**	**-**	**-**	**53,700**
At 31 December 2024	**771,299**	**1,556,521**	**4,079**	**4,448**	**304**	**2,336,651**
Net book value:						
At 31 December 2024	**4,660,381**	**1,598,717**	**1,785**	**1,053**	**1,564**	**6,263,500**
At 31 December 2023	4,904,918	1,816,199	3,673	3,378	837	6,729,005

19 RIGHT-OF-USE ASSETS *(Continued)*

(a) The movement of right-of-use assets *(Continued)*

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Expense relating to short-term leases	**107,972**	109,557
Expense relating to lease of low-value assets, excluding short-term leases of low-value assets	**1,269**	1,220

(b) Acquisition of assets

In the year 2023, the Group completed the acquisition of 100% equity interest in Beijing Contemporary Jiuyun Real Estate Co., Ltd. (name changed to Taiping Healthcare (Beijing) Company Limited ("TPHC (Beijing)" after the acquisition) from Shengeng Development Investment (Beijing) Co., Ltd. at a cash consideration of RMB1.8765 billion. The Group had settled RMB1.668 billion (equivalent to $1.8406 billion) in the year 2023, with RMB208.5 million (equivalent to $230.1 million) unsettled which was recognised in other payables and accruals in the consolidated statement of financial position as at 31 December 2024 and 31 December 2023. According to the equity transfer agreement, the acquisition date of this transaction is 24 October 2023, which is the date when the Company actually obtained the control of TPHC (Beijing).

The Group used a concentration test to determine whether the acquisition constitutes a business. Since the fair value of TPHC (Beijing)'s fixed assets (including property and equipment and right-of-use assets) after excluding the impact of monetary funds and deferred income tax is almost equal to the sum of the consideration payable by the Group and the fair value of acquired liabilities, the Group determined that the acquisition of 100% equity interest in TPHC (Beijing) did not constitute a business combination. The Group recognised the transaction above as an asset acquisition transaction. The assets were valued at the date of transfer by an independent firm of surveyor.

The assets and liabilities recognised in respect of the acquisition of TPHC (Beijing) at the acquisition date were as follows:

	Fair value at acquisition date $'000	Carrying amount at acquisition date $'000
Cash and cash equivalents	9	9
Fixed assets		
- Property and equipment	649,943	649,943
- Right-of-use assets	1,621,227	1,621,227
Other assets	29,587	29,587
Other payables and accruals	(229,128)	(229,128)
Tax payable	(949)	(949)
Net assets	2,070,689	2,070,689

19 RIGHT-OF-USE ASSETS *(Continued)*

(b) Acquisition of assets *(Continued)*

	$'000
Represented by:	
Cash consideration paid	1,840,613
Cash consideration unpaid	230,076
	2,070,689
Net cash outflow arising on acquisition:	
Cash consideration paid	1,840,613
Less: cash and cash equivalent balances acquired	(9)
	1,840,604

20 GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill

	$'000
Cost:	
At 1 January 2023	1,085,447
Exchange adjustments	(1,338)
At 31 December 2023	**1,084,109**
Exchange adjustments	**(1,976)**
At 31 December 2024	**1,082,133**
Impairment loss:	
At 1 January 2023	366,194
Recognition of impairment loss *(Note 8)*	364,870
Exchange adjustments	(613)
At 31 December 2023	**730,451**
Exchange adjustments	**(905)**
At 31 December 2024	**729,546**
Net book value:	
At 31 December 2024	**352,587**
At 31 December 2023	353,658

20 GOODWILL AND INTANGIBLE ASSETS *(Continued)*

(b) Intangible assets

	$'000
Cost:	
At 1 January 2023, At 31 December 2023 and At 31 December 2024	261,408
Amortisation/Impairment:	
At 1 January 2023, At 31 December 2023 and At 31 December 2024	-
Net book value:	
At 31 December 2024 and At 31 December 2023	261,408

The intangible assets mainly represent the trade name acquired in the acquisition of TPI in 2008, which is subject to annual impairment test. The relief-from-royalty approach is adopted to determine the fair value of trade name. At the end of each reporting period, the management of the Group reassessed the assumptions of this approach. As at 31 December 2024, the valuation of the trade name is determined based on the future cash flows estimated by TPI and discounted at 14% (2023: 14%). The trade name is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trade name will not be amortised until its useful life is determined to be finite.

Particulars of the impairment testing are disclosed below.

20 GOODWILL AND INTANGIBLE ASSETS *(Continued)*

(c) Impairment tests on goodwill and intangible assets with indefinite useful lives

For impairment testing, goodwill and intangible assets with indefinite useful lives at 31 December 2024 and 2023 were allocated to cash generating units in the following operating segments:

	At 31 December 2024		
	Goodwill	**Intangible assets**	**Total**
	$'000	***$'000***	***$'000***
Life insurance	**154,909**	**-**	**154,909**
Property and casualty insurance	**148,738**	**261,408**	**410,146**
Other businesses	**48,940**	**-**	**48,940**
	352,587	**261,408**	**613,995**

	At 31 December 2023		
	Goodwill	Intangible assets	Total
	$'000	*$'000*	*$'000*
Life insurance	154,909	-	154,909
Property and casualty insurance	148,738	261,408	410,146
Other businesses	50,011	-	50,011
	353,658	261,408	615,066

The recoverable amount of the cash generating units containing goodwill or intangible assets was determined based on the value-in-use calculation. This calculation uses cash flow projection which represents what management believes is the best estimate of what the cash generating units are able to achieve in their business life. The Directors determined the cash flow projection based on past performance and its expectation for market development.

In respect of life insurance business, the recoverable amount was determined based on TPL's appraisal value, which consists of the adjusted net worth plus the present value of inforce business and the new business value after cost of capital.

In respect of property and casualty business, the recoverable amount was determined by estimating and discounting the future cash flows to its present value.

20 GOODWILL AND INTANGIBLE ASSETS *(Continued)*

(c) Impairment tests on goodwill and intangible assets with indefinite useful lives *(Continued)*

In respect of other businesses, the recoverable amount was determined by income approach to convert the expected periodic benefits of ownership into an indication of value, estimating and discounting the future cash flows to its present value. During the year 2023, the estimated recoverable amount of one of the cash generating units in other businesses was lower than its corresponding carrying amount and consequently, an impairment loss of goodwill of $364,870,000 was recognised. After recognition of impairment loss, the net carrying amount of goodwill in connection with the other businesses cash generating units as at 31 December 2023 was $50,011,000. No impairment loss on goodwill was recognised during the Year.

No impairment loss on intangible assets was recognised during the Year (2023: Nil).

21 SUBSIDIARIES

(a) General information of principal subsidiaries

The following list contains details of the Company's principal subsidiaries at the end of the reporting period, which in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. The class of shares held is ordinary unless otherwise stated. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

All of these are controlled subsidiaries as defined under Note 1(d) and have been consolidated into the Group's financial statements.

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest	Principal activities
Taiping Life Insurance Company Limited *(note (ii))*	Mainland, PRC	RMB10,030,000,000	75.10%	Life insurance business in PRC
Taiping General Insurance Company Limited *(notes (ii) & (iv))*	Mainland, PRC	RMB7,670,000,000	100%	Property and casualty insurance business in PRC
Taiping Pension Company Limited *(note (ii))*	Mainland, PRC	RMB3,000,000,000	100%	Pension and Group Life business in PRC
Taiping Asset Management Company Limited *(note (ii))*	Mainland, PRC	RMB1,000,000,000	80%	Asset management business in PRC
Taiping Capital Asset Management Company Limited *(note (ii) & (v))*	Mainland, PRC	RMB350,000,000	85.06%	Asset management business in PRC
Taiping Reinsurance Company Limited	Hong Kong, PRC	$8,822,445,630	75%	Reinsurance business in Hong Kong, PRC
Taiping Reinsurance (China) Company Limited *(note (ii))*	Mainland, PRC	RMB1,500,000,000	75%	Reinsurance business in PRC

21 SUBSIDIARIES *(Continued)*

(a) General information of principal subsidiaries *(Continued)*

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest	Principal activities
China Taiping Insurance (HK) Company Limited *(note (i))*	Hong Kong, PRC	Ordinary $2,386,000,000 Deferred $200,000,000	100%	Property and casualty insurance in Hong Kong, PRC
China Taiping Life Insurance (Hong Kong) Company Limited *(note (vi))*	Hong Kong, PRC	$20,319,680,326	100%	Life insurance business in Hong Kong, PRC
China Taiping Insurance (Macau) Company Limited	Macau, PRC	MOP120,000,000	100%	Property and casualty insurance in Macau, PRC
China Taiping Life Insurance (Macau) Company Limited *(note (vii))*	Macau, PRC	MOP1,000,000,000	100%	Life insurance business in Macau, PRC
China Taiping Insurance (Singapore) PTE. Ltd.	Singapore	SGD270,000,000	100%	Property and casualty and life insurance in Singapore
China Taiping Insurance (UK) Company Limited	United Kingdom	GBP109,000,000	100%	Property and casualty insurance in United Kingdom
PT China Taiping Insurance Indonesia	Indonesia	IDR172,000,000,000	55%	Property and casualty insurance in Indonesia
China Taiping Insurance (LU) S.A.	Luxembourg	EUR10,000,000	100%	Property and casualty insurance in Luxembourg
Taiping Senior Living Investments Co. Ltd. *(note (ii))*	Mainland, PRC	RMB2,570,000,000	75.10%	Elderly care investment and asset management
Taiping Senior Living Management Co. Ltd. *(note (ii))*	Mainland, PRC	RMB100,000,000	75.10%	Elderly care investment and asset management
Taiping Senior Health Services (Chengdu) Co.,Ltd. *(notes (ii))*	Mainland, PRC	RMB1,260,000,000	75.10%	Elderly care investment and asset management
Taiping Healthcare (Guangzhou) Company Limited *(notes (ii))*	Mainland, PRC	RMB822,000,000	75.10%	Elderly care investment and asset management
Taiping Senior Health Services (Kuming) Co.,Ltd. *(notes (ii) & (viii))*	Mainland, PRC	RMB244,500,000	75.10%	Elderly care investment and asset management
Taiping Healthcare (Beijing) Company Limited *(notes (ii) & (ix))*	Mainland, PRC	RMB3,559,552,041	75.10%	Elderly care investment and asset management
Taiping Real Estate (Shanghai) Company Limited *(note (ii))*	Mainland, PRC	RMB980,000,000	75.85%	Property investment
Dragon Jade Industrial District Management (Shenzhen) Co., Ltd. *(note (ii)*)	Mainland, PRC	RMB111,660,000	100%	Property investment
Taiping Real Estate (Suzhou Industrial Park) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB776,310,000	85.06%	Property investment
Taiping Real Estate (Beijing) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB276,779,700	75.10%	Property investment
Taiping Real Estate (Nanning) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB376,000,000	80.08%	Property investment

21 SUBSIDIARIES *(Continued)*

(a) General information of principal subsidiaries *(Continued)*

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest	Principal activities
北京太平廣安置業有限公司 *(note (ii))*	Mainland, PRC	RMB2,200,000,000	75.10%	Property investment
Taiping Real Estate (Hangzhou) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB1,750,000,000	81.57%	Property investment
Taiping Real Estate (Hainan) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB1,200,000,000	75.10%	Property investment
Taiping Real Estate (Guangzhou) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB2,160,000,000	81.42%	Property investment
Taiping Real Estate (Jinan) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB650,000,000	83.57%	Property investment
Taiping Real Estate (Tianjin) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB945,000,000	87.55%	Property investment
Taiping Real Estate (Hefei) Co. Ltd. *(note (ii))*	Mainland, PRC	RMB193,000,000	75.10%	Property investment
Taiping & Sinopec Financial Leasing Co. Ltd. *(note (ii))*	Mainland, PRC	RMB5,000,000,000	37.55%	Financial leasing
Taiping Fund Management Company Limited *(note (ii))*	Mainland, PRC	RMB650,000,000	73.93%	Management of investment funds business in PRC
Taiping Financial Holdings Company Limited *(notes (iii) & (x))*	Hong Kong, PRC	Ordinary $5,067,338,915 Deferred $10,000,000	100%	Investment holding
Taiping Securities (HK) Company Limited	Hong Kong, PRC	$363,870,350	100%	Securities broking services
Taiping Assets Management (HK) Company Limited	Hong Kong, PRC	$212,000,000	100%	Asset management business in Hong Kong, PRC
Taiping Reinsurance Brokers Limited *(note (i))*	Hong Kong, PRC	Ordinary $4,000,000 Deferred $1,000,000	100%	Insurance broking
China Taiping Insurance Service (Japan) Co., Ltd.	Japan	JPY130,000,000	100%	Insurance agency business in Japan
China Taiping Fortunes Limited	BVI/ Hong Kong, PRC	US$1	100%	Provision of back to back financing arrangement

21 SUBSIDIARIES *(Continued)*

(a) General information of principal subsidiaries *(Continued)*

Notes:

(i) Holders of the non-voting deferred shares in TPRB and CTPI (HK) are not entitled to share profits, receive notice of or attend or vote at any general meeting of these companies. On the winding-up of these companies, the holders of the non-voting deferred shares are not entitled to the distribution of the net assets of these companies for the first $100 billion; the balance of net assets, if any, over the first $100 billion shall be distributed among the holders of the ordinary shares and non-voting distributed shares pari passu among themselves in proportion to their respective shareholdings.

(ii) These companies are Mainland China limited companies.

(iii) Holders of the non-voting deferred shares in TPFH are entitled to a fixed non-cumulative dividend at the rate of 5% per annum for any financial year of TPFH in respect of which the net profits of TPFH available for dividend exceed $10 billion. The holders of non-voting deferred shares are not allowed to participate in the profits or assets of TPFH or to vote at meetings of TPFH. On the winding-up of TPFH, the holders of the non-voting deferred shares are entitled out of the surplus assets of TPFH to a return of the capital paid up on these shares held by them respectively after a total sum of $10 billion has been distributed in such winding up in respect of each of the ordinary shares of TPFH.

(iv) In July 2024 the registered capital of TPI has been increased by RMB500 million to RMB7,670 million. National Financial Regulatory Administration has approved and agreed that TPI increase its capital by converting RMB 500 million of retained earning.

(v) In December 2024, the registered capital of TPCA has been increased by RMB150 million to RMB350 million. TPL, TPI contributed such additional capital in cash in amount of RMB90 million and RMB60 million respectively, in portion to their respect equity interest in TPCA.

(vi) In September 2024, the registered capital of TPL(HK) has been increased by $9,520 million to $20,320 million. CTIH has contributed such additional capital in cash in amount of $6,200 million and through equity in Tellon Development Limited valued at approximately $3,320 million.

(vii) In March 2024, the registered capital of TPL (Macau) has been increased by MOP200 million to MOP1,000 million, TPL (HK), TP (Macau), TPIH (HK) contributed such additional capital in cash in amount of MOP180 million, MOP18 million and MOP2 million respectively, in portion to their respect equity interest in TPL (Macau).

(viii) In August 2024, the registered capital of TSHS (Kunming) has been increased by RMB5.5 million to RMB244.5 million. TPL has contributed such additional capital in cash.

(ix) In August 2024, the registered capital of TPHC (Beijing) has been increased by RMB200 million to RMB3,560 million. TPL has contributed such additional capital in cash.

(x) In October 2024, the registered capital of Taiping Financial Holdings Company Limited has been increased by $1,500 million to $5,077 million. CTIH has contributed such additional capital in cash.

21 SUBSIDIARIES *(Continued)*

(a) General information of principal subsidiaries *(Continued)*

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries At 31 December 2024	2023
Investment holding	Hong Kong, PRC	**28**	30
	Macau, PRC	**-**	1
	Mainland, PRC	**1**	1
		29	32
Insurance broker	Mainland, PRC	**1**	1
Insurance broker	United Kingdom	**1**	2
Financial advisory services	Hong Kong, PRC	**1**	1
Financial leasing	Mainland, PRC	**66**	59
Inactive	Hong Kong, PRC	**13**	12
Inactive	Mainland, PRC	**2**	2
Nominee services	Hong Kong, PRC	**1**	1
Medical services	Mainland, PRC	**1**	1
Money lending and property investment	Hong Kong, PRC	**3**	3
Property investment	Hong Kong, PRC	**16**	16
Property investment	Mainland, PRC	**3**	3
Property management	Mainland, PRC	**2**	2
Provison of back office service	Mainland, PRC	**2**	2
Provision of internal audit services	Mainland, PRC	**1**	1
Provision of insurance claim survey services	Hong Kong, PRC	**1**	1
Provision of management services for investment funds	Mainland, PRC	**2**	2
Provision of property agency services	Hong Kong, PRC	**1**	1
Provision of trust services	Hong Kong, PRC	**1**	1
		147	143

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group were disclosed in Note 21(b) below.

21 SUBSIDIARIES *(Continued)*

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that had material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		At 31 December					
		2024	2023	**2024**	2023	**2024**	2023
				\$'000	*\$'000*	***\$'000***	*\$'000*
Taiping Life Insurance Company Limited *(Note)*	Mainland, PRC	**24.90%**	24.90%	**3,577,391**	2,846,700	**27,010,909**	29,497,406
Taiping & Sinopec Financial Leasing Co. Ltd.	Mainland, PRC	**62.45%**	62.45%	**515,341**	489,137	**4,957,423**	4,910,579
Taiping Reinsurance Company Limited	Hong Kong, PRC	**25.00%**	25.00%	**239,342**	83,261	**3,030,830**	2,782,648
Individually insignificant subsidiaries with non-controlling interests						**337,394**	425,387
						35,336,556	37,616,020

Note:

During the year ended 31 December 2023, Taiping Life Insurance Company Limited issued RMB11,000,000,000 perpetual capital securities as disclosed in Note 39(b).

21 SUBSIDIARIES *(Continued)*

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

Summarised financial information in respect of the Group's subsidiaries that had material non-controlling interests are disclosed below. The summarised financial information below represented amounts before intragroup eliminations.

Taiping Life Insurance Company Limited

	At 31 December	
	2024	2023
	$'000	*$'000*
Total assets	**1,372,701,090**	1,149,527,967
Total liabilities	**1,301,026,764**	1,067,607,962
Net assets	**71,674,326**	81,920,005

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Insurance service results	**20,535,334**	16,974,190
Investment return	**58,318,471**	28,014,891
Net investment results	**3,272,705**	(2,482,562)
Profit for the year	**13,165,756**	11,395,890
Other comprehensive income for the year	**(20,243,043)**	(12,257,929)
Total comprehensive income for the year	**(7,077,287)**	(862,039)
Total comprehensive income allocated to non-controlling interests	**(1,861,419)**	(206,225)
Dividends paid to non-controlling interests	**625,001**	744,199
Net cash inflow from operating activities	**106,449,646**	100,883,330
Net cash outflow used in investing activities	**(106,955,302)**	(122,833,836)
Net cash inflow from financing activities	**6,698,224**	13,883,439
Net cash inflow/(outflow)	**6,192,568**	(8,067,067)

21 SUBSIDIARIES *(Continued)*

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

Taiping & Sinopec Financial Leasing Co. Limited

	At 31 December	
	2024	2023
	$'000	*$'000*
Total assets	**64,696,401**	68,090,340
Total liabilities	**55,880,031**	59,267,848
Net assets	**8,816,370**	8,822,492

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Other income	**3,280,361**	3,549,268
Other finance costs	**1,618,307**	1,527,529
Profit for the year	**825,205**	783,246
Other comprehensive income for the year	**(192,926)**	(580,161)
Total comprehensive income for the year	**632,279**	203,085
Total comprehensive income allocated to non-controlling interests	**371,409**	111,631
Dividends paid to non-controlling interests	**324,565**	114,375
Net cash inflow from operating activities	**11,838,429**	3,101,370
Net cash outflow used in investing activities	**(6,562,752)**	(2,550,573)
Net cash outflow used in financing activities	**(5,132,621)**	(403,335)
Net cash inflow	**143,056**	147,462

21 SUBSIDIARIES *(Continued)*

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

Taiping Reinsurance Company Limited

	At 31 December	
	2024	2023
	$'000	*$'000*
Total assets	**44,777,198**	48,181,664
Total liabilities	**32,653,875**	37,051,074
Net assets	**12,123,323**	11,130,590

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Insurance service results	**584,476**	288,380
Investment return	**1,659,800**	734,606
Net investment results	**895,426**	(4,011)
Profit for the year	**957,367**	333,043
Other comprehensive income for the year	**101,964**	(162,725)
Total comprehensive income for the year	**1,059,331**	170,318
Total comprehensive income allocated to non-controlling interests	**264,832**	42,579
Dividends paid to non-controlling interests	**16,650**	9,212
Net cash outflow used in operating activities	**(4,800,349)**	(1,600,994)
Net cash inflow/(outflow) in investing activities	**5,190,787**	(988,697)
Net cash inflow/(outflow) in financing activities	**(113,276)**	1,352,933
Net cash inflow/(outflow)	**277,162**	(1,236,758)

22 INTERESTS IN ASSOCIATES AND JOINT VENTURES

(a) Interests in associate

	At 31 December 2024 $'000	2023 $'000
Cost of investment in associates	**33,215,486**	27,557,064
Share of post-acquisition profits and other comprehensive income, net of dividends received and impairment	**(5,016,977)**	(533,824)
	28,198,509	27,023,240

Details of the Group's principal associates at the end of the reporting period are as follows:

Name of associates	Place of incorporation /operation	Proportion of ownership interests held by the Group At 31 December 2024	2023	Principal activities
Shanghai Rural Commercial Bank Co., Ltd. *(Note)*	Mainland, PRC	**4.30%**	4.30%	Banking
Taiping Financial Services Co. Ltd.	Mainland, PRC	**48%**	48%	E-commerce for insurance

Note:

The Group has significant influence over Shanghai Rural Commercial Bank Co., Ltd. through a group representative being a director of Shanghai Rural Commercial Bank Co., Ltd. As such, the interest in this associate is accounted for using the equity method.

22 INTERESTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(a) Interests in associates *(Continued)*

Summarised financial information of principal associates

Shanghai Rural Commercial Bank Co., Ltd.

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Total income *(Note)*	**29,057,898**	29,431,773
Net income for the year	**13,415,138**	13,764,231
Dividend received from the associate	**281,340**	157,567

Reconciliation to the carrying amount of the interests in Shanghai Rural Commercial Bank Co., Ltd. recognised in the consolidated financial statements:

	At 31 December	
	2024	2023
	$'000	*$'000*
Proportion of the Group's shareholders' interests in the associate	**4.30%**	4.30%
Share of net assets of the associate	**5,641,555**	5,219,079
Fair value and other adjustments since acquisition of associate	**(1,058,272)**	2,557
Carrying amount of the Group's interests in the associate	**4,583,283**	5,221,636

Note:

The Group accounts for the share of profit of Shanghai Rural commercial Bank Co., Ltd. from 1 October 2023 to 30 September 2024, taking into account any significant events or transactions for the period 1 October 2024 to 31 December 2024.

22 INTERESTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(a) Interests in associates *(Continued)*

Summarised financial information of principal associates *(Continued)*

Taiping Financial Services Co. Ltd.

	At 31 December	
	2024	2023
	$'000	*$'000*
Total assets	**1,226,415**	1,377,223
Total liabilities	**331,482**	392,943
Net assets	**894,933**	984,280

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
Total income	**696,825**	577,002
Net loss for the year	**(77,798)**	(70,480)
Other comprehensive income for the year	**(293,865)**	(38,401)
Total comprehensive income for the year	**(371,663)**	(108,881)

Reconciliation of the above summarised financial information to the carrying amount of the interests in Taiping Financial Services Co. Ltd. recognised in the consolidated financial statements:

	At 31 December	
	2024	2023
	$'000	*$'000*
Net assets of the associate	**894,933**	984,280
Proportion of the Group's shareholders' interests in the associate	**48.0%**	48.0%
Share of net assets of the associate	**429,568**	472,454
Remeasurement of retained interest upon recognition of interests in the associate	**775,708**	782,536
Impairment loss recognised	**(593,786)**	(542,895)
Carrying amount of the Group's interests in the associate	**611,490**	712,095

22 INTERESTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(a) Interests in associates *(Continued)*

Aggregate information of associates that are not individually material

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
The Group's share of net profit/(loss) for the year	**1,975,729**	(297,361)
The Group's share of other comprehensive income for the year	**42,237**	(277,315)
The Group's share of total comprehensive income for the year	**2,017,966**	(574,676)

(b) Interests in joint ventures

	At 31 December	
	2024	2023
	$'000	*$'000*
Unlisted shares, at cost	**1,610,707**	1,610,707
Share of post-acquisition profits and other comprehensive income, net of dividends received	**(890,543)**	(759,096)
	720,164	851,611

No joint venture is individually material to the Group as at 31 December 2024.

Aggregate information of joint ventures that are not individually material

	Year ended 31 December	
	2024	2023
	$'000	*$'000*
The Group's share of net profit/(loss) for the year	**124,174**	(394,207)
The Group's share of other comprehensive income for the year	**(763)**	17,037
The Group's share of total comprehensive income for the year	**123,411**	(377,170)

23 DEFERRED TAX ASSETS AND LIABILITIES

(a) Deferred tax assets and liabilities recognised

The movement in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same taxation jurisdiction, is as follows:

Deferred tax arising from:	Difference in depreciation allowances and related depreciation *$'000*	Revaluation of properties *$'000*	Fair value adjustments on financial investments *$'000*	Insurance contract liabilities *$'000*	Unused tax losses *$'000*	Accrued salaries *$'000*	Others *$'000*	Total *$'000*
At 1 January 2024	**32,349**	**(1,661,448)**	**(12,952,172)**	**14,521,588**	**6,981,167**	**2,388,617**	**275,392**	**9,585,493**
Credited/(charged) to consolidated statement of profit or loss	**37,902**	**236,201**	**(6,146,081)**	**(4,155,058)**	**1,482,351**	**(553,347)**	**389,022**	**(8,709,010)**
Credited/(charged) to other comprehensive income	**-**	**(3,912)**	**(20,784,631)**	**26,588,585**	**-**	**-**	**(8,654)**	**5,791,388**
Exchange difference	**(1,326)**	**11,141**	**2,355,653**	**(2,151,176)**	**(118,478)**	**(135,457)**	**(4,459)**	**(44,102)**
At 31 December 2024	**68,925**	**(1,418,018)**	**(37,527,231)**	**34,803,939**	**8,345,040**	**1,699,813**	**651,301**	**6,623,769**
At 1 January 2023	34,943	(1,924,193)	(2,440,492)	6,906,833	612,478	1,776,938	915,060	5,881,567
Credited/(charged) to consolidated statement of profit or loss	7,165	93,338	(3,698,050)	(2,929,809)	6,382,450	676,603	(626,976)	(95,279)
Credited/(charged) to other comprehensive income	-	(26,731)	(7,110,695)	11,016,189	-	-	-	3,878,763
Exchange difference	(9,759)	196,138	297,065	(471,625)	(13,761)	(64,924)	(12,692)	(79,558)
At 31 December 2023	32,349	(1,661,448)	(12,952,172)	14,521,588	6,981,167	2,388,617	275,392	9,585,493

	At 31 December 2024 ***$'000***	At 31 December 2023 *$'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**8,495,132**	11,549,792
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(1,871,363)**	(1,964,299)
	6,623,769	9,585,493

(b) Deferred tax assets not recognised

As at 31 December 2024, the Group did not recognise deferred tax assets in respect of certain tax losses of $54,776,907,000 (2023: $12,077,090,000) and certain temporary differences of $633,973,000 (2023: $248,346,000). $45,500,666,000 (2023:$11,806,717,000) of the total tax losses can be carried forward up to five years after the year in which the loss was originated to offset future taxable profits, while the remaining tax losses and temporary difference do not expire under current tax legislation.

24 FINANCIAL INVESTMENTS

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
At fair value through profit or loss		
Debt investments		
- Listed	**34,706,226**	38,265,432
- Unlisted	**249,403,206**	227,451,705
Equity securities		
- Listed	**82,602,246**	90,945,778
- Unlisted	**9,984,824**	20,952,524
Investment funds		
- Listed	**7,923,059**	6,057,913
- Unlisted	**65,353,955**	76,814,304
	449,973,516	460,487,656
At amortised cost		
- Listed	**72,677,787**	79,088,199
- Unlisted	**39,482,746**	46,235,999
	112,160,533	125,324,198
Debt investments at fair value through other comprehensive income		
- Listed	**132,541,427**	110,118,877
- Unlisted	**696,244,712**	502,844,191
	828,786,139	612,963,068
Equity investments at fair value through other comprehensive income		
- Listed	**47,638,027**	22,407,546
- Unlisted	**3,758,314**	2,727,393
	51,396,341	25,134,939

24 FINANCIAL INVESTMENTS *(Continued)*

Notes:

(i) As at 31 December 2024, debt and equity investments with total carrying amounts of $14,544,262,000 (2023: $10,323,138,000) have been pledged in favour of AMCM to guarantee the technical reserves in accordance with the Macau Insurance Ordinance.

As at 31 December 2024, debt and equity investments with total carrying amounts of $9,820,000 (2023: $9,782,000) have been set aside as guarantee fund, pursuant to Regulation of the Minister of Finance of the Republic of Indonesia.

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

During the Year, for the consideration of optimising asset allocation and asset-liability management, the Group disposed of equity investments at fair value through other comprehensive income amounted to $6,247,846,000 (2023: $10,998,334,000), and the net cumulative profit of $141,402,000 (2023: $112,649,000) on disposal was transferred from other comprehensive income to retained profits.

The dividend income of equity investments at fair value through other comprehensive income recognised during the Year are disclosed in Note 6.

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

The Group entered into transactions in which it transferred financial assets directly to third parties. As the Group has retained substantially all of the risks and rewards relating to these securities, it continues to recognise the full carrying amount and has recognised the cash received on the transfer as securities sold under repurchase agreements. The following were the Group's securities that were transferred to the third parties with terms to repurchase these securities at the agreed dates and prices. These securities are either measured at amortised cost or carried at fair value respectively in the Group's consolidated statement of financial position.

	At 31 December 2024			
	Amortised cost	**FVPL**	**FVOCI**	**Total**
	$'000	***$'000***	***$'000***	***$'000***
Carrying amount of transferred/pledged assets	**5,018,164**	**10,663,678**	**98,164,085**	**113,845,927**
Carrying amount of associated liabilities				
- securities sold under repurchase agreements	**(2,610,406)**	**(9,806,413)**	**(34,266,394)**	**(46,683,213)**
Net position	**2,407,758**	**857,265**	**63,897,691**	**67,162,714**

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

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

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

As at 31 December 2024, most of the securities purchased under resale agreements and the securities sold under repurchase agreements will mature within 16 days (2023: within 25 days), with interest rates of 0.98% to 3% (2023: 1.5% to 6.3%) and 1.08% to 4.4% (2023: 1.6% to 5.8%) per annum, respectively.

26 AMOUNTS DUE FROM/(TO) GROUP COMPANIES

(a) Due from group companies

	At 31 December 2024 **$'000**	At 31 December 2023 *$'000*
Amount due from the ultimate holding company	**6,730**	6,877
Amount due from the immediate holding company	**6,650**	6,492
Amounts due from fellow subsidiaries	**41,834**	42,615
	55,214	55,984
Loan to a fellow subsidiary	**1,257,262**	1,257,262
	1,312,476	1,313,246

The amounts due from group companies are unsecured, interest free and repayable on demand.

The loan to a fellow subsidiary included $1,250,000,000, which is unsecured, repayable within five years and carrying interest at fixed interest rates of 5.80% per annum as at 31 December 2024 (2023: 5.80%).

(b) Due to group companies

	At 31 December 2024 **$'000**	At 31 December 2023 *$'000*
Amount due to the ultimate holding company	**6,696**	6,279
Amount due to the immediate holding company	**15,450**	10,360
	22,146	16,639

The amounts due to group companies are unsecured, interest free and repayable on demand.

27 INSURANCE AND REINSURANCE CONTRACTS

(a) Movements in insurance and reinsurance contract balances

<u>*Insurance contracts*</u>

Analysis by remaining coverage and incurred claims

	Year ended 31 December 2024									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liabilities for remaining coverage				Liabilities for remaining coverage		Liabilities for incurred claims			
	Excluding loss component *$'000*	Loss component *$'000*	Liabilities for incurred claims *$'000*	Subtotal *$'000*	Excluding loss component *$'000*	Loss component *$'000*	Estimates of present value of future cash flows *$'000*	Risk adjustment for non-financial risk *$'000*	Subtotal *$'000*	Total *$'000*
Insurance contract liabilities as at 1 January	1,127,607,695	9,250,027	22,128,789	1,158,986,511	19,175,627	514,233	17,060,424	804,333	37,554,617	1,196,541,128
Insurance contract assets as at 1 January	(5,195,243)	659,063	3,860,072	(676,108)	(4,018,713)	95,652	3,040,533	106,969	(775,559)	(1,451,667)
Net insurance contract liabilities/(assets) as at 1 January	1,122,412,452	9,909,090	25,988,861	1,158,310,403	15,156,914	609,885	20,100,957	911,302	36,779,058	1,195,089,461
Change in the statement of profit or loss and other comprehensive income										
Insurance revenue										
Contracts using the modified retrospective approach	(38,299,351)	-	-	(38,299,351)	(3,230,433)	-	-	-	(3,230,433)	(41,529,784)
Contracts using the fair value approach	(166,708)	-	-	(166,708)	-	-	-	-	-	(166,708)
All other contracts	(22,469,610)	-	-	(22,469,610)	(47,101,657)	-	-	-	(47,101,657)	(69,571,267)
Total insurance revenue	(60,935,669)	-	-	(60,935,669)	(50,332,090)	-	-	-	(50,332,090)	(111,267,759)
Insurance service expenses										
Incurred claims and other expenses	-	(2,023,064)	21,259,009	19,235,945	-	-	34,641,410	481,156	35,122,566	54,358,511
Amortisation of insurance acquisition cash flows	17,851,055	-	-	17,851,055	12,610,753	-	-	-	12,610,753	30,461,808
Losses on onerous contracts and reversals of those losses	-	2,922,255	-	2,922,255	-	(66,645)	-	-	(66,645)	2,855,610
Changes in fulfillment cash flows relating to the liabilities for incurred claims	-	-	825,186	825,186	-	-	(1,669,792)	(398,687)	(2,068,479)	(1,243,293)
Total insurance service expenses	17,851,055	899,191	22,084,195	40,834,441	12,610,753	(66,645)	32,971,618	82,469	45,598,195	86,432,636
Insurance service result	(43,084,614)	899,191	22,084,195	(20,101,228)	(37,721,337)	(66,645)	32,971,618	82,469	(4,733,895)	(24,835,123)
Effect of exchange differences	(24,289,173)	(177,693)	(351,377)	(24,818,243)	(316,916)	(10,031)	(338,658)	(15,076)	(680,681)	(25,498,924)
Financial movements in insurance contracts	165,994,212	299,047	484,570	166,777,829	459,040	(285)	557,820	33,834	1,050,409	167,828,238
Total changes in the statement of profit or loss and other comprehensive income	98,620,425	1,020,545	22,217,388	121,858,358	(37,579,213)	(76,961)	33,190,780	101,227	(4,364,167)	117,494,191
Investment components and premium refunds	(97,587,423)	-	97,587,423	-	(2,518,195)	-	2,518,195	-	-	-
Cash flows										
Premium received	228,512,460	-	-	228,512,460	52,726,227	-	-	-	52,726,227	281,238,687
Claims and other insurance service expenses paid, including investment components	-	-	(118,327,071)	(118,327,071)	-	-	(38,016,043)	-	(38,016,043)	(156,343,114)
Insurance acquisition cash flows	(17,565,610)	-	-	(17,565,610)	(10,329,927)	-	-	-	(10,329,927)	(27,895,537)
Other related cash flows	3,515,457	-	32,724	3,548,181	(595,514)	-	3,044	-	(592,470)	2,955,711
Total cash flows	214,462,307	-	(118,294,347)	96,167,960	41,800,786	-	(38,012,999)	-	3,787,787	99,955,747
Insurance contract liabilities as at 31 December	1,340,376,974	10,904,360	25,116,259	1,376,397,593	17,963,297	524,734	17,520,036	1,004,721	37,012,788	1,413,410,381
Insurance contract assets as at 31 December	(2,469,213)	25,275	2,383,066	(60,872)	(1,103,005)	8,190	276,897	7,808	(810,110)	(870,982)
Net insurance contract liabilities/(assets) as at 31 December	1,337,907,761	10,929,635	27,499,325	1,376,336,721	16,860,292	532,924	17,796,933	1,012,529	36,202,678	1,412,539,399

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(a) Movements in insurance and reinsurance contract balances *(Continued)*

<u>Insurance contracts</u> *(Continued)*

Analysis by remaining coverage and incurred claims (Continued)

	Year ended 31 December 2023									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liabilities for remaining coverage				Liabilities for remaining coverage		Liabilities for incurred claims			
	Excluding loss component	Loss component	Liabilities for incurred claims	Subtotal	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Subtotal	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Insurance contract liabilities as at 1 January	978,042,968	9,245,815	18,928,898	1,006,217,681	15,652,492	391,803	18,849,130	830,199	35,723,624	1,041,941,305
Insurance contract assets as at 1 January	(3,469,233)	478,086	2,214,695	(776,452)	(1,486,438)	29,159	573,669	6,492	(877,118)	(1,653,570)
Net insurance contract liabilities/(assets) as at 1 January	974,573,735	9,723,901	21,143,593	1,005,441,229	14,166,054	420,962	19,422,799	836,691	34,846,506	1,040,287,735
Change in the statement of profit or loss and other comprehensive income										
Insurance revenue										
Contracts using the modified retrospective approach	(40,193,442)	-	-	(40,193,442)	(4,996,133)	-	-	-	(4,996,133)	(45,189,575)
Contracts using the fair value approach	(686,426)	-	-	(686,426)	-	-	-	-	-	(686,426)
All other contracts	(15,948,917)	-	-	(15,948,917)	(45,663,928)	-	-	-	(45,663,928)	(61,612,845)
Total insurance revenue	(56,828,785)	-	-	(56,828,785)	(50,660,061)	-	-	-	(50,660,061)	(107,488,846)
Insurance service expenses										
Incurred claims and other expenses	-	(2,805,878)	20,519,971	17,714,093	-	-	33,020,862	282,147	33,303,009	51,017,102
Amortisation of insurance acquisition cash flows	17,207,946	-	-	17,207,946	13,210,544	-	-	-	13,210,544	30,418,490
Losses on onerous contracts and reversals of those losses	-	3,002,665	-	3,002,665	-	217,571	-	-	217,571	3,220,236
Changes in fulfillment cash flows relating to the liabilities for incurred claims	-	-	1,170,866	1,170,866	-	-	687,522	(258,833)	428,689	1,599,555
Total insurance service expenses	17,207,946	196,787	21,690,837	39,095,570	13,210,544	217,571	33,708,384	23,314	47,159,813	86,255,383
Insurance service result	(39,620,839)	196,787	21,690,837	(17,733,215)	(37,449,517)	217,571	33,708,384	23,314	(3,500,248)	(21,233,463)
Effect of exchange differences	(13,285,049)	(102,577)	(181,068)	(13,568,694)	(341,800)	(28,648)	61,130	28,888	(280,430)	(13,849,124)
Financial movements in insurance contracts	78,976,893	90,979	72,620	79,140,492	562,795	-	444,707	22,409	1,029,911	80,170,403
Total changes in the statement of profit or loss and other comprehensive income	26,071,005	185,189	21,582,389	47,838,583	(37,228,522)	188,923	34,214,221	74,611	(2,750,767)	45,087,816
Investment components and premium refunds	(70,982,637)	-	70,982,637	-	(2,045,515)	-	2,045,515	-	-	-
Cash flows										
Premium received	211,878,656	-	-	211,878,656	54,191,840	-	-	-	54,191,840	266,070,496
Claims and other insurance service expenses paid, including investment components	-	-	(87,720,254)	(87,720,254)	-	-	(35,604,462)	-	(35,604,462)	(123,324,716)
Insurance acquisition cash flows	(20,385,865)	-	-	(20,385,865)	(12,193,769)	-	-	-	(12,193,769)	(32,579,634)
Other related cash flows	1,257,558	-	496	1,258,054	(1,733,174)	-	22,884	-	(1,710,290)	(452,236)
Total cash flows	192,750,349	-	(87,719,758)	105,030,591	40,264,897	-	(35,581,578)	-	4,683,319	109,713,910
Insurance contract liabilities as at 31 December	1,127,607,695	9,250,027	22,128,789	1,158,986,511	19,175,627	514,233	17,060,424	804,333	37,554,617	1,196,541,128
Insurance contract assets as at 31 December	(5,195,243)	659,063	3,860,072	(676,108)	(4,018,713)	95,652	3,040,533	106,969	(775,559)	(1,451,667)
Net insurance contract liabilities/(assets) as at 31 December	1,122,412,452	9,909,090	25,988,861	1,158,310,403	15,156,914	609,885	20,100,957	911,302	36,779,058	1,195,089,461

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(a) Movements in insurance and reinsurance contract balances *(Continued)*

<u>Insurance contracts</u> *(Continued)*

Analysis by measurement component – Contracts not measured under the PAA

	Year ended 31 December 2024						
			Contractual Service Margin				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts using the fair value approach	Contracts using the modified retrospective approach	All other contracts	Subtotal	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Insurance contract liabilities as at 1 January	917,109,951	30,589,846	88,451	179,046,018	32,152,245	211,286,714	1,158,986,511
Insurance contract assets as at 1 January	(885,348)	31,174	-	(3,172)	181,238	178,066	(676,108)
Net insurance contract liabilities/(assets) as at 1 January	916,224,603	30,621,020	88,451	179,042,846	32,333,483	211,464,780	1,158,310,403
Change in the statement of profit or loss and other comprehensive income							
Changes that relate to current services							
Contractual service margin recognised for services provided	-	-	(58,456)	(13,494,809)	(5,219,604)	(18,772,869)	(18,772,869)
Change in risk adjustment for non-financial risk	-	(2,253,709)	-	-	-	-	(2,253,709)
Experience adjustments	(2,822,091)	-	-	-	-	-	(2,822,091)
Changes that relate to future Services							
Contracts initially recognised in the year	(23,544,414)	3,298,426	-	-	21,357,165	21,357,165	1,111,177
Changes in estimates that adjust the contractual service margin	10,535,785	(1,194,464)	89,732	(9,770,813)	339,760	(9,341,321)	-
Changes in estimates that do not adjust the contractual service margin	2,049,603	(238,525)	-	-	-	-	1,811,078
Changes that relate to past services							
Changes in fulfillment cash flow related to incurred claim liabilities	1,049,816	(224,630)	-	-	-	-	825,186
Insurance service result	(12,731,301)	(612,902)	31,276	(23,265,622)	16,477,321	(6,757,025)	(20,101,228)
Effect of exchange differences	(19,639,188)	(669,626)	(2,489)	(3,553,807)	(953,133)	(4,509,429)	(24,818,243)
Financial movements in insurance contracts	156,179,934	2,807,714	519	5,808,240	1,981,422	7,790,181	166,777,829
Total changes in the statement of profit or loss and other comprehensive income	123,809,445	1,525,186	29,306	(21,011,189)	17,505,610	(3,476,273)	121,858,358
Cash flows							
Premium received	228,512,460	-	-	-	-	-	228,512,460
Claims and other insurance service expenses paid, including investment components	(118,327,071)	-	-	-	-	-	(118,327,071)
Insurance acquisition cash flows	(17,565,610)	-	-	-	-	-	(17,565,610)
Other related cash flows	3,548,181	-	-	-	-	-	3,548,181
Total cash flows	96,167,960	-	-	-	-	-	96,167,960
Insurance contract liabilities as at 31 December	1,136,376,699	32,133,875	116,887	158,031,657	49,738,475	207,887,019	1,376,397,593
Insurance contract assets as at 31 December	(174,691)	12,331	870	-	100,618	101,488	(60,872)
Net insurance contract liabilities/(assets) as at 31 December	1,136,202,008	32,146,206	117,757	158,031,657	49,839,093	207,988,507	1,376,336,721

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(a) Movements in insurance and reinsurance contract balances *(Continued)*

<u>Insurance contracts</u> *(Continued)*

Analysis by measurement component – Contracts not measured under the PAA (Continued)

	Year ended 31 December 2023						
			Contractual Service Margin				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts using the fair value approach	Contracts using the modified retrospective approach	All other contracts	Subtotal	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Insurance contract liabilities as at 1 January	755,101,233	29,829,479	85,705	200,974,366	20,226,898	221,286,969	1,006,217,681
Insurance contract assets as at 1 January	(1,048,160)	38,004	2,236	-	231,468	233,704	(776,452)
Net insurance contract liabilities/(assets) as at 1 January	754,053,073	29,867,483	87,941	200,974,366	20,458,366	221,520,673	1,005,441,229
Change in the statement of profit or loss and other comprehensive income							
Changes that relate to current services							
Contractual service margin recognised for services provided	-	-	(208,551)	(14,950,977)	(3,763,760)	(18,923,288)	(18,923,288)
Change in risk adjustment for non-financial risk	-	(1,918,440)	-	-	-	-	(1,918,440)
Experience adjustments	(1,065,018)	-	-	-	-	-	(1,065,018)
Changes that relate to future Services							
Contracts initially recognised in the year	(18,077,116)	1,988,725	-	-	17,614,725	17,614,725	1,526,334
Changes in estimates that adjust the contractual service margin	13,988,447	(348,598)	194,515	(10,830,042)	(3,004,322)	(13,639,849)	-
Changes in estimates that do not adjust the contractual service margin	1,259,216	217,115	-	-	-	-	1,476,331
Changes that relate to past services							
Changes in fulfillment cash flow related to incurred claim liabilities	1,453,224	(282,358)	-	-	-	-	1,170,866
Insurance service result	(2,441,247)	(343,556)	(14,036)	(25,781,019)	10,846,643	(14,948,412)	(17,733,215)
Effect of exchange differences	(10,066,783)	(415,365)	(339)	(2,751,147)	(335,060)	(3,086,546)	(13,568,694)
Financial movements in insurance contracts	69,648,969	1,512,458	14,885	6,600,646	1,363,534	7,979,065	79,140,492
Total changes in the statement of profit or loss and other comprehensive income	57,140,939	753,537	510	(21,931,520)	11,875,117	(10,055,893)	47,838,583
Cash flows							
Premium received	211,878,656	-	-	-	-	-	211,878,656
Claims and other insurance service expenses paid, including investment components	(87,720,254)	-	-	-	-	-	(87,720,254)
Insurance acquisition cash flows	(20,385,865)	-	-	-	-	-	(20,385,865)
Other related cash flows	1,258,054	-	-	-	-	-	1,258,054
Total cash flows	105,030,591	-	-	-	-	-	105,030,591
Insurance contract liabilities as at 31 December	917,109,951	30,589,846	88,451	179,046,018	32,152,245	211,286,714	1,158,986,511
Insurance contract assets as at 31 December	(885,348)	31,174	-	(3,172)	181,238	178,066	(676,108)
Net insurance contract liabilities/(assets) as at 31 December	916,224,603	30,621,020	88,451	179,042,846	32,333,483	211,464,780	1,158,310,403

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(a) Movements in insurance and reinsurance contract balances *(Continued)*

<u>*Reinsurance contracts*</u>

Analysis by remaining coverage and incurred claims

	Year ended 31 December 2024									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Assets for remaining coverage				Assets for remaining coverage		Assets for incurred claims			
	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Subtotal	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Subtotal	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Reinsurance contract assets as at 1 January	380,058	(85,218)	(3,421,904)	(3,127,064)	(1,437,470)	(234,222)	(6,379,575)	(116,728)	(8,167,995)	(11,295,059)
Reinsurance contract liabilities as at 1 January	5,005,461	(20,860)	(4,294,404)	690,197	(310,132)	3,842	(237,360)	(12,812)	(556,462)	133,735
Net reinsurance contract liabilities/(assets) as at 1 January	**5,385,519**	**(106,078)**	**(7,716,308)**	**(2,436,867)**	**(1,747,602)**	**(230,380)**	**(6,616,935)**	**(129,540)**	**(8,724,457)**	**(11,161,324)**
Allocation of reinsurance premiums paid	1,142,677	-	-	1,142,677	5,345,831	-	-	-	5,345,831	6,488,508
Recoveries of incurred claims and other insurance services expenses	-	71,863	(601,846)	(529,983)	-	-	(3,129,642)	(68,939)	(3,198,581)	(3,728,564)
Recoveries and reversals of recoveries of loss on onerous underlying contracts	-	(67,464)	-	(67,464)	-	(5,887)	-	-	(5,887)	(73,351)
Changes in fulfilment cash flows relating to incurred claims	-	-	(592,265)	(592,265)	-	-	622,013	61,922	683,935	91,670
Effect of changes in non-performance risk of reinsurers	2,749	-	921	3,670	4,229	-	24,724	143	29,096	32,766
Claims and expenses recoverable from reinsurer	2,749	4,399	(1,193,190)	(1,186,042)	4,229	(5,887)	(2,482,905)	(6,874)	(2,491,437)	(3,677,479)
Effect of movements in exchange rates	(5,778)	2,274	49,429	45,925	(51,817)	5,216	172,784	1,131	127,314	173,239
Financial movements in reinsurance contracts	(187,148)	1,227	(28,639)	(214,560)	(303,919)	(2,811)	104,883	(11,315)	(213,162)	(427,722)
Total changes in the statement of profit or loss and other comprehensive income	952,500	7,900	(1,172,400)	(212,000)	4,994,324	(3,482)	(2,205,238)	(17,058)	2,768,546	2,556,546
Investment components and premium refunds	469,909	-	(469,909)	-	4,054,586	-	(4,054,586)	-	-	-
Cash flows										
Reinsurance premiums paid	(7,062,053)	-	-	(7,062,053)	(3,629,865)	-	-	-	(3,629,865)	(10,691,918)
Amounts received and other reinsurance service expenses received, including investment components	-	-	6,180,396	6,180,396	-	-	2,436,454	-	2,436,454	8,616,850
Other related cash flows	57,545	-	-	57,545	(77,926)	-	(259)	-	(78,185)	(20,640)
Total cash flows	(7,004,508)	-	6,180,396	(824,112)	(3,707,791)	-	2,436,195	-	(1,271,596)	(2,095,708)
Reinsurance contract assets as at 31 December	162,257	(81,994)	(3,174,046)	(3,093,783)	(1,136,610)	(249,221)	(6,178,863)	(135,091)	(7,699,785)	(10,793,568)
Reinsurance contract liabilities as at 31 December	(358,837)	(16,184)	(4,175)	(379,196)	4,730,127	15,359	(4,261,701)	(11,507)	472,278	93,082
Net reinsurance contract liabilities/(assets) as at 31 December	**(196,580)**	**(98,178)**	**(3,178,221)**	**(3,472,979)**	**3,593,517**	**(233,862)**	**(10,440,564)**	**(146,598)**	**(7,227,507)**	**(10,700,486)**

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(a) Movements in insurance and reinsurance contract balances *(Continued)*

<u>*Reinsurance contracts*</u> *(Continued)*

Analysis by remaining coverage and incurred claims (Continued)

	Year ended 31 December 2023									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Assets for remaining coverage				Assets for remaining coverage		Assets for incurred claims			
	Excluding loss-recovery component *$'000*	Loss-recovery component *$'000*	Assets for incurred claims *$'000*	Subtotal *$'000*	Excluding loss-recovery component *$'000*	Loss-recovery component *$'000*	Estimates of present value of future cash flows *$'000*	Risk adjustment for non-financial risk *$'000*	Subtotal *$'000*	Total *$'000*
Reinsurance contract assets as at 1 January	341,121	(63,753)	(3,735,411)	(3,458,043)	116,520	(183,291)	(6,627,889)	(565,140)	(7,259,800)	(10,717,843)
Reinsurance contract liabilities as at 1 January	5,171,782	(27,083)	(4,314,261)	830,438	(476,107)	(2,204)	(207,617)	363,502	(322,426)	508,012
Net reinsurance contract liabilities/(assets) as at 1 January	5,512,903	(90,836)	(8,049,672)	(2,627,605)	(359,587)	(185,495)	(6,835,506)	(201,638)	(7,582,226)	(10,209,831)
Allocation of reinsurance premiums paid	1,776,818	-	-	1,776,818	5,260,263	-	-	-	5,260,263	7,037,081
Recoveries of incurred claims and other insurance services expenses	-	45,424	(285,228)	(239,804)	-	-	(3,544,489)	(35,201)	(3,579,690)	(3,819,494)
Recoveries and reversals of recoveries of loss on onerous underlying contracts	-	(70,643)	-	(70,643)	-	(6,506)	-	-	(6,506)	(77,149)
Changes in fulfilment cash flows relating to incurred claims	-	-	(439,179)	(439,179)	-	-	(25,132)	26,079	947	(438,232)
Claims and expenses recoverable from reinsurer	-	(25,219)	(724,407)	(749,626)	-	(6,506)	(3,569,621)	(9,122)	(3,585,249)	(4,334,875)
Effect of movements in exchange rates	(90,050)	(5)	70,578	(19,477)	21,824	(38,402)	(81,441)	86,386	(11,633)	(31,110)
Financial movements in reinsurance contracts	(315,433)	9,982	102,249	(203,202)	(106,898)	23	(55,670)	(5,166)	(167,711)	(370,913)
Total changes in the statement of profit or loss and other comprehensive income	1,371,335	(15,242)	(551,580)	804,513	5,175,189	(44,885)	(3,706,732)	72,098	1,495,670	2,300,183
Investment components and premium refunds	716,331	-	(716,331)	-	1,412,443	-	(1,412,443)	-	-	-
Cash flows										
Reinsurance premiums paid	(2,054,535)	-	-	(2,054,535)	(8,032,198)	-	-	-	(8,032,198)	(10,086,733)
Amounts received and other reinsurance service expenses received, including investment components	-	-	1,597,908	1,597,908	-	-	5,331,713	-	5,331,713	6,929,621
Other related cash flows	(160,515)	-	3,367	(157,148)	56,551	-	6,033	-	62,584	(94,564)
Total cash flows	(2,215,050)	-	1,601,275	(613,775)	(7,975,647)	-	5,337,746	-	(2,637,901)	(3,251,676)
Reinsurance contract assets as at 31 December	380,058	(85,218)	(3,421,904)	(3,127,064)	(1,437,470)	(234,222)	(6,379,575)	(116,728)	(8,167,995)	(11,295,059)
Reinsurance contract liabilities as at 31 December	5,005,461	(20,860)	(4,294,404)	690,197	(310,132)	3,842	(237,360)	(12,812)	(556,462)	133,735
Net reinsurance contract liabilities/(assets) as at 31 December	5,385,519	(106,078)	(7,716,308)	(2,436,867)	(1,747,602)	(230,380)	(6,616,935)	(129,540)	(8,724,457)	(11,161,324)

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(a) Movements in insurance and reinsurance contract balances *(Continued)*

<u>Reinsurance contracts</u> *(Continued)*

Analysis by measurement component – Contracts not measured under the PAA

	Year ended 31 December 2024						
			Contractual Service Margin				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts using the fair value approach	Contracts using the modified retrospective approach	All other contracts	Subtotal	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Reinsurance contract assets as at 1 January	(2,570,059)	(328,397)	86,799	(31,150)	(284,257)	(228,608)	(3,127,064)
Reinsurance contract liabilities as at 1 January	757,275	(38,703)	-	(10,804)	(17,571)	(28,375)	690,197
Net reinsurance contract liabilities/(assets) as at 1 January	(1,812,784)	(367,100)	86,799	(41,954)	(301,828)	(256,983)	(2,436,867)
Change in the statement of profit or loss and other comprehensive income							
Changes that relate to current service							
Contractual service margin recognised in profit or loss for the services received	-	-	(22,106)	23,034	459,633	460,561	460,561
Change in the risk adjustment for non-financial risk	-	119,699	-	-	-	-	119,699
Experience adjustments	32,434	-	-	-	-	-	32,434
Changes that relate to future service							
Contracts initially recognised in the period	497,318	(153,357)	-	-	(343,961)	(343,961)	-
Changes in estimates that adjust the contractual service margin	(53,197)	(8,011)	29,485	(11,446)	43,169	61,208	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	-	-	(1,320)	(4,709)	(61,435)	(67,464)	(67,464)
Changes that relate to past services							
Changes in fulfillment cash flow relating to the assets for incurred claims	(611,577)	19,312	-	-	-	-	(592,265)
Effect of changes in non-performance risk of reinsurers	3,478	192	-	-	-	-	3,670
Net expenses from reinsurance contracts held	(131,544)	(22,165)	6,059	6,879	97,406	110,344	(43,365)
Effect of movements in exchange rates	34,634	7,177	(2,130)	832	5,412	4,114	45,925
Financial movements in reinsurance contracts	(109,517)	(28,438)	3,745	(359)	(79,991)	(76,605)	(214,560)
Total changes in the statement of profit or loss and other comprehensive income	(206,427)	(43,426)	7,674	7,352	22,827	37,853	(212,000)
Cash flows							
Reinsurance premiums paid	(7,062,053)	-	-	-	-	-	(7,062,053)
Amounts received and other reinsurance service expenses received, including investment components	6,180,396	-	-	-	-	-	6,180,396
Other related cash flows	57,545	-	-	-	-	-	57,545
Total cash flows	(824,112)	-	-	-	-	-	(824,112)
Reinsurance contract assets as at 31 December	(2,537,121)	(368,563)	94,393	(26,385)	(256,107)	(188,099)	(3,093,783)
Reinsurance contract liabilities as at 31 December	(306,202)	(41,963)	80	(8,217)	(22,894)	(31,031)	(379,196)
Net reinsurance contract liabilities/(assets) as at 31 December	(2,843,323)	(410,526)	94,473	(34,602)	(279,001)	(219,130)	(3,472,979)

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(a) Movements in insurance and reinsurance contract balances *(Continued)*

<u>Reinsurance contracts</u> *(Continued)*

Analysis by measurement component – Contracts not measured under the PAA (Continued)

	At 31 December 2023						
			Contractual Service Margin				
	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Contracts using the fair value approach $'000	Contracts using the modified retrospective approach $'000	All other contracts $'000	Subtotal $'000	Total $'000
Reinsurance contract assets as at 1 January	(3,022,194)	(392,088)	994	(65,519)	20,764	(43,761)	(3,458,043)
Reinsurance contract liabilities as at 1 January	936,326	(42,259)	(196)	(19,927)	(43,506)	(63,629)	830,438
Net reinsurance contract liabilities/(assets) as at 1 January	(2,085,868)	(434,347)	798	(85,446)	(22,742)	(107,390)	(2,627,605)
Change in the statement of profit or loss and other comprehensive income							
Changes that relate to current service							
Contractual service margin recognised in profit or loss for the services received	-	-	(118)	31,021	232,506	263,409	263,409
Change in the risk adjustment for non-financial risk	-	103,145	-	-	-	-	103,145
Experience adjustments	1,170,460	-	-	-	-	-	1,170,460
Changes that relate to future service							
Contracts initially recognised in the period	327,745	(141,114)	-	-	(186,631)	(186,631)	-
Changes in estimates that adjust the contractual service margin	69,032	99,928	97,787	15,447	(282,194)	(168,960)	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	-	-	(30,343)	(2,127)	(38,173)	(70,643)	(70,643)
Changes that relate to past services							
Changes in fulfillment cash flow relating to the assets for incurred claims	(483,142)	43,963	-	-	-	-	(439,179)
Net expenses from reinsurance contracts held	1,084,095	105,922	67,326	44,341	(274,492)	(162,825)	1,027,192
Effect of movements in exchange rates	(22,375)	2,191	(640)	1,319	28	707	(19,477)
Financial movements in reinsurance contracts	(174,861)	(40,866)	19,315	(2,168)	(4,622)	12,525	(203,202)
Total changes in the statement of profit or loss and other comprehensive income	886,859	67,247	86,001	43,492	(279,086)	(149,593)	804,513
Cash flows							
Reinsurance premiums paid	(2,054,535)	-	-	-	-	-	(2,054,535)
Amounts received and other reinsurance service expenses received, including investment components	1,597,908	-	-	-	-	-	1,597,908
Other related cash flows	(157,148)	-	-	-	-	-	(157,148)
Total cash flows	(613,775)	-	-	-	-	-	(613,775)
Reinsurance contract assets as at 31 December	(2,570,059)	(328,397)	86,799	(31,150)	(284,257)	(228,608)	(3,127,064)
Reinsurance contract liabilities as at 31 December	757,275	(38,703)	-	(10,804)	(17,571)	(28,375)	690,197
Net reinsurance contract liabilities/(assets) as at 31 December	(1,812,784)	(367,100)	86,799	(41,954)	(301,828)	(256,983)	(2,436,867)

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(b) Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

Insurance contracts

	Profitable contracts issued *$'000*	Onerous contracts issued *$'000*	Total *$'000*
Year ended 31 December 2024			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	**14,141,680**	**2,626,056**	**16,767,736**
- Claims payable and other expenses	**116,157,855**	**27,708,222**	**143,866,077**
Total estimates of present value of cash outflows	**130,299,535**	**30,334,278**	**160,633,813**
Estimates of present value of cash inflows	**(154,254,103)**	**(29,924,124)**	**(184,178,227)**
Risk adjustment for non-financial risk	**2,597,403**	**701,023**	**3,298,426**
Contractual service margin	**21,357,165**	**-**	**21,357,165**
Losses recognised on initial recognition	**-**	**1,111,177**	**1,111,177**
Year ended 31 December 2023			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	14,870,786	4,303,798	19,174,584
- Claims payable and other expenses	103,138,203	39,548,390	142,686,593
Total estimates of present value of cash outflows	118,008,989	43,852,188	161,861,177
Estimates of present value of cash inflows	(137,192,202)	(42,746,091)	(179,938,293)
Risk adjustment for non-financial risk	1,568,488	420,237	1,988,725
Contractual service margin	17,614,725	-	17,614,725
Losses recognised on initial recognition	-	1,526,334	1,526,334

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(b) Effect of contracts initially recognised in the year *(Continued)*

Reinsurance contracts

	Reinsurance contracts held *$'000*	Total *$'000*
Year ended 31 December 2024		
Estimates of present value of cash inflows	**2,478,457**	**2,478,457**
Estimates of present value of cash outflows	**(1,981,139)**	**(1,981,139)**
Risk adjustment for non-financial risk	**(153,357)**	**(153,357)**
Contractual service margin	**(343,961)**	**(343,961)**
Income recognised on initial recognition	**-**	**-**
Year ended 31 December 2023		
Estimates of present value of cash inflows	1,975,487	1,975,487
Estimates of present value of cash outflows	(1,647,742)	(1,647,742)
Risk adjustment for non-financial risk	(141,114)	(141,114)
Contractual service margin	(186,631)	(186,631)
Income recognised on initial recognition	-	-

27 INSURANCE AND REINSURANCE CONTRACTS *(Continued)*

(c) Expected recognition of contractual service margin in profit or loss

The expected recognition of contractual service margin in profit or loss provided in the table below represents the amount by which the carrying value of the Group's contractual service margin at 31 December 2024 is expected to be apportioned to future years, which does not include contractual service margin for future new business and accrued interest.

	At 31 December 2024		At 31 December 2023	
	Total contractual service margin of insurance contracts issued	**Total contractual service margin of reinsurance contracts held**	Total contractual service margin of insurance contracts issued	Total contractual service margin of reinsurance contracts held
	$'000	***$'000***	*$'000*	*$'000*
Number of years until expected to be recognised in profit or loss				
Within 5 years	**67,938,057**	**(158,338)**	69,602,228	(217,150)
5 years to 10 years	**44,396,523**	**(64,144)**	44,894,481	(52,120)
More than 10 years	**95,653,927**	**3,352**	96,968,071	12,287
Total	**207,988,507**	**(219,130)**	211,464,780	(256,983)

28 FINANCE LEASE RECEIVABLES

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
Finance lease receivables	**51,198,631**	61,757,102
Less: unearned finance income	**(3,935,359)**	(5,290,923)
	47,263,272	56,466,179
Less: ECL allowance	**(2,359,655)**	(3,077,455)
	44,903,617	53,388,724

As at 31 December 2024, finance lease receivables included the amounts of $3,469,606,000 (2023: $4,366,621,000) that were pledged to financial institutions as collateral in connection with banking facilities arrangements.

The following table sets out a maturity analysis of finance lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
Less than 1 year	**16,947,957**	19,498,605
1 to 2 years	**11,648,970**	15,235,847
2 to 3 years	**8,170,728**	9,435,530
3 to 4 years	**5,270,734**	6,279,799
4 to 5 years	**3,368,935**	4,634,015
More than 5 years	**5,791,307**	6,673,306
Total undiscounted finance lease receivables	**51,198,631**	61,757,102

29 OTHER ASSETS

	At 31 December 2024 **$'000**	At 31 December 2023 $'000
Securities settlement fund	**3,102,435**	2,678,005
Value-added tax prepaid	**1,436,739**	1,246,732
Receivables from payment service providers	**544,741**	483,581
Guarantee deposits paid	**2,138,739**	738,055
Prepayments	**1,689,605**	539,516
Pension management fees receivable	**445,130**	292,631
Rental and utility deposits	**179,351**	198,512
Receivables from operating lease *(note (i))*	**137,400**	177,441
Inventories *(note (ii))*	**122,069**	125,371
Deposits for the purchase of property	**21,584**	57,276
Tax recoverables	**170,823**	32,390
Tax certificate paid to Hong Kong Inland Revenue Department	**-**	193,169
Others	**4,267,326**	4,007,425
	14,255,942	10,770,104
Less: ECL allowance	**(1,820,762)**	(1,250,809)
	12,435,180	9,519,295

Notes:

(i) As at 31 December 2024, receivable from operating lease of $60,216,000 (2023: Nil) have been pledged to financial institutions as collateral in connection with banking facilities arrangements.

(ii) The Group's inventories comprise raw materials, product in progress, other supplemental materials and lands purchased that have been set to be used to build properties for sale by a subsidiary.

30 PLEDGED AND RESTRICTED BANK DEPOSITS

As at 31 December 2024, the deposits at banks of $552,011,000 (2023: $743,488,000) are pledged to banks to secure letters of credit issued by the bank on behalf of the Group, to secure the issue of bank acceptance bills and to provide security in connection with a reinsurance arrangement.

As at 31 December 2024, the deposits at banks of $460,370,000 (2023: $707,103,000) are restricted from use and set aside as risk reserves, pursuant to the relevant PRC regulations.

In accordance with relevant regulations, a subsidiary which engages in financial leasing business is required to place reserve deposits with the People's Bank of China. As at 31 December 2024, the reserve deposits with the amount of $213,855,000 (2023: $961,706,000) are calculated at 5% (2023: 5%) of total deposits received. The reserve deposits are not available for use by the Group in its day to day operations.

All the pledged and restricted bank deposits are expected to be settled within one year.

31 CASH AND CASH EQUIVALENTS

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
Deposits with banks and other financial institutions with original maturity less than three months	**8,305,711**	15,181,566
Cash at bank and on hand	**36,082,871**	27,372,836
	44,388,582	42,554,402

32 INVESTMENT CONTRACT LIABILITIES

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
Balance as at 1 January	**6,030,767**	5,437,063
Premiums received during the year	**25,361,866**	3,083,879
Interest allocated to investment contracts, net of management fee	**272,928**	438,256
Surrenders and others	**(10,952,897)**	(2,861,292)
Exchange difference	**(332,951)**	(67,139)
Balance as at 31 December	**20,379,713**	6,030,767

33 INTEREST-BEARING NOTES

	At 31 December 2024	At 31 December 2023
	$'000	*$'000*
USD notes *(note (a))*	**2,363,299**	2,379,475
RMB notes *(note (b))*	**-**	4,503,575
RMB capital supplement notes *(note (c))*	**8,450,123**	21,723,545
	10,813,422	28,606,595

Notes:

(a) On 2 October 2013, China Taiping Fortunes Limited, a subsidiary of the Group issued 6.0% notes for the principal amount of USD300,000,000 at par. The notes will mature on 2 October 2028. Interest on the notes is payable semi-annually in arrears.

The notes issued are unconditionally and irrevocably guaranteed by the Company.

(b) During the second quarter of 2021, TSFL issued 3.45% notes at par for the principal amount of RMB2,000,000,000 and 3.59% notes at par for the principal amount of RMB2,000,000,000. Interest on the notes is payable annually in arrears. The notes issued were free of any collateral and guarantee. The notes were mature and fully redeemed in the second quarter of 2024.

(c) On 20 November 2019, TPI, a subsidiary of the Group issued 4.18% capital supplement notes at par for the principal amount of RMB3,000,000,000. The notes will mature on 22 November 2029 but the notes can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPI. Interest on the notes is payable annually in arrears. The notes were early fully redeemed in the fourth quarter of 2024.

On 2 December 2021, TPL issued 3.61% capital supplementary bonds at par for the principal amount of RMB10,000,000,000. The bonds will mature on 5 December 2031 but the bonds can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPL. Interest on the bonds is payable annually in arrears. During the Year, TPL has repurchased and canceled capital supplementary bonds of RMB8,210,000,000. After the completion of the repurchase and cancellation of the capital supplementary bonds, the remaining outstanding balances of the capital supplementary bonds are RMB1,790,000,000.

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

33 INTEREST-BEARING NOTES *(Continued)*

Notes: (Continued)

(c) *(Continued)*

The above repurchase and cancellation of the capital supplementary bonds by TPL has incurred other loss of RMB261,638,000 (equivalent to $287,075,000) recognised in the profit of loss during the Year.

On 3 March 2023, TPRe(China), a subsidiary of the Group issued 3.88% capital supplement notes at par for the principal amount of RMB1,300,000,000. The notes will mature on 7 March 2033 but the notes can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPRe(China). Interest on the notes is payable annually in arrears. The notes issued are free of any collateral and guarantee.

On 18 November 2024, TPI issued 2.48% capital supplement notes at par for the principal amount of RMB3,000,000,000. The notes will mature on 20 November 2034 but the notes can be redeemed at the fifth anniversary year of the issue date at par value at the discretion of TPI. Interest on the notes is payable annually in arrears.

34 BANK BORROWINGS

	At 31 December 2024 **$'000**	At 31 December 2023 *$'000*
Unsecured		
Bank loans *(note (i))*	**11,958,549**	14,964,472
Bank loans for financial leasing *(note (ii))*	**49,399,915**	46,099,283
	61,358,464	61,063,755
Secured		
Bank loan *(note (iii))*	**4,600,707**	4,602,381
Bank loans for financial leasing *(note (iv))*	**3,913,060**	5,510,828
	69,872,231	71,176,964

The bank borrowings are repayable as follows:

	At 31 December 2024 **$'000**	At 31 December 2023 *$'000*
Within 1 year	**56,674,260**	45,833,187
After 1 year but within 5 years	**12,372,310**	23,969,902
After 5 years	**825,661**	1,373,875
	69,872,231	71,176,964

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

34 BANK BORROWINGS *(Continued)*

Notes:

(i) As at 31 December 2024, the bank loans are unsecured and carry interest at HIBOR plus 0.64% to HIBOR plus 1.00% (2023: HIBOR plus 0.64% to HIBOR plus 1.00%) per annum, with effective interest rates ranging from 4.46% to 6.39% (2023: 2.82% to 6.46%) per annum.

(ii) As at 31 December 2024, the bank loans for financial leasing are unsecured and carry interest at weighted average interest rates ranging from 1.90% to 6.12% (2023: 2.07% to 6.80%) per annum.

(iii) As at 31 December 2024, the bank loan is secured by investment properties, the shares of certain subsidiaries and pledged and restricted bank deposits and carry interest at HIBOR plus 1.03% (2023: HIBOR plus 1.03%), with effective interest rates at 5.60% per annum (2023: 6.30%).

(iv) As at 31 December 2024, the bank loans for financial leasing are secured by operating lease assets, finance lease receivables and operating lease receivables, and carry interest at interest rates ranging from 2.47% to 5.55% (2023: 2.47% to 6.86%) per annum.

35 OTHER PAYABLES AND ACCRUALS

On 20 May 2024, the Company, Dragon Jade, Ageas and TPP entered into a capital increase agreement, pursuant to which TPP has conditionally agreed to issue new shares representing approximately 10% of the enlarged issued share capital of TPP at the consideration of RMB1.075 billion (equivalent to $1.180 billion) to Ageas. As at 31 December 2024, TPP has received the consideration and the obtainment of relevant regulatory approvals is still in progress, and the consideration received was included in other payables and accruals.

The remaining other payables and accruals are expected to be settled within one year.

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Amounts due to group companies *$'000*	Lease liabilities *$'000*	Interest-bearing notes *$'000*	Bank borrowings *$'000*	Total *$'000*
Balance at 1 January 2024	**16,639**	**1,646,685**	**28,606,595**	**19,566,853**	**49,836,772**
Changes from financing cash flows:					
Increase in amounts due to group companies	**5,507**	**-**	**-**	**-**	**5,507**
Repayment of lease liabilities	**-**	**(900,379)**	**-**	**-**	**(900,379)**
Issuance of interest-bearing notes	**-**	**-**	**3,291,675**	**-**	**3,291,675**
Redemption of interest-bearing notes	**-**	**-**	**(20,441,304)**	**-**	**(20,441,304)**
Repayment of bank borrowings	**-**	**-**	**-**	**(3,000,000)**	**(3,000,000)**
Interest paid	**-**	**-**	**(975,059)**	**(1,053,990)**	**(2,029,049)**
Total changes from financing cash flows	**5,507**	**(900,379)**	**(18,124,688)**	**(4,053,990)**	**(23,073,550)**
Non-cash changes:					
Additions of leases	**-**	**1,425,236**	**-**	**-**	**1,425,236**
Expiry/termination of lease contracts	**-**	**(766,843)**	**-**	**-**	**(766,843)**
Interest expenses	**-**	**64,676**	**729,509**	**1,046,393**	**1,840,578**
Exchange difference	**-**	**(31,476)**	**(397,994)**	**-**	**(429,470)**
Total non-cash changes	**-**	**691,593**	**331,515**	**1,046,393**	**2,069,501**
Balance at 31 December 2024	**22,146**	**1,437,899**	**10,813,422**	**16,559,256**	**28,832,723**

	Amounts due to group companies *$'000*	Lease liabilities *$'000*	Interest-bearing notes *$'000*	Bank borrowings *$'000*	Total *$'000*
Balance at 1 January 2023	19,005	1,793,124	27,398,385	21,011,078	50,221,592
Changes from financing cash flows:					
Decrease in amounts due to group companies	(2,366)	-	-	-	(2,366)
Repayment of lease liabilities	-	(1,007,184)	-	-	(1,007,184)
Issuance of interest-bearing notes	-	-	1,443,562	-	1,443,562
Proceeds from bank borrowings	-	-	-	2,500,000	2,500,000
Repayment of bank borrowings	-	-	-	(3,950,000)	(3,950,000)
Interest paid	-	-	(957,697)	(1,161,447)	(2,119,144)
Total changes from financing cash flows	(2,366)	(1,007,184)	485,865	(2,611,447)	(3,135,132)
Non-cash changes:					
Additions of leases	-	1,143,522	-	-	1,143,522
Expiry/termination of lease contracts	-	(331,128)	-	-	(331,128)
Interest expenses	-	72,014	999,198	1,167,222	2,238,434
Exchange difference	-	(23,663)	(276,853)	-	(300,516)
Total non-cash changes	-	860,745	722,345	1,167,222	2,750,312
Balance at 31 December 2023	16,639	1,646,685	28,606,595	19,566,853	49,836,772

37 SHARE CAPITAL

	2024		2023	
	No. of shares	***$'000***	No. of shares	*$'000*
Ordinary Shares, issued and fully paid:				
At 1 January	**3,594,018,538**	**40,771,408**	3,594,018,538	40,771,408
At 31 December	**3,594,018,538**	**40,771,408**	3,594,018,538	40,771,408

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

38 RESERVES

	Attributable to owners of the Company										
	Capital reserve $'000	Merger reserve $'000	Exchange reserve $'000	Fair value reserve $'000	Insurance finance reserve $'000	Revaluation reserve $'000	Retained profits $'000	Ordinary shareholders sub-total $'000	Perpetual subordinated capital securities $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2024	(5,618,303)	(6,842,218)	(5,962,339)	32,151,963	(61,414,865)	1,562,384	84,340,080	38,216,702	15,991,524	37,616,020	91,824,246
Profit for the year	-	-	-	-	-	-	8,431,613	8,431,613	-	4,366,223	12,797,836
Other comprehensive income for the year:											
Revaluation gain arising from reclassification of own-use properties to investment properties, net of deferred tax	-	-	-	-	-	77,570	-	77,570	-	2,040	79,610
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	(1,891,869)	-	-	-	-	(1,891,869)	-	(609,208)	(2,501,077)
Changes in the the fair value of equity investments at FVOCI, net of deferred tax	-	-	-	3,791,627	-	-	-	3,791,627	-	918,888	4,710,515
Changes in the the fair value of debt investments at FVOCI, net of deferred tax	-	-	-	44,143,456	-	-	-	44,143,456	-	14,117,656	58,261,112
Finance expense from insurance contracts issued, net of deferred tax	-	-	-	-	(60,554,084)	-	-	(60,554,084)	-	(19,645,940)	(80,200,024)
Finance income from reinsurance contracts held, net of deferred tax	-	-	-	-	32,541	-	-	32,541	-	2,605	35,146
Share of other comprehensive income of associates and joint ventures, net of deferred tax	-	-	-	138,825	-	-	-	138,825	-	47,012	185,837
Total comprehensive income	-	-	(1,891,869)	48,073,908	(60,521,543)	77,570	8,431,613	(5,830,321)	-	(800,724)	(6,631,045)
Dividend declared to shareholders	-	-	-	-	-	-	(1,078,206)	(1,078,206)	-	-	(1,078,206)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,080,447)	(1,080,447)
Distributions to holders of perpetual subordinated capital securities	-	-	-	-	-	-	(999,175)	(999,175)	999,175	-	-
Declared to holders of perpetual subordinated capital securities/perpetual capital securities	-	-	-	-	-	-	-	-	(1,000,213)	(398,293)	(1,398,506)
Disposal of equity investments at FVOCI	-	-	-	(141,402)	-	-	141,402	-	-	-	-
Balance at 31 December 2024	(5,618,303)	(6,842,218)	(7,854,208)	80,084,469	(121,936,408)	1,639,954	90,835,714	30,309,000	15,990,486	35,336,556	81,636,042

38 RESERVES *(Continued)*

	Attributable to owners of the Company										
	Capital reserve	Merger reserve	Exchange reserve	Fair value reserve	Insurance finance reserve	Revaluation reserve	Retained profits	Ordinary shareholders sub-total	Perpetual subordinated capital securities	Non-controlling interests	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Balance at 1 January 2023	(5,618,303)	(6,842,218)	(4,839,608)	15,011,588	(36,410,708)	1,479,780	79,787,927	42,568,458	-	25,503,729	68,072,187
Profit for the year	-	-	-	-	-	-	6,189,764	6,189,764	-	4,087,177	10,276,941
Other comprehensive income for the year:											
Revaluation gain arising from reclassification of own-use properties to investment properties, net of deferred tax	-	-	-	-	-	82,604	-	82,604	-	1,139	83,743
Exchange differences on translation of the financial statements of subsidiaries, associates and joint ventures	-	-	(1,122,731)	-	-	-	-	(1,122,731)	-	(344,107)	(1,466,838)
Changes in the the fair value of equity investments at FVOCI, net of deferred tax	-	-	-	227,576	-	-	-	227,576	-	125,841	353,417
Changes in the the fair value of debt investments at FVOCI, net of deferred tax	-	-	-	17,025,448	-	-	-	17,025,448	-	5,144,151	22,169,599
Finance expense from insurance contracts issued, net of deferred tax	-	-	-	-	(25,071,946)	-	-	(25,071,946)	-	(8,027,929)	(33,099,875)
Finance income from reinsurance contracts held, net of deferred tax	-	-	-	-	67,789	-	-	67,789	-	8,040	75,829
Total comprehensive income	-	-	(1,122,731)	17,253,024	(25,004,157)	82,604	6,189,764	(2,601,496)	-	994,312	(1,607,184)
Dividend declared to shareholders	-	-	-	-	-	-	(934,445)	(934,445)	-	-	(934,445)
Dividend declared by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(983,759)	(983,759)
Issurance of perpetual subordinated capital securities/perpetual capital securities	-	-	-	-	-	-	-	-	15,674,799	12,090,038	27,764,837
Distributions to holders of perpetual subordinated capital securities	-	-	-	-	-	-	(815,815)	(815,815)	815,815	-	-
Declared to holders of perpetual subordinated capital securities	-	-	-	-	-	-	-	-	(499,090)	-	(499,090)
Capital injections made to a subsidiary	-	-	-	-	-	-	-	-	-	11,700	11,700
Disposal of equity investments at FVOCI	-	-	-	(112,649)	-	-	112,649	-	-	-	-
Balance at 31 December 2023	(5,618,303)	(6,842,218)	(5,962,339)	32,151,963	(61,414,865)	1,562,384	84,340,080	38,216,702	15,991,524	37,616,020	91,824,246

38 RESERVES *(Continued)*

(a) Nature or purpose of reserves

(i) Capital reserve

The capital reserve represents the differences between the net assets value of the target interests, target assets and liabilities acquired and the fair value of the shares issued by the Company as consideration for the acquisition.

(ii) Merger reserve

Merger reserve represents the difference in (i) the fair value of the shares issued as a consideration paid to TPG and TPG (HK) and (ii) the share capital and share premium of the equity interests and the carrying value of certain assets acquired which were all under common control of TPG and TPG (HK) before and after the acquisition.

(iii) Exchange reserve

The exchange reserve is comprised of all of the foreign exchange differences arising from the translation of the financial statements of Group entities that has functional currency different from the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy disclosed in Note 1(v).

(iv) Fair value reserve

The fair value reserve is comprised of the cumulative net change in the fair value of debt investments and equity investments at FVOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy disclosed in Note 1(g)(ii).

(v) Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in OCI (see Note 1(c)).

(vi) Revaluation reserve

The revaluation reserve represents the revaluation of fair value of the assets and liabilities from the additional acquisition of TPI relating to previously held interest in TPI as associates and the revaluation of fair value of certain properties from land and buildings to investment properties.

(vii) Retained profits

In accordance with the Company Law and the Articles of Association, the subsidiaries are required to make appropriation to a statutory surplus reserve based on its profit for the year (after offsetting any prior years' losses) as determined based on applicable financial regulations in the PRC in their annual statutory financial statements. The retained profits included statutory surplus reserve of subsidiaries amounting to $7,947.31 million (2023: $7,619.49 million) as at 31 December 2024.

39 PERPETUAL SUBORDINATED CAPITAL SECURITIES

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

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

The distribution relating to the perpetual subordinated capital securities amounted to $999,175,000 (2023: $815,815,000) and declared and paid to holders of perpetual subordinated capital securities amounted to $1,000,213,000 (2023: $499,090,000) during the Year.

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

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

The distribution relating to the perpetual capital securities amounted to $398,293,000 (2023: $12,148,000) and declared and paid to holders of perpetual capital securities amounted to $398,293,000 (2023: Nil) during the Year.

40 EMPLOYEE RETIREMENT BENEFITS

The Group operates a MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance and one Staff Provident Fund Scheme (the "SPF scheme") under the Occupational Retirement Schemes Ordinance for employees employed under the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employers and its employees are each required to make contributions to the MPF scheme at 5% of the employees' relevant income, subject to a cap of a monthly relevant income of $30,000. Contributions to the scheme vest immediately. Under the SPF scheme, the Group is required to make contributions based on a certain percentage of the relevant employees' salaries which is dependent on their length of service with the Group. Forfeited contributions to the SPF scheme are used to reduce the Group's future contributions.

As stipulated by the labour regulations of the PRC, certain subsidiaries of the Group participate in various defined contribution retirement plans authorised by municipal and provincial governments for its staff. These subsidiaries are required to contribute at a rate of 10% to 22% (2023: 10% to 22%) of the salaries, bonuses and certain allowances of their staff to the retirement plans. A member of the plans is entitled to a pension equal to a fixed proportion of the salary prevailing at his or her retirement date.

The Group has no other material obligations for the payment of its staff's retirement and other post-employment benefits other than the contributions described above.

41 FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

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

- The fair value of financial assets and financial liabilities classified as Level 1 with standard terms and conditions and traded on active liquid markets are determined with reference to recent transaction price or quoted prices (unadjusted) respectively;

- The fair value of derivative instruments are estimated using discounted cash flow analysis and the applicable yield curve for the duration of the non-applicable derivative;

- The fair value of unlisted investment funds and unlisted debt securities included in financial assets at fair value through profit or loss and fair value through other comprehensive income investments classified as Level 2 are established by reference to the prices quoted by respective fund administrators or by using valuation techniques including discounted cash flow method. The main parameters used include bond prices, interest rates, foreign exchange rates, prepayment rates, counter party credit spreads and others; and

- The Level 3 financial assets, primarily comprises unlisted equity securities. Fair values are generally determined using valuation techniques, including discounted cash flows translation and markets comparison methods. Unobservable inputs include discount rates, comparable company valuation multiples, liquidity spreads, recent transaction prices of similar instruments. The valuation requires management to make certain assumptions about unobservable inputs to the models.

41 FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(Continued)*

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

	At 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	***$'000***	***$'000***	***$'000***
Financial assets				
- Financial investments at FVPL	**162,873,939**	**238,679,172**	**48,420,405**	**449,973,516**
- Debt investments at FVOCI	**28,332,303**	**798,747,973**	**1,705,863**	**828,786,139**
- Equity investments at FVOCI	**42,212,530**	**6,371,830**	**2,811,981**	**51,396,341**
	233,418,772	**1,043,798,975**	**52,938,249**	**1,330,155,996**
Financial liabilities				
- Investment contract liabilities measured at fair value	**2,889,618**	**13,944,711**	**-**	**16,834,329**

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

41 FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Reconciliation of Level 3 fair value measurements of financial assets:

	Financial investments at FVPL *$'000*	**Debt investments at FVOCI** *$'000*	**Equity investments at FVOCI** *$'000*	**Total** *$'000*
At 1 January 2024	**60,033,983**	**1,762,773**	**2,714,828**	**64,511,584**
Purchases	**6,172,634**	**-**	**17,476**	**6,190,110**
Gain or losses recognised in:				
- profit or loss	**1,480,945**	**(591)**	**-**	**1,480,354**
- other comprehensive income	**-**	**(5,238)**	**79,410**	**74,172**
Disposals	**(18,182,218)**	**(13,585)**	**-**	**(18,195,803)**
Transfer into Level 3	**219,521**	**-**	**11,463**	**230,984**
Transfer out of Level 3	**(60,000)**	**-**	**-**	**(60,000)**
Exchange difference	**(1,244,460)**	**(37,496)**	**(11,196)**	**(1,293,152)**
At 31 December 2024	**48,420,405**	**1,705,863**	**2,811,981**	**52,938,249**

	Financial investments at FVPL *$'000*	Debt investments at FVOCI *$'000*	Equity investments at FVOCI *$'000*	Total *$'000*
At 1 January 2023	66,912,938	1,802,345	3,052,180	71,767,463
Purchases	7,640,399	-	158,967	7,799,366
Gain or losses recognised in:				
- profit or loss	(464,158)	2,177	(34,990)	(496,971)
- other comprehensive income	(1,554)	(15,573)	(157,133)	(174,260)
Disposals	(12,313,409)	(626)	(302,785)	(12,616,820)
Transfer into Level 3	151,643	-	-	151,643
Transfer out of Level 3	(954,536)	-	-	(954,536)
Exchange difference	(937,340)	(25,550)	(1,411)	(964,301)
At 31 December 2023	60,033,983	1,762,773	2,714,828	64,511,584

41 FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

At 31 December 2024, financial investments measured at FVOCI with carrying amounts of $11,387,608,000 (2023: $5,470,016,000) were transferred from Level 1 to Level 2 because quoted prices in the markets for such investments were no longer regularly available. Conversely, financial investments measured at FVOCI with carrying amounts of $1,095,508,000 (2023: $3,864,611,000) were transferred from Level 2 to Level 1 because quoted prices in active markets were available as at 31 December 2024.

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

(b) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2024 and 31 December 2023 except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

	Carrying amount *$'000*	**Fair value** *$'000*	**Level 1** *$'000*	**Level 2** *$'000*	**Level 3** *$'000*
At 31 December 2024					
Financial investments at amortised cost	**112,160,533**	**106,865,798**	**47,886,446**	**28,010,930**	**30,968,422**
Interest-bearing notes	**10,813,422**	**10,951,012**	**-**	**10,951,012**	**-**

	Carrying amount *$'000*	Fair value *$'000*	Level 1 *$'000*	Level 2 *$'000*	Level 3 *$'000*
At 31 December 2023					
Financial investments at amortised cost	125,324,198	117,734,434	66,597,544	16,556,103	34,580,787
Interest-bearing notes	28,606,595	26,347,115	-	26,347,115	-

41 FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) *(Continued)*

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

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

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

42 COMMITMENTS

(a) Capital commitments as at 31 December 2024 were as follows:

	At 31 December 2024 ***$'000***	At 31 December 2023 *$'000*
Contracted for but not provided		
- property and equipment	**46,909**	643,159
- Investments	**1,387,677**	4,218,449
Authorised but not contracted for		
- property and equipment	**23,975**	21,129
	1,458,561	4,882,737

42 COMMITMENTS *(Continued)*

(b) Operating lease commitments: The Group as lessor

The Group leases out operating lease assets and investment properties under operating leases. The leases typically run for an initial period of 2 to 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed every 2 to 5 years to reflect market rentals. None of the leases includes contingent rentals.

The gross carrying amounts of operating lease assets and the investment properties of the Group held for use in operating leases were $37,561,926,000 (2023: $34,617,004,000).

As at 31 December 2024, the Group had contracted with tenants for the following future minimum lease payments:

	At 31 December 2024 *$'000*	At 31 December 2023 *$'000*
Within 1 year	**1,537,889**	2,114,951
After 1 year but within 2 years	**1,169,069**	1,457,430
After 2 years but within 3 years	**860,934**	1,121,415
After 3 years but within 4 years	**539,614**	889,318
After 4 years but within 5 years	**411,256**	590,835
After 5 years	**1,057,529**	1,054,735
	5,576,291	7,228,684

43 CONTINGENT LIABILITIES

Other than those incurred in the normal course of the Group's insurance businesses, there was no outstanding litigation nor any other contingent liabilities as at 31 December 2024 and 31 December 2023.

44 MATERIAL RELATED PARTY TRANSACTIONS

(a) Recurring transaction with related parties

The Group has not entered into significant recurring transactions with related parties during the Year. Remuneration of Directors and key management personnel are disclosed in Notes 11 and 12.

(b) Non-recurring transaction with related parties

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

45 STATEMENT OF FINANCIAL POSITION AND RESERVE OF HOLDING COMPANY

	Notes	**At 31 December 2024** **$'000**	At 31 December 2023 $'000
Assets			
Fixed assets			
- Property and equipment		**18,304**	26,151
- Investment properties		**266,298**	273,919
- Right-of-use assets		**269,361**	158,064
Interests in subsidiaries		**64,690,609**	57,545,214
Interests in associates		**614,486**	665,680
Financial assets at fair value through profit or loss		**91,328**	193,746
Deferred tax assets		**378**	248
Amounts due from group companies		**5,307,266**	5,421,643
Other assets		**28,412**	26,420
Cash and cash equivalents		**2,719,612**	12,254,272
		74,006,054	76,565,357
Liabilities			
Bank borrowings		**7,050,094**	8,550,094
Lease liabilities		**274,261**	166,717
Amounts due to group companies		**2,765,208**	2,704,232
Other payables and accruals		**225,879**	301,282
Current taxation		**1,671**	-
		10,317,113	11,722,325
Net assets		**63,688,941**	64,843,032
Capital and reserves			
Share capital	*37*	**40,771,408**	40,771,408
Reserves		**6,927,047**	8,080,100
		47,698,455	48,851,508
Perpetual subordinated capital securities	*39*	**15,990,486**	15,991,524
Total equity		**63,688,941**	64,843,032

45 STATEMENT OF FINANCIAL POSITION AND RESERVE OF HOLDING COMPANY *(Continued)*

	Capital reserve *$'000*	**Exchange reserve** *$'000*	**Retained profits** *$'000*	**Total** *$'000*
At 1 January 2024	**(661,995)**	**74,407**	**8,667,688**	**8,080,100**
Exchange difference on translation of foreign operations	**-**	**36,195**	**-**	**36,195**
Profit for the year	**-**	**-**	**689,915**	**689,915**
Business combination under common control	**198,218**	**-**	**-**	**198,218**
Distributions to holders of perpetual subordinated capital securities	**-**	**-**	**(999,175)**	**(999,175)**
Dividend declared to shareholders	**-**	**-**	**(1,078,206)**	**(1,078,206)**
At 31 December 2024	**(463,777)**	**110,602**	**7,280,222**	**6,927,047**

	Capital reserve *$'000*	Exchange reserve *$'000*	Retained profits *$'000*	Total *$'000*
At 1 January 2023	(661,995)	54,235	7,073,838	6,466,078
Exchange difference on translation of foreign operations	-	20,172	-	20,172
Profit for the year	-	-	3,344,110	3,344,110
Distributions to holders of perpetual subordinated capital securities	-	-	(815,815)	(815,815)
Dividend declared to shareholders	-	-	(934,445)	(934,445)
At 31 December 2023	(661,995)	74,407	8,667,688	8,080,100

46 PARENT AND ULTIMATE HOLDING COMPANIES

The immediate holding company and the ultimate holding company as at 31 December 2024 are China Taiping Insurance Group (HK) Company Limited (incorporated in Hong Kong, PRC) and China Taiping Insurance Group Ltd. (established in the PRC), respectively. China Taiping Insurance Group Ltd. is ultimately controlled by the State Council of the PRC.

47 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under HKFRSs requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related disclosures. Changes in assumptions may have a significant impact on the financial statements in the periods where the assumptions are changed. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of goodwill and intangible assets

The Group assesses annually if the goodwill and intangible assets associated with the acquisition of subsidiaries and associates have suffered any impairment losses in accordance with the accounting policy stated in Note 1(n). The recoverable amount of the goodwill and intangible assets is determined using discounted cash flows which require the use of estimated revenue from business operations, investment returns and an appropriate discount rate. As at 31 December 2024, the carrying amount of goodwill and intangible assets were $352,587,000 (2023: $353,658,000) and $261,408,000 (2023: $261,408,000) respectively.

(b) Impairment of financial assets

The measurement of ECL under HKFRS 9 across relevant financial assets requires judgement, in particular, the use of impairment models and significant assumptions about future macroeconomic conditions when calculating ECL.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as but not limited to:

- Determining significant increase in credit risk;

- Choosing appropriate models and assumptions for measurement of ECL; and

- Establishing and determining the relative weights of forward looking scenarios.

Further details are included in Note 1(g)(iii).

(c) Fair value of investment properties and financial instruments

The fair values of investment properties and financial instruments were determined based on valuation models which involve certain assumptions. Favourable or unfavourable change to these assumptions would result in changes in the fair value and corresponding adjustment to the amount of gain or loss reported in profit or loss.

47 ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(d) Insurance and reinsurance contracts

The Group makes a reasonable estimate of the payments which the Group is required to make in fulfilling its obligations under the insurance contracts, based on information currently available at the end of the reporting period. The Group makes an estimate of assumptions used in the measurement of insurance contract, such assumptions including but not limited to mortality, morbidity, lapse rates, expenses, policy dividend, claim development factors, expected claim ratio and discount rates. Also, the Group determines estimates for premiums and claims data not received from ceding companies at the date of the consolidated financial statements on the basis of historical information, actuarial analyses, financing modeling and other analytical techniques.

Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;

- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and

- a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

Assumptions that used in estimating future cash flows are developed by product type at local entity level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Significant assumptions used are discussed below:

Discount rates

For the cash flows that do not vary based on the returns on underlying items the risk-neutral measurement technique was used to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for an illiquidity premium.

The assumed discount rates is from 1.08% to 7.14% (2023: 1.56% to 7.04%).

For the cash flows that vary based on the returns on underlying items a mix of the risk-neutral method and real-world method was applied in the determination of the discount rates for different products. Under the real-world method, the Group considers investment experience, the current investment portfolio and the trend of the relevant yield curves. The cashflows that vary based on the return of underlying items are discounted at rates reflecting their variability.

47 ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(d) Insurance and reinsurance contracts *(Continued)*

Fulfilment cash flows (Continued)

Estimates of future cash flows

Mortality and morbidity

Mortality and morbidity assumptions are generally developed using a blend of national mortality data, industry trends and the local entity's recent experience.

China Life Insurance Mortality Table (2010-2013) and China Life Insurance Experience Critical Illness Table (2020), are used and adjusted to reflect expected mortality and morbidity improvements.

Lapse

Lapse rates based on pricing assumptions, with reference to management's expectation upon assessment of the actual experience and vary by product type, policy duration and sales trends.

Expense

Expense assumptions are affected by certain factors such as future inflation and market competition which bring uncertainty to these assumptions. The Group determines expense assumptions based on information available at the end of each reporting period.

Participation percentages

The projected policyholder dividends, profit sharing and interest crediting assumptions set by each business unit reflect contractual and regulatory requirements, policyholders' reasonable expectations (where clearly defined) and each business unit's best estimate of future policies, strategies and operations consistent with the investment return assumptions.

47 ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(d) Insurance and reinsurance contracts *(Continued)*

Fulfilment cash flows (Continued)

Estimates of future cash flows (Continued)

The Group estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group calculates risk adjustment at the issuing entity level and then allocate down to each group of contracts in accordance with their risk profile.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75% - 85% (2023: 75% - 85%) percentile (the target confidence level) over the expected present value of the future cash flows.

48 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the HKICPA has issued the following new and revised HKFRSs which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Annual improvements to HKFRS Accounting Standards - Volumne 11[3]	
HKFRS 18	Presenatation and Disclosure in Financial Statements[4]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

Notes:
[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The Directors do not anticipate that the application of the Amendments to HKFRS 10 and HKAS 28 will have a material effect on the Group’s consolidated financial statements.

48 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 *(Continued)*

Amendments to HKAS 21 Lack of Exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cashflows.

The Directors do not anticipate that the application of Amendments to HKAS 21 will have a material effect on the Group's consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments include requirements on:

- classification of financial assets with environmental, social or governance ("ESG") targets and similar features;
- settlement of financial liabilities through electronic payment systems; and
- disclosures regarding investments in equity instruments designated as at fair value through other comprehensive income and financial instruments with contingent features.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and earlier application is permitted.

Retrospective application is required. However, entities are not required to restate prior periods to reflect the application of the amendments; instead, entities may restate prior periods if it is possible without the use of hindsight. If an entity does not restate prior periods, it should, at the date of initial application, recognise any effect of initially applying these amendments as an adjustment to the opening balances of financial assets and financial liabilities and the corresponding adjustment associated with the cumulative effect to the opening balance of retained earnings (or other component of equity, as appropriate).

The Group is currently assessing the impact of the standard upon adoption.

48 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 *(Continued)*

Annual improvements to HKFRS Accounting Standards - Volume 11

The Annual Improvements contain narrow amendments to HKFRSs and accompanying guidance as part of its regular maintenance of the standards.

The amendments to HKFRS 1 update the wordings in paragraph B6 regarding “qualifying criteria” and added cross-references to HKFRS 9 in paragraphs B5 and B6 to improve the consistency with the requirements of HKFRS 9 and understandability of HKFRS 1 related to hedge accounting.

The amendments to HKFRS 7 remove an obsolete reference to paragraph 27A and updated the wordings in paragraph B38 regarding “unobservable inputs” to be consistent with HKFRS 13. The amendments to the accompanying guidance on implementing HKFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the reference paragraphs of HKFRS 7, as well as update the wordings in paragraph IG14 of HKFRS 7 regarding "fair value" consistent with other standards.

The amendments to HKFRS 9 address a conflict between HKFRS 9 and HKFRS 15 over the initial measurement of trade receivables, and how a lessee accounts for the derecognition of a lease liability under paragraph 23 of HKFRS 9.

The amendments to HKFRS 10 clarify that the relationship described in paragraph B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

The amendments to HKAS 7 replace the term “cost method” with “at cost” in paragraph 37 as the definition of “cost method” has already been removed in prior years.

The Directors do not anticipate that the application of Annual improvements to HKFRS Accounting Standards - Volume 11 will have a material effect on the Group’s consolidated financial statements.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 and aims to improve the transparency and comparability of information about an entity’s financial performance.

The main changes comprise:

- a more structured statement of profit or loss;
- enhance disclosure requirements on management-defined performance measures (“MPMs”); and
- enhanced requirements on aggregation and disaggregation of information.

HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively. Earlier application is permitted.

The Group is currently assessing the impact of the standard upon adoption.

48 POSSIBLE IMPACT OF NEW HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 *(Continued)*

HKFRS 19 Subsidiaries without Public Accountability: Disclosures

HKFRS 19 simplifies financial reporting by allowing eligible subsidiaries to apply and hence assert compliance with HKFRSs with reduced disclosures.

A subsidiary may elect to apply HKFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements that are available for public use under HKFRSs.

A subsidiary applying HKFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with HKFRSs that HKFRS 19 has been adopted.

HKFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group is currently assessing the impact of the standard upon adoption.

49 EVENT AFTER THE REPORTING PERIOD

In March 2025, TPL, a subsidiary of the Group, issued undated capital bonds at par for the principal amount of RMB9 billion at the coupon rate 2.4% per annum. The coupon rate will be adjusted every 5 years since the payment settlement date. TPL shall have a conditional redemption right on every interest payment date from the fifth year onwards. Since the undated capital bonds do not establish unavoidable contractual obligation for TPL to deliver cash or other financial asset, it is classified as an equity instrument.

50 SCOPE OF WORK OF MESSRS. KPMG

The figures in respect of the Group's consolidated and Company's statements of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2024 as set out in the announcement have been agreed by the Group's auditor, Messrs. KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. KPMG on the announcement.

Five Year Financial Summary
(Expressed in Hong Kong dollars)

Results

	2024	2023	2022	2021	2020
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Insurance revenue	**111,267,759**	107,488,846	108,906,236	–	–
Insurance service expenses	**(86,432,636)**	(86,255,383)	(88,823,601)	–	–
Net expenses from reinsurance contracts held	**(2,811,029)**	(2,702,206)	(2,132,673)	–	–
Insurance service results	**22,024,094**	18,531,257	17,949,962	–	–
Total premiums written and policy fees	**–**	--	--	262,549,260	233,534,532
Less: Premiums ceded to reinsurers	**–**	--	--	(10,835,446)	(13,201,539)
Net premiums written and policy fees	**–**	--	--	251,713,814	220,332,993
Change in unearned premium provisions, net of reinsurance	**–**	--	--	(1,218,133)	(2,401,260)
Net earned premiums and policy fees	**–**	--	--	250,495,681	217,931,733
Interest revenue	**40,239,750**	35,716,881	35,248,642	–	–
Other investment return	**24,970,928**	(250,704)	(19,924,784)	–	–
Net impairment loss on financial assets	**(1,332,088)**	(1,737,633)	(1,295,201)	–	–
Share of results of associates and joint ventures	**2,664,685**	(162,686)	24,631	609,426	(1,571,190)
Investment income	**–**	--	--	58,227,356	46,870,904
Finance expenses from insurance contracts issued	**(61,035,012)**	(36,012,224)	(21,680,079)	–	–
Finance income from reinsurance contracts held	**387,959**	252,969	210,753	–	–
Net changes in investment contract liabilities	**(65,049)**	355,249	(64,271)	–	–
Other income	**4,647,209**	5,740,050	5,920,501	7,134,579	5,310,609
Net policyholders' benefits	**–**	–	--	(85,908,107)	(65,274,064)
Net commission expenses	**–**	–	--	(24,106,866)	(21,145,845)
Other operating expenses	**(6,917,399)**	(7,011,340)	(7,152,868)	(34,418,746)	(34,249,967)
Change in life insurance contract liabilities, net of reinsurance	**–**	–	–	(158,737,955)	(132,417,008)
Other finance costs	**(3,457,378)**	(3,763,752)	(3,123,440)	(2,381,532)	(2,190,363)
Profit before taxation	**22,127,699**	11,658,067	6,113,846	10,913,836	13,264,809
Income tax credits/(charges)	**(9,329,863)**	(1,381,126)	2,243,083	38,537	(2,807,928)
Profit after taxation	**12,797,836**	10,276,941	8,356,929	10,952,373	10,456,881
Attributable to:					
Owners of the Company	**8,431,613**	6,189,764	4,296,898	7,513,701	6,548,980
Non-controlling interests	**4,366,223**	4,087,177	4,060,031	3,438,672	3,907,901
	12,797,836	10,276,941	8,356,929	10,952,373	10,456,881

Note: The Group adopted HKFRS 17 Insurance Contracts and HKFRS 9 Financial Instruments ("New Standards") from 1 January 2023. According to requirements of the new insurance standards, the Group adjusted comparative figures of the prior period related to insurance business. As permitted under HKFRS 17, the Group has elected to apply classification overlay in the comparative period in presenting the financial instruments.

Five Year Financial Summary *(Continued)*
(Expressed in Hong Kong dollars)

	2024	2023	2022	2021	2020
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Assets and liabilities					
Statutory deposits	**6,430,618**	6,126,504	6,113,255	5,543,578	6,317,763
Fixed assets	**68,963,962**	66,202,672	63,063,287	63,595,390	50,088,262
Goodwill and intangible assets	**613,995**	615,066	980,661	985,356	983,773
Interests in associates and joint ventures	**28,918,673**	27,874,851	26,897,674	20,679,533	18,527,929
Deferred tax assets	**8,495,132**	11,549,792	7,849,882	5,502,790	2,239,919
Financial Investments	**1,442,316,529**	1,223,909,861	1,022,124,117	--	--
Investments in debt and equity securities	**--**	--	--	963,524,800	821,686,758
Securities purchased under resale agreements	**2,005,621**	7,108,241	14,259,130	6,923,758	4,861,664
Amounts due from group companies	**1,312,476**	1,313,246	2,059,864	2,051,643	2,037,290
Insurance contract assets	**870,982**	1,451,667	1,653,570	--	--
Insurance debtors	**--**	--	--	20,064,258	17,629,908
Reinsurance contract assets	**10,793,568**	11,295,059	10,717,843	--	--
Reinsurers' share of insurance contract provisions	**--**	--	--	13,333,198	14,340,059
Policyholder account assets in respect of unit-linked products	**--**	--	--	1,603,338	1,443,637
Finance lease receivables	**44,903,617**	53,388,724	44,616,648	51,294,691	42,466,477
Other assets	**12,435,180**	9,519,295	10,637,313	110,166,726	94,509,136
Pledged and restricted bank deposits	**1,226,236**	2,412,297	1,519,922	1,405,678	1,231,963
Cash and cash equivalents and deposits at bank with original maturity more than three months	**105,055,425**	86,730,213	109,096,898	111,967,237	90,643,428
Total assets	**1,734,342,014**	1,509,497,488	1,321,590,064	1,378,641,974	1,169,007,966
Less: Total liabilities	**(1,611,934,564)**	(1,376,901,834)	(1,211,792,628)	(1,265,186,014)	(1,052,394,907)
Non-controlling interests	**(35,336,556)**	(37,616,020)	(25,860,067)	(25,389,128)	(25,965,607)
	87,070,894	94,979,634	83,937,369	88,066,832	90,647,452
Share capital	**40,771,408**	40,771,408	40,771,408	40,771,408	40,771,408
Reserves	**30,309,000**	38,216,702	43,165,961	47,295,424	49,876,044
Perpetual subordinated capital securities	**15,990,486**	15,991,524	--	--	--
	87,070,894	94,979,634	83,937,369	88,066,832	90,647,452
	dollar	*dollar*	*dollar*	*dollar*	*dollar*
Earnings per share					
Basic	**2.068**	1.495	1.196	2.091	1.822
Diluted	**2.068**	1.495	1.196	2.091	1.822

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

EXECUTIVE DIRECTORS

Mr. YIN Zhaojun, aged 59, has been the chairman of the Company since December 2024. Mr. YIN has been the chairman of TPG and TPG (HK) since February 2025, he is also the chairman* of TPL, the chairman of TPI, the chairman of TPP, the chairman* of TPAM, the chairman of TPL (HK) and the chairman of TP Singapore. Mr. YIN had been the vice chairman, general manager and responsible compliance officer of TPG and TPG (HK), and the vice chairman and general manager of the Company. Mr. YIN had also been the vice president of China Life Insurance (Group) Company, a non-executive director of China Life Insurance Company Limited, as well as the vice chairman and president of China Guangfa Bank Co., Ltd., a director of China Life Property and Casualty Company Limited, the chairman of China Life Investment Holding Company Limited, and a director of China United Network Communications Group Co., Ltd., the president of Shanxi Branch, Hebei Branch and Beijing Branch and vice president of Beijing Management Department (Group Client Department) of the Bank of Communications Co., Ltd. Mr. YIN holds a bachelor degree in economics from the Faculty of Accounting of the Beijing Institute of Finance and Trade, China and a master degree in public administration from the China University of Political Science and Law. He is also an accountant.

Mr. LI Kedong, aged 57, has been the vice chairman and general manager of the Company since January 2025. Mr. LI has been the vice chairman and general manager of TPG and TPG (HK) since February 2025, he is also a director of TPL, a director of TPI, a director of TPP, a director of TPAM, the chairman of TPCA, the chairman of TPIM and the chairman of TPFH. Mr. LI had been a deputy general manager of TPG, TPG (HK) and the Company. Mr. LI had also been the business director, general manager of client relationship management and business development department, general manager of product management department, general manager of project risk management department/state project business department, general manager of human resources department, general manager of Shanghai Branch and general manager of Guangdong Branch of China Export & Credit Insurance Corporation and the director of the administrator's office of the general office of Civil Aviation Administration of China. Mr. LI holds a master degree in aero engine from Beihang University, China. He is also an engineer.

NON-EXECUTIVE DIRECTORS

Mr. GUO Zhaoxu, aged 60, has been a non-executive director of the Company since 2019. Mr. GUO has been a non-executive director of TPG and TPG (HK) since 2020. Mr. GUO had been the general manager of China Finance & Economic Media Group; deputy editor-in-chief and president of Economic Science Press; deputy director, director of editing room and deputy editor-in-chief of China Financial & Economic Publishing House. Mr. GUO holds a bachelor degree in accounting from Central University of Finance and Economics, China. He is also a senior editor.

Mr. HU Xingguo, aged 59, has been a non-executive director of the Company since 2019. Mr. HU has been a non-executive director of TPG and TPG (HK) since 2020. Mr. HU had been the vice president of China Financial and Economic News Agency; senior staff member, principal staff member, deputy director, researcher, secretary of the department, director of the General Division of the Accounting Department in the General Division of Accounting Department and National Accounting Professional Technical Qualification Examination Office of the Ministry of Finance of China. Mr. HU holds a bachelor degree in accounting from Shanghai University of Finance and Economics, China and a doctorate degree in management science from China University of Mining & Technology, Beijing. He is also a non-practising member of The Chinese Institute of Certified Public Accountants and intermediate accountant.

Ms. ZHANG Cui, aged 60, has been a non-executive director of the Company since 2019. Ms. ZHANG has been a non-executive director of TPG and TPG (HK) since 2020. Ms. ZHANG had been the deputy inspection commissioner and deputy director of Hunan Regulatory Bureau (Former Commissioner's Office of the Ministry of Finance in Hunan) of the Ministry of Finance of China, a principal staff member, deputy director and director of the Commissioner's Office of the Ministry of Finance of China in Inner Mongolia; and editor of Research Institute of Department of Finance, Inner Mongolia. Ms. ZHANG holds a bachelor degree in economics from Central University of Finance and Economics, China.

Mr. ZHOU Lianggang, aged 54, has been a non-executive director of the Company since March 2025. Mr. ZHOU has been a non-executive director* of TPG and TPG (HK) since March 2025. Mr. ZHOU has served the roles of the deputy director of Chongqing Municipal Tax Services, State Tax Administration, deputy principal staff member, principal staff member, deputy director, director, chief economist and deputy director-general of Chongqing Local Tax Bureau. Mr. ZHOU holds a master degree of public administration from Nanyang Technological University, Singapore.

* *subject to relevant regulatory approval*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mrs. LAW FAN Chiu Fun Fanny, aged 72, has been an independent non-executive director of the Company since 2020. Mrs. LAW is also an independent non-executive director ("INED") of China Unicom (Hong Kong) Limited, an INED of Nameson Holdings Limited, an INED of Minmetals Land Limited and an INED of New World Development Company Limited. Mrs. LAW had been a member of the Executive Council of the Government of the HKSAR, an INED of CLP Holdings Limited, an external director of China Resources Holdings Company Limited, and an INED of DTXS Silk Road Investment Holdings Company Limited. Mrs. LAW holds a bachelor degree (Honour) in science from the University of Hong Kong, a master degree in public administration from Harvard University (named with a Littauer Fellow) and a master degree in education from the Chinese University of Hong Kong and is a fellow of The Hong Kong Institute of Directors. Mrs. LAW was appointed as Justice of Peace and awarded with the honour of the Grand Bauhinia Medal and the Gold Bauhinia Star by the Government of the HKSAR.

Ms. LIU Yi, aged 61, has been an independent non-executive director of the Company since December 2024. Ms. Liu is currently a professor of the School of Economics and Director of China Center for Public Finance of Peking University, China, a vice president of China Certified Tax Agents Association, and an INED of NAURA Technology Group Co., Ltd. Ms. LIU has been an INED of China Taiping Insurance Group Limited and China Taiping Insurance Group (HK) Company Limited since May 2024. Ms. LIU holds a doctorate degree in economics from Peking University, China.

Mr. SHIU Sin Por, aged 75, has been an independent non-executive director of the Company since December 2024. Mr. SHIU is currently an INED of The People's Insurance Company (Group) of China Limited, the president of New Paradigm Foundation, Hong Kong, a member in the expert database and a senior researcher of CITIC Foundation for Reform and Development Studies （中信改革與發展基金會）, a senior fellow of the Chongyang Institute for Financial Studies at Renmin University of China, a consultant of Shanghai East Asia Research Institute（上海東亞研究所）, a distinguished researcher of the Institute for Hong Kong and Macau Studies of Peking University, China（北京大學港澳研究院）, an academic adviser of Center for Hong Kong, Macau and International Problems Research of Shenzhen University, China（深圳大學港澳及國際問題研究中心）, and a consultant of Chinese Association of Hong Kong & Macau Studies. Mr. SHIU previously served as a member of the 10th, 11th and 12th National Committee of the Chinese People's Political Consultative Conference, a member and deputy secretary general of the Preparatory Committee for the HKSAR of the National People's Congress, a consultant of transitional affairs in Hong Kong of the Hong Kong and Macau Affairs Office of the State Council and the Xinhua News Agency, a director of the One Country Two Systems Research Institute in Hong Kong. Mr. SHIU holds a bachelor's degree in economics from University of Wisconsin, United States. Mr. SHIU was appointed as Justice of Pease and awarded the honour of the Gold Bauhinia Star by the Government of the HKSAR.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. CAI Hongping, aged 70, has been an independent non-executive director of the Company since December 2024. Mr. CAI is currently the chairman of AGIC Capital（漢德資本）, an INED of BYD Company Limited, an independent director of Shanghai Pudong Development Bank Co., Ltd., and an external supervisor of China Merchants Bank Co., Ltd.. Mr. CAI had been an INED of China Southern Airlines Company Limited, an INED of China Eastern Airlines Corporation Limited, an INED of COSCO Shipping Development Co., Ltd., an INED of China Conch Environment Protection Holdings Limited, an external director of China Minmetals Corporation, an executive chairman of Deutsche Bank （德意志銀行） investment banking division in the Asia Pacific region, chairman of the investment banking division of UBS AG in Asia, chairman of China of BNP Paribas Capital (Asia Pacific) Limited, senior vice president and managing director of Peregrine Investments Holdings Limited, member of the Overseas Listing Team for Chinese Enterprises under the Restructuring Committee of the State Council （國務院國家體改委中國企業海外上市指導小組）, and the chairman of the Joint Committee of Board Secretaries for H Share Companies in the PRC（中國 H 股公司董事會秘書聯席會議）. Mr. CAI holds a bachelor's degree in mass communications from Fudan University, China.

SENIOR MANAGEMENT AND COMPANY SECRETARY

Mr. ZHU Jie, aged 56, has been a senior management since 2021 and is currently a deputy general manager of the Company. Mr. ZHU has been a deputy general manager of TPG and TPG (HK) since 2021, he is also a director and the general manager of TPI, a director of TPP, a director of TPAM*, the chairman of CTPI (HK), the chairman of TP Macau and the chairman* of TP Indonesia. Mr. ZHU holds a doctorate degree in economics from Nankai University, China.

Mr. ZHAO Feng, aged 52, has been a senior management since 2023 and is currently a deputy general manager of the Company. Mr. ZHAO has been a deputy general manager of TPG and TPG (HK) since 2023, he is also a director of TPL, a director of TPI, the chairman of TPFS, the chairman* of TPRe and the chairman of TP Luxembourg. Mr. ZHAO holds a bachelor degree in engineering from Harbin University of Science and Technology, China. He is also a senior engineer.

Mr. YANG Minggang, aged 54, has been a senior management since February 2024 and is currently a deputy general manager of the Company. Mr. YANG has been a deputy general manager of TPG and TPG (HK) since April 2024. Mr. YANG holds a doctorate degree in law from Renmin University of China.

Mr. JIAO Yanjun, aged 52, has been a senior management since 2013. Mr. JIAO has joined TPG since 2013 and is currently a senior management of TPG and TPG (HK). Mr. JIAO holds a bachelor degree in engineering from Beijing Agricultural Engineering University, China and an executive master of business administration from Tsinghua University School of Economics and Management, China.

Mr. ZHANG Ruohan, aged 49, has been a senior management since 2013 and is currently the chief financial officer and company secretary of the Company. Mr. ZHANG has been the secretary of the board of directors of TPG since 2013, company secretary of TPG (HK) since 2016 and the person in charge of finance of TPG and TPG (HK) since 2023, he is also a director of TPI, a director of TPP and a director of TPL (HK). Mr. ZHANG holds a bachelor's degree in economics from Central University of Finance and Economics, China and a master's degree in banking and finance from University of Giordano Dell' Amore Foundation, Italy.

Mr. LI Qingming, aged 51, has been a senior management since 2022 and is currently the chief business officer of the Company. Mr. LI has been a chief business officer of TPG and TPG (HK) since 2022, he is also the general manager of the brand promotion department of the Company, TPG and TPG (HK), a director of TPFH and a director and the chief executive officer of TPL (HK). Mr. LI holds a bachelor's degree in national economic management from Nanchang University, China and a master's degree in law from Jiangxi University of Finance and Economics, China.

REPORT OF THE DIRECTORS

The Board respectfully submit the annual report together with the audited financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business in the Mainland, Hong Kong and Macau of China and Singapore, direct property and casualty insurance business in the Mainland, Hong Kong and Macau of China and overseas, pension and group life business, and all classes of global reinsurance business. The Company's subsidiaries also carry on operations in asset management, insurance intermediary, financial leasing, property investment, medical, health and elderly care investment, securities dealing and broking business. The principal activities and other particulars of the subsidiaries are set out in Note 21 of the consolidated financial statements.

The analyses of the principal activities of the operations of the Company and its subsidiaries during the financial year are set out in Note 3 of the consolidated financial statements.

The Directors believe that an analysis of the profit contributions from each geographical area is not required for a proper appraisal of its businesses.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2024 is set out in the sections headed "Chairman's Statement" and "Management Review and Analysis" of this announcement, respectively. These discussions form part of this Directors' Report.

CORPORATE CULTURE

The Group attaches great importance to corporate culture construction, vigorously promotes China's traditional culture excellence, actively cultivates financial culture with Chinese characteristics and established a sound corporate culture system of the Group. We practice the development concept of "Enjoy Taiping", adhere to "Responsibility Prioritised, Customers focused, Innovation driven, Value oriented", advocate "Full commitment, Love Taiping, Stay Truthful, Shoulder Responsibility" and strive to achieve the vision of "Create an International Modern Finance and Insurance Group with the Greatest Value Growth in China's Insurance Industry".

The Group has built a corporate culture communication platform through its official Wechat account, official website, magazines, historical and cultural exhibition hall and other means to comprehensively display our time-honoured history and development achievements, published the historical book "Taiping Youxiang", upgraded the China Taiping Corporate Heritage Centre in Hong Kong, Shanghai, and Shenzhen, and organised "Discovering Taiping's Heritage" activities to share Taiping's stories and culture.

The Group hosted China Taiping 95th anniversary celebration, Mr. John LEE Ka-chiu, Chief Executive of the HKSAR, and Mr. ZHENG Yanxiong, Director of the Liaison Office of the Central People's Government in the HKSAR, attended the event, commending the Group's contributions in Hong Kong. The 4th "China Taiping Day" Free Tram Ride Day was held in Hong Kong. Subsidiaries organised diverse cultural activities under the 95th anniversary theme, which demonstrated the spirit of healthiness, hard work and solidarity of the employees of China Taiping, thereby providing strong cultural support for high-quality development.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) POLICY AND PERFORMANCE

The Group implements the concept of sustainable development with a leading role in ESG governance. It has been increasing support for the real economy and safeguarding people's livelihoods, and promoting the overall green transformation of the economy and society, so as to continuously enhance its ESG management and performance.

Strengthening the Foundation of Management and Improving the Governance System

The Group continues to explore ways to improve its ESG governance systems. Under the three-level ESG management structure of "the Board of Directors - the Green Finance and ESG Management Committee (under the senior management) - the Committee Office", the Group continued to improve the top-down green finance and ESG implementation system with across-the-board participation of all subsidiaries and functional departments of the Group. It continues to improve the ESG institutional framework and actively integrate ESG into management decisions, business development and daily operations to advance the implementation of ESG strategies, as well as actively create value for shareholders, customers and society.

Focusing on High-Quality Development and Ploughing into the "Five Target Areas" of Finance

The Group actively respond to major national development strategies and has basically established a "1+N" system centered on the "Implementation Plan for Accelerating High-Quality Development in Furtherance of the Spirit of the Central Financial Work Conference", which covers the key areas of "Five Target Areas" and "Seven Major Categories of Insurance". The Group adheres to the strategic direction of "Rooted in Hong Kong and Macau and Cultivating Business in the Greater Bay Area", participates in the development of the Guangdong-Hong Kong-Macau Greater Bay Area, supports Hong Kong to consolidate and uplift its status as the global financial hub, participates in the high-quality "Belt and Road" cooperation and spares no effort in serving rural revitalisation.

The Group continues to strengthen the supply and innovation of quality insurance products to empower the development of technology-based enterprises, vigorously expands green insurance, and provides multi-level key products for specific customer groups such as innovative entities, senior citizens and new citizens; gives full play to the strengths of long-term capital and patient capital of insurance funds, and practises responsible investment; steadily expands the construction of two ecospheres, "Insurance + Medical Health & Elder Care" and "Insurance + Fintech"; and construct six digitalisation platform systems and launch six "Digital +" initiatives to solidly enhance its technology infrastructure support capability.

Promoting Green Concepts to Address Climate Change

The Group earnestly implements the national "Carbon Peaking and Carbon Neutrality" policy, adheres to green and low-carbon operations, promotes green offices and technologies, and creates high-quality green buildings; protects ecology and nature, and actively participates in environmental protection education and publicity activities, and endeavours to protect biodiversity.

The Group incorporates climate factors into the Group's strategic decision-making, and continuously strengthens its identification of and strategic response to climate risks. The Group continues to pay attention to catastrophe risks arising from climate change and contribute to the establishment of a national catastrophe insurance protection system. The Group earnestly implements the relevant national requirements of developing risk reduction services, has initiated the building of the Group's meteorological disaster early warning and monitoring project, and developed the "Along with Peace and Prosperity" platform, with a view to continuously enhance risk analysis capability of natural disasters in the local area as well as countries and regions along the "Belt and Road", and to contribute to the realisation of sustainable development by proactively responding to climate change.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) POLICY AND PERFORMANCE *(Continued)*

Fulfilling Social Responsibility for a Better Future

The Group strictly complies with the Labour Law of the People's Republic of China, the Employment Ordinance of Hong Kong and other relevant laws and regulations of the countries and regions in which it operates in order to protect the legitimate rights and interests of its employees, facilitate their career development and care for their lives. The Group adheres to the concept of "Customer-centric" and continues to upgrade the "One Hotline, One App, One Hall, One Festival, One Ecosystem" and NPS "5+1" Customer Service System to enhance customer experience and protect the rights and interests of financial consumers. The Group fulfils its responsibility as a central enterprise by actively launching various public welfare activities, such as charitable education assistance, care for the elderly and sports development, in order to enhance the well-being of the community and contribute to the advancement of the people's livelihood.

Details of the Group's corporate culture and ESG performance in 2024 will be disclosed in the 2024 Environmental, Social and Governance (ESG) & Corporate Social Responsibility Report.

RELATIONSHIPS WITH KEY STAKEHOLDERS

Stakeholders, including shareholders, customers, employees, business partners, government and community, suppliers etc. are the key drivers for the Group's high-quality development. The Group established a sound and regular stakeholder communication mechanism with the aim to build a harmonious and stable stakeholder relationship, fulfilling its corporate social responsibility and creating greater value for all stakeholders.

Shareholders

Enhancing corporate value for shareholders is one of the main objectives of the Group, which aims to promote business development for sustainable profitable growth, maintain favorable investment returns, and ensure the preservation and appreciation of assets. At the same time, the Group attaches great importance to maintaining orderly corporate governance, effective risk management and transparent information disclosure.

Customers

The Group closely follows the national and industrial policy trends, adheres to "Customer First", continuously optimises financial consumer protection mechanisms, upgrades customer service systems, enhances customer service quality, optimises customer service experience and meets customers' diversified, differentiated and quality comprehensive service needs. It also promotes business with attentive service and helps thousands of households live a better life. At the same time, by strengthening the application of financial technology, promoting digital transformation, and improving an intelligent and convenient online and offline operation service system, the Group has built a convenient, caring and reliable service network for our customers.

Employees

The Group considers talents as its primary resource and aims to promote the high-quality development of human capital, creates a highland for the development of high-quality talents, and provides a fair competition platform and extensive room for career development. The Group has established a sound training system and a scientific, reasonable and market-oriented remuneration incentive mechanism, constantly improving employee rights protection measures and welfare system, and helping employees realise their personal value. The Group prioritises employee well-being, and strives to establish a healthy working environment to ensure occupational safety, care about employees' spare time, organises a variety of colorful activities to improve employees' satisfaction and happiness index.

RELATIONSHIPS WITH KEY STAKEHOLDERS *(Continued)*

Business Partners

The Group's primary business partner comprised of investment or joint venture partners, strategic customers, individual agents and bancassurance staff, and intermediate agencies. Through equal and mutually beneficial cooperation and strategic cooperation, the Group is committed to growing together and sharing value with its partners.

China Taiping's hundreds of thousands of agents and bancassurance staffs are also important partners of the Group. The Group provides systematic training at all levels to individual insurance agent, helping newcomers to learn industry regulations, master essential knowledge and skills, and have clear development goals; helping business managers to improve team operation ability; helping senior managers and senior executive management improving team operation ability from both theory cognition and practical operation perspectives, in order to achieve synergetic development of high performance individual and organisation. The Group is committed to maintaining good business partnerships with banks and promoting long-term business interest, and has also built an effective incentive system and provided broad development space to help our bancassurance sales team to maintain its core competitiveness.

Government and Community

The Group operates business in multiple regions around the world, actively promotes local industry exchanges and collaborations, enthusiastically participates in social welfare undertakings such as charity and donation, cares for and supports public welfare undertakings such as education and culture, and is determined to be an excellent corporate citizen. We have been fulfilling our corporate social responsibility in the fields of industry development, culture, sports and education, poverty alleviation, community building, environmental protection and public welfare and working with all walks of life to create value and achieve a win-win situation for both the society and enterprises.

Suppliers

The Group advocated fair competition and fair procurement in the market, selected qualified suppliers by strictly following its bidding procurement process, firmly abided by business logic, and promoted honest and reciprocal cooperation.

MAJOR INSURANCE CUSTOMERS

The information in respect of the Group's insurance revenue attributable to major insurance customers during the Year is as follows:

	Percentage of the Group's insurance revenue
The largest insurance customer	0.70%
Five largest insurance customers in aggregate	2.01%

At no time during the Year have the directors, their close associates or any shareholder of the Company (which to the knowledge of the directors own more than 5.0% of the Company's share capital) had any interest in these major insurance customers.

RISK FACTORS

In 2024, the Group has continued to promote the establishment of the comprehensive risk management system with risk capital as its core, and carried out risk identification and evaluation by combining "qualitative and quantitative", and "top-down with bottom-up" approaches: firstly, further improved the risk appetite indicator system, effectively aligning risk appetite with key processes such as budget preparation and interim assessments of development strategies to ensure its integral role in guiding operational decision-making across the group and its subsidiaries; secondly, according to the relevant regulatory and the company's requirements, further refined the comprehensive risk management mechanism and systems, strengthened risk monitoring and early warning capabilities, enhanced the overall level of risk prevention and control.

The major risks and countermeasures of the Company in 2024 are as follows:

(I) General Risks of the Group

The Group has strengthened the management of general risks such as insurance risk, market risk, credit risk, strategic risk, operational risk, reputation risk and liquidity risk at the Group level in conjunction with external regulatory requirements and internal management needs, and has provided guidance and assistance to its subsidiaries in carrying out relevant risk management and risk prevention and control work.

1 Insurance Risk, Market Risk, Credit Risk and Liquidity Risk

The details of the insurance risk, market risk, credit risk and liquidity risk faced by the Group and their mitigation measures are elaborated in Note 2 "Insurance, Financial and Capital Risk Management" to the consolidated financial statements.

2 Strategic Risk

Strategic risk refers to the risk of a mismatch between the strategy, the market environment, and the company's execution capability and resource allocation due to an ineffective process of strategy formulation and implementation or changes in the business environment. In 2024, the world is undergoing accelerated changes unseen in a century, with intensified strategic competition among major countries and an exceptionally complex and severe external environment. Factors such as geopolitical shocks, rising regional protectionism, uncertainties in international macroeconomic policies, and global governance disorder have become increasingly prominent. Faced with profound adjustments in the macroeconomic landscape, regulatory policies, customer demands, and competitive dynamics, the Group has actively responded to these changes. It has thoroughly implemented the central government's decisions and deployments on economic and financial work, courageously fulfilled its responsibilities as a central enterprise, and proactively integrated itself into the national development agenda. By actively serving national strategies, supporting the real economy, and promoting social welfare, the Group achieved its best operational performance in recent years. This aligns with the Group's high-quality development strategy, and its practical realities, and has garnered widespread recognition. Overall, strategic risks remain under control.

3 Operational Risk

Operational risk refers to the risk of direct or indirect losses arising from inadequate or faulty internal procedures, staff and information systems as well as external events. With the increasingly stringent regulatory environment, the Group has enhanced operational risk control by continuously refining its risk management systems and expanding risk management tools. Especially, the Group further strengthening employee training, improved the effectiveness of its operational risk identification and assessment through carrying out comprehensive risk screening and upgrading the relevant information system.

RISK FACTORS *(Continued)*

4 Reputational Risk

Reputational risk refers to the risk of negative evaluation of the Company by stakeholders, the general public, the media due to the behaviors of the Group and its subsidiaries, the behaviors of its employees or external events, which may damage brand value of the Company and be detrimental to the normal operation of the Group and its subsidiaries. The Group has established a sound reputational risk management system and the response and disposal mechanism at both the Group and subsidiaries' levels. In 2024, the Group attached great importance to safeguarding its reputation in the market, strengthened the protection of the rights and interests of consumers and the monitoring of public opinion, and adhered to the principles of foresight, timeliness and proactivity in the prevention and control of risks on various front-end areas, so as to effectively avoid the triggering or the accumulation of significant reputational risk events and to safeguard favorable brand image of the Group.

(II) Specific Risks of the Group

The Group has proactively implemented the regulatory requirements and strengthened the management of Group specific risks such as risk contagion, concentration risk, the opaque organisation structure and non-insurance risks.

1 Risk Contagion

Risk contagion refers to the risk from each subsidiary which will contaminate other subsidiaries of the Group through internal related party transactions or other means, resulting in unexpected losses to other subsidiaries or the group company.

The Group plays an integrated and coordinating role, continuously improves the management of related party transactions and strengthens the construction of firewalls in order to effectively prevent the spread of risks in accordance with relevant laws and regulations and in conjunction with the authorisation mechanism. The Group attaches great importance to the management of connected transactions and strictly complies with the relevant regulations of the NFRA and other domestic regulatory authorities, the Stock Exchange as well as the relevant management system for the connected transactions of the Group, so as to establish and improve a standardised system for the management of connected transactions, and strictly carry out the process of prior declaration and approval of connected transactions with hierarchical authorisations. The Group has continued to strengthen the construction of firewalls, and has established firewalls between the head office of the Group, insurance subsidiaries and non-insurance subsidiaries in terms of the corporate, personnel, funds and information, etc., so as to avoid the risk contagion from non-insurance subsidiaries to the head office of the Group or insurance subsidiaries, as well as various possible cross contamination.

2 Concentration Risk

Concentration risk refers to a single risk or a combination of risks of subsidiaries, when aggregated at the Group level, may directly or indirectly threaten the solvency of the holding company. The Group manages concentration risk from four main aspects: counterparty, investment assets, insurance business and non-insurance business. Concentration risk tolerance and risk limits are determined by taking into account factors such as business characteristics, scale, product structure and risk profile of the subsidiaries, and concentration risk is assessed, monitored, measured and reported on a regular basis.

RISK FACTORS *(Continued)*

3 Risk of Opaque Organisation Structure

Risk of opaque organisational structure refers to the risk of losses to the holding company caused by the excessive complexity or opaqueness of the Group's shareholding structure, management structure, operational processes and business types. The Group's internal shareholding structure is clear and transparent, with no cross-shareholding and illegal subscription of capital instruments. The level of shareholding control complies with regulatory requirements. The powers and responsibilities of the functional departments of the Group and its subsidiaries are clearly defined, thus the Group is able to better fulfil its respective duties and responsibilities. The risk of opaque organisation structure is generally controllable.

4 Non-insurance Risk

Non-insurance risk refers to the impact of the commercial activities of non-insurance member companies on the solvency of the Company and its insurance member companies. The Group attaches great importance to the management of non-insurance risks and has established independent legal entities to operate non-insurance business in order to achieve specialisation. The Group's non-insurance subsidiaries are diversified, but most of them are relatively small in size and not yet systemically important, and the scale of their investments has not yet reached the regulatory thresholds. In 2024, the Group's non-insurance business were operated in a generally healthy manner, and the proportion of significant non-insurance financial equity investments and the proportion of significant non-financial equity investments met regulatory requirements. The Group strictly controls the establishment of new organisations and strictly enforces the relevant reporting and filing requirements, and there is no deviation from the Group's main business.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group consistently complies with the relevant laws, regulations, and regulatory requirements, and operates business with our distinct advantages. To the best of our knowledge, in 2024, the Group complied with the laws including the Hong Kong Companies Ordinance, the Listing Rules, and the SFO, while complying with the requirements of the PRC and overseas regulatory authorities including NFRA in major aspects to ensure strict compliance.

CONSOLIDATED FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2024 and the state of the Group's affairs at that date are set out in the consolidated financial statements.

DIVIDEND POLICY

The Company had no pre-determined dividend distribution ratio. The Company distributes dividends on the premise of meeting the regulatory solvency requirements and supporting the growth of the Company's valued business. The Company intentionally maintains the stability and continuity of dividend distribution, and the Board will consider the Company's development strategy, capital status, operating results and capital needs as well as capital market condition and investor expectations before deciding whether to recommend dividends and determining the amount of dividend.

DIVIDEND

No interim dividend was declared during the Year (2023: Nil). The directors recommended the payment of a final dividend of 35 HK cents per share in respect of the year ended 31 December 2024 (2023: final dividend of 30 HK cents per share). The Board confirmed that all decisions regarding dividends are made in accordance with the above dividend policy. The dividends are subject to the approval by the shareholders at the forthcoming annual general meeting of the Company. If approved, the said dividend will be paid on or about 22 July 2025 to shareholders whose names appear on the register of members of the Company on 11 July 2025, being the record date for determining shareholders' entitlement to the proposed final dividend.

In order to ascertain the entitlement of the final dividend for 2024, the register of members will be closed on 11 July 2025, during which no transfer of Shares will be registered. To be eligible to receive the aforesaid cash dividend, the transfer documents must be lodged with the Company's registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by shareholders no later than 4:30 p.m. on 10 July 2025.

The Company is a limited company incorporated in Hong Kong, as at the date of this announcement, no treasury shares were held by the Company (including any treasury shares held or deposited with Central Clearing and Settlement System). Treasury Shares would not receive the final dividend.

SHARE CAPITAL

Details of the Shares issued in the year ended 31 December 2024 are set out in Note 37 of the consolidated financial statements.

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

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

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution amounted to HK$7,280 million (2023: HK$8,668 million).

EQUITY LINKED AGREEMENTS

During the Year, no equity linked agreements entered into by the Group, or subsisted at the end of the Year.

DONATIONS

During the Year, the Group made charitable donations of HK$4.37 million (2023: HK$8.55 million).

BOARD OF DIRECTORS

The directors of the Company during the Year and up to the date of this announcement were:

Executive directors

YIN Zhaojun
LI Kedong
WANG Sidong *(resigned on 18 December 2024)*

Non-executive directors

GUO Zhaoxu
HU Xingguo
ZHANG Cui
ZHOU Lianggang *(appointed on 24 March 2025)*
LAW FAN Chiu Fun Fanny*
LIU Yi* *(appointed on 18 December 2024)*
SHIU Sin Por* *(appointed on 18 December 2024)*
CAI Hongping* *(appointed on 18 December 2024)*
ZHU Dajian* *(resigned on 18 December 2024)*
WU Ting Yuk Anthony* *(resigned on 18 December 2024)*
XIE Zhichun* *(resigned on 18 December 2024)*

* *Independent*

In accordance with Articles 97 of the Company's articles of association, at least one-third of the relevant Directors from the Board are subject to retirement by rotation and re-election at the forthcoming annual general meeting and the proposed re-appointments as Directors will not have any specific term, but will be subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's articles of association.

Subject to the approval of the shareholders at the Company's annual general meeting, the emoluments of the Directors will be determined by the nomination and remuneration committee and the board of the Company.

A list of names of all the directors who have served on the boards of the Company's subsidiaries during the Year is available on the Company's website at www.ctih.cntaiping.com.

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation from each of the independent non-executive Directors regarding their independence from the Company and considers each of the independent non-executive Directors to be independent from the Company.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 27 August 2024 (being the date of approval of the Company's 2024 Interim Report and 24 March 2025 (being the date of approval of the Company's 2024 Annual Report) are set out below:

Mr. YIN Zhaojun was appointed as the chairman of TPG and TPG (HK), the chairman* of TPL and the chairman* of TPAM with effect from February 2025, no longer be the chairman of TPRe with effect from March 2025, and no long be the chairman of TP Luxumbourg with effect from December 2024.

Mr. LI Kedong was appointed as a vice chairman and general manager of TPG and TPG (HK) with effect from February 2025.

Mr. ZHOU Lianggang was appointed as a non-executive director and a member of the strategy and investment committee of the Company with effect from March 2025.

After making specific enquiries by the Company and confirmed by the Directors, save as disclosed above, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise which had to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

During the Year, no Directors nor any of their spouses or children under the age of 18 years has any interests in or has been granted any rights to subscribe for equity or debt securities of the Company nor was there been any exercise of any such rights by any of them.

At no time during the Year was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under the age of 18 years to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

The Company's articles of association provide that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto.

The Company has taken out and maintained directors' liability insurance throughout the Year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

* *subject to relevant regulatory approval*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, the interests and short positions of the shareholders, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Substantial shareholders	Capacity	Number of ordinary Shares	Long position / short position	Percentage of issued share capital %
TPG	Interest of controlled corporation	2,201,515,256 *(note 1)*	Long Position	61.25
TPG (HK)	1,913,138,449 Shares as beneficial owner and 288,376,807 Shares *(note 2)* as interest of controlled corporation	2,201,515,256	Long Position	61.25

notes:

(1) TPG's interest in the Company is held by TPG (HK), Easiwell, Taiping Golden Win and Manhold, all of which are wholly-owned subsidiaries of TPG.

(2) 168,098,887 Shares are held by Easiwell, 53,975,970 Shares are held by Taiping Golden Win and 66,301,950 Shares are held by Manhold.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2024.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, its holding companies, subsidiaries or fellow subsidiaries, was a party in which a director of the Company had a material interest subsisted at the end of the Year or at any time during the Year.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(I) Connected Transactions

On 20 May 2024, the Company, Dragon Jade, Ageas, and TPP entered into a capital increase agreement (the "**Capital Increase Agreement**"). Pursuant to the Capital Increase Agreement, Ageas conditionally agreed to subscribe for, and TPP conditionally agreed to issue, subscription shares representing approximately 10% of the enlarged issued share capital of TPP, for a consideration of RMB 1.075 billion. On the same day, the Company, Dragon Jade, Ageas, and TPP entered into a shareholders' agreement (the "**Shareholders' Agreement**") to regulate the rights and obligations among the Company, Dragon Jade, Ageas, and TPP. Under the Shareholders' Agreement, TPP granted Ageas an option to increase its shareholding (the "**Shareholding Increase Option**"). Ageas has the right, at any time from the signing date of the Shareholders' Agreement until the third anniversary of the completion date, to subscribe for a certain number of shares to be issued by TPP, either in one transaction or multiple transactions, directly or through one or more of its legally qualified subsidiaries, thereby increasing Ageas and its subsidiaries' shareholding to a maximum of 24.99% (inclusive).

As Ageas directly and indirectly holds a total of 24.9% of TPL, directly holds 20% of TPAM, and directly holds 25% of TPRe, and since TPL, TPAM, and TPRe are all non-wholly owned subsidiaries of the Company, Ageas, as a substantial shareholder of the Company's non-wholly owned subsidiaries, is considered a connected person of the Company at the subsidiary level. Therefore, pursuant to Chapter 14A of the Listing Rules, the transactions under the Capital Increase Agreement and the grant of the Shareholding Increase Option also constitute connected transactions of the Company. For further details regarding the Capital Increase Agreement and the grant of the Shareholding Increase Option, please refer to the Company's announcements dated 21 September 2023, and 20 May 2024.

(II) Continuing Connected Transactions

During the Year, the Group conducted the following continuing connected transactions with the China Petrochemical Corporation with its associates (the "**China Petrochemical Corporation Group**").

1. Operating Lease Service Agreements entered into between TSFL and its subsidiaries and associates of China Petrochemical Corporation in respect of operating lease services

Reference is made to the Company's 2022 annual results announcement dated 28 March 2023. Pursuant to Rule 14A.09 of the Listing Rules, as one or more of applicable percentage ratios of TSFL exceeded 10% for the year ended 31 December 2022, TSFL ceased to be an insignificant subsidiary of the Company. Since TSFL is 50% and 50% owned by TPL and China Petrochemical Corporation respectively. China Petrochemical Corporation (a substantial shareholder at the subsidiary level) together with its associates became connected persons of the Company at the subsidiary level.

TSFL and its subsidiaries (the "**TSFL Group** "), in the ordinary and usual course of business, have entered into the Operating Lease Service Agreements with certain associates of China Petrochemical Corporation, which have a fixed period and fixed terms (collectively known as "**Operating Lease Service Agreements**"), and those Operating Lease Service Agreements have not been terminated during the Year, the provision of Operating Lease Services by the TSFL Group to the associates of China Petrochemical Corporation under the Operating Lease Service Agreements have become continuing connected transactions of the Company from continuing transactions of the Company. In this regard, the Company has issued an announcement in relation to the Operating Lease Service Agreements on 28 March 2023 pursuant to Rule 14A.60 of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(II) Continuing Connected Transactions *(Continued)*

1. Operating Lease Service Agreements entered into between TSFL and its subsidiaries and associates of China Petrochemical Corporation in respect of operating lease services *(Continued)*

A summary of the Operating Lease Service Agreements that remained effective as of 2024 and their key terms were set out below:

Parties	Projects	Date	Period	Leased assets	Total amount of rental
TSFL (as lessor) Sinopec Shengli Oil Engineering Company Limited Shengli Asset Swapping Leasing Company (“**Shengli Asset Leasing**”) (as lessee)	**Fracturing Trucks and Other Equipment Operating Lease Project of Shengli Asset Leasing**	29 October 2018	6 years	Drilling equipment such as fracturing trucks, top drive and drilling rigs	Approximately RMB234,765,000 shall be settled by RMB in cash. Shengli Asset Leasing shall pay, for the first 12-month rentals, 5 months after the commencement date of leasing and for the balance, every 12 months after payment of the first rentals.
	Workover Rig and Other Equipment Operating Lease Project I of Shengli Asset Leasing	29 January 2019	5 years	Workover rig and other equipment	Approximately RMB52,943,000 shall be settled by RMB in cash. Shengli Asset Leasing shall pay, for the first 6-month rentals, 6 months after the commencement date of leasing and for the balance, every 6 months after payment of the first rentals.
	Workover Rig and Other Equipment Operating Lease Project II of Shengli Asset Leasing	14 May 2019	5 years	Workover rig and other equipment	Approximately RMB111,996,000 shall be settled by RMB in cash. Shengli Asset Leasing shall pay, for the first 6-month rentals, 6 months after the commencement date of leasing and for the balance, every 6 months after payment of the first rentals.
	Fracturing Equipment Operating Lease Project of Shengli Asset Leasing	24 July 2019	6 years	Fracturing pump skid and other equipment	Approximately RMB254,836,000 shall be settled by RMB in cash. Shengli Asset Leasing shall pay, for the first 3-month rentals, 3 months after the commencement date of leasing and for the balance, every 3 months after payment of the first rentals.
TSFL (as lessor) Sinopec Jianghan Oil Engineering Company Limited (“**Jianghan Oil Engineering**”) (as lessee)	**Drilling Equipment Operating Lease Project of Jianghan Oil Engineering**	13 December 2018	6 years	General drilling rig (including auxiliary system)	Approximately RMB46,555,000 shall be settled by RMB in cash. Jianghan Oil Engineering shall pay, for the first 12-month rentals, on the commencement date of leasing and for the balance, every 12 months after payment of the first rentals.
	Fracturing Equipment Operating Lease Project of Jianghan Oil Engineering	11 July 2019	5 years	fracturing trucks and fracturing skids	Approximately RMB155,757,000 shall be settled by RMB in cash. Jianghan Oil Engineering shall pay, for the first 12-month rentals, on the commencement date of leasing and for the balance, every 12 months after payment of the first rentals.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(II) Continuing Connected Transactions *(Continued)*

1. Operating Lease Service Agreements entered into between TSFL and its subsidiaries and associates of China Petrochemical Corporation in respect of operating lease services *(Continued)*

Parties	Projects	Date	Period	Leased assets	Total amount of rental
TSFL (as lessor) Zhong An United Coal Chemical Co., Ltd. (“**Zhong An United**”) (as lessee)	**Storage Tank Operating Lease Project of Zhong An United**	29 January 2019	5 years	High salt water storage tank	Approximately RMB38,609,000 shall be settled by RMB in cash. Zhong An United shall pay, for the first 6-month rentals, 6 months after the commencement date of leasing and for the balance, every 6 months after payment of the first rentals.
	Equipment Operating Leaseback Project I of Zhong An United	26 July 2022	5 years	Special equipment for chemical products pipeline, other petroleum and chemical industry	Approximately RMB678,916,000 shall be settled by RMB in cash. Zhong An United shall pay, for the first 6-month rentals, during the 6 months after the commencement date of leasing and for the balance, every 6 months after payment of the first rentals.
	Equipment Operating Leaseback Project II of Zhong An United	26 July 2022	5 years	Dongfang boilers, air separation unit	Approximately RMB336,476,000 shall be settled by RMB in cash. Zhong An United shall pay, for the first 6-month rentals, 6 months after the commencement date of leasing and for the balance, every 6 months after payment of the first rentals.
Taiping & Sinopec TJ12 Shipping Leasing Company Ltd. (“**Taiping 12**”) (as lessor) Sinopec Shanghai Offshore Oil Engineering Company Limited (“**Offshore Oil Engineering**”) (as lessee)	**1 AHTS Lease Project of Offshore Oil Engineering**	11 May 2021	one year from 15 September 2021 and parties to the agreement may enter into a renewal agreement with the agreed rentals before the expiry date. The period has been extended one more year to 15 September 2025 pursuant to a renewal agreement.	Tugboat	Approximately RMB7,665,000 shall be settled by RMB in cash. Offshore Oil Engineering shall pay, for the first 3-month rentals, 6 months after the commencement date of leasing and for the balance, every 3 months after payment of the first rentals.
Taiping & Sinopec TJ22 Shipping Leasing Company Ltd. (“**Taiping 22**”) (as lessor) Offshore Oil Engineering (as lessee)	**JU2000E Jack-up Drilling Platform Operating Lease Project of Sinopec Ocean Bureau**	7 August 2022	From 29 November 2022 to 29 November 2023 and parties to the agreement may enter into a renewal agreement with the agreed rentals before the expiry date. The period has been extended one more year to 29 November 2025 pursuant to a renewal agreement.	Exploration vessel	Approximately RMB38,982,000 shall be settled by RMB in cash. Offshore Oil Engineering shall pay for the rentals by two instalments 6 months and 12 months after the commencement date of leasing.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(II) Continuing Connected Transactions *(Continued)*

1. Operating Lease Service Agreements entered into between TSFL and its subsidiaries and associates of China Petrochemical Corporation in respect of operating lease services *(Continued)*

Upon the term of the respective Operating Lease Service Agreements expires, the lessees may, as needed, renew the lease of, return, acquire or handle the leased assets by any other means agreed upon by both parties.

For more details of the respective Operating Lease Service Agreements, please refer to the announcement of the Company dated 28 March 2023.

2. The Lease Framework Agreement entered into between TSFL and Sinopec Industry-Finance Holdings

Reference is made to the paragraph headed "1. Operating Lease Service Agreements entered into between TSFL and its subsidiaries and associates of China Petrochemical Corporation in respect of Operating Lease Services " above, as the TSFL Group (as lessor) has provided finance lease services and operating lease services to China Petrochemical Corporation Group (as lessee) from time to time, and the Company expects that the TSFL Group will continue to provide lease services to China Petrochemical Corporation Group, TSFL and Sinopec Industry-Finance Holdings Co. , Ltd. ("**Sinopec Industry-Finance Holdings**"), a wholly-owned subsidiary of China Petrochemical Corporation, entered into the lease framework agreement on 11 May 2023 (the "**Lease Framework Agreement**"), pursuant to which the TSFL Group (as lessor) agreed to provide Lease Services to China Petrochemical Corporation Group (as lessee), from 11 May 2023 to 31 December 2025 (both days inclusive).

Pursuant to the Lease Framework Agreement, the TSFL Group (as lessor) agrees to provide China Petrochemical Corporation Group (as lessee) with (1) sale and leaseback finance lease and/or operating lease arrangements (to be determined based on applicable accounting standards) (in which case the lessor would purchase the leased assets from the lessee, and lease back the leased assets to the lessee); (2) finance lease and/or operating lease arrangements (to be determined based on applicable accounting standards) involving the leasing of the leased assets to the lessee acquired by the lessor as per the choices of the lessee; (3) other finance lease, operating lease and the renewal or leasing of the leased assets under them that recognised under the laws of the PRC within the term of the Lease Framework Agreement.

The annual caps for the leasing services to be provided under the Lease Framework Agreement between TSFL Group and China Petrochemical Corporation Group for each of the three years ending December 31, 2025, and within the previous 12 months of anytime during the valid period of the Lease Framework Agreement are RMB 6 billion (for financial leasing services) and RMB 4 billion (for operating leasing services).

The total transaction amount in relation to finance lease services shall include the lease principal, the lease interest, the economic consultancy fees and/or other fees (if any) specified in the implementation agreement, while the total transaction amount in relation to operating lease services shall include the annual rental, the consideration for purchasing lease assets from China Petrochemical Corporation for the provision of operating lease services, the economic consultancy fees and/or other fees (if any) specified in the implementation agreements.

In 2024, the total transaction amount of the finance lease services and operating lease services provided by TSFL to China Petrochemical Corporation were RMB3,491 million and RMB579 million, respectively.

For more details of the Lease Framework Agreement, please refer to the announcement of the Company dated 11 May 2023.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(II) Continuing Connected Transactions *(Continued)*

The independent non-executive directors of the Company have reviewed the continuing connected transactions above, and confirmed the above continuing connected transactions were:
(i) entered into during the ordinary course of business of the Group;
(ii) on normal commercial terms or on better terms; and
(iii) in accordance with the agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the auditors of the Company were engaged to review the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules". The auditors have issued an unqualified opinion and confirmed that nothing has come to their attention about matters mentioned in Rule 14A.56 of the Listing Rules.

Save as disclosed above, during the Year, the Group did not have any material connected transaction or continuing connected transactions which were required to be disclosed in accordance with the requirements of the Listing Rules and none of the related party transactions as disclosed in Note 44 to the consolidated financial statements constitute a discloseable connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

INTEREST BEARING NOTES

Particulars of the interest bearing notes of the Company and the Group as at 31 December 2024 are set out in Note 33 to the consolidated financial statements.

PERPETUAL SUBORDINATED CAPITAL SECURITIES

Particulars of the perpetual subordinated capital securities of the Company as at 31 December 2024 are set out in Note 39 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out at the end of the financial statements.

RETIREMENT SCHEMES

Particulars of the retirement schemes are set out in Note 40 to the consolidated financial statements.

CORPORATE GOVERNANCE

Information on the Company's corporate governance practices during the Year is set out in the "Corporate Governance Report" of this announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed the results of the Group for the year ended 31 December 2024.

Further information on the composition of the Audit Committee and the work performed by the Audit Committee during the Year is set out in this announcement under the section headed "Audit Committee" in the Corporate Governance Report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this announcement, there was sufficient public float, as not less than 25.0% of the Company's issued shares were held by the public.

AUDITOR

Messrs. KPMG was the auditor of the Company in 2022, Messrs. PricewaterhouseCoopers was the auditor of the Company in 2023, with its retirement upon the expiration of its terms of office at the conclusion of the annual general meeting of the Company in 2024. Following the retirement of Messrs. PricewaterhouseCoopers, Messrs. KPMG was appointed as the auditor of the Company.

By Order of the Board
YIN Zhaojun
Chairman

Hong Kong, 24 March 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good standards of corporate governance practices by emphasising transparency and accountability. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of our shareholders, to comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance practices. During the Year, the Company has complied with the Code Provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules with the following exceptions:

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the model code set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions by the directors. Having made specific enquiries of all of the Directors, all of the Directors confirmed that they have complied with the required standards set out in the Model Code during the Year.

BOARD OF DIRECTORS

The Board is collectively responsible for supervising the management of the business and affairs of the Group. The Board currently is comprised of a total of 10 Directors, with 2 executive Directors, 4 non-executive Directors, and 4 independent non-executive Directors.

The names of the Directors are set out in this announcement under the section headed "Corporate Information".

The biographies of the Directors are set out in this announcement under the section headed "Biographical Details of Directors, Senior Management and Company Secretary".

During the Year, the Board held 9 meetings. The attendance of the Directors for the Board, various Board committees and general meeting are as follows:

	Attendance / No. of meetings eligible to be attended					
	Board Meetings	**AC**	**NRC[1]**	**SIC[2]**	**RMC**	**General Meeting**
Executive Directors						
Mr. YIN Zhaojun	7/9	-	-	1/1	4/4	1/1
Mr. LI Kedong	7/9	-	-	1/1	-	1/1
Mr. WANG Sidong *(resigned on 18 December 2024)*	8/9	-	-	1/1	-	0/1
Non-executive Directors						
Mr. GUO Zhaoxu	9/9	-	-	-	4/4	1/1
Mr. HU Xingguo	9/9	4/4	-	-	-	1/1
Ms. ZHANG Cui	9/9	4/4	-	-	4/4	1/1
Independent Non-executive Directors						
Mrs. LAW FAN Chiu Fun Fanny	8/9	4/4	-	-	-	1/1
Ms. LIU Yi *(appointed on 18 December 2024)*	-	1/1	-	-	-	-
Mr. SHIU Sin Por *(appointed on 18 December 2024)*	-	1/1	-	-	-	-
Mr. CAI Hongping *(appointed on 18 December 2024)*	-	1/1	-	-	-	-
Mr. ZHU Dajian *(resigned on 18 December 2024)*	8/9	3/3	-	-	-	1/1
Mr. WU Ting Yuk Anthony *(resigned on 18 December 2024)*	9/9	3/3	-	-	-	1/1
Mr. XIE Zhichun *(resigned on 18 December 2024)*	9/9	3/3	-	-	4/4	1/1

Notes: AC – Audit Committee;
NRC – Nomination and Remuneration Committee
SIC – Strategy and Investment Committee
RMC – Risk Management Committee
[1] The nomination committee and the remuneration committee have been reorganised into NRC with effect from 27 August 2024, all meetings during the Year were held by written resolutions. Before voting on the resolutions, the Company ensured that all committee members can share their views and opinions through various means of communication, and the opinion expressed are highly valued and properly addressed.
[2] Formerly known as the Corporate Governance Committee, replaced by SIC with effect from 27 August 2024 and adding to oversee the strategy and investment matters of the Company.

BOARD OF DIRECTORS *(Continued)*

The Board formulates the overall strategy of the Group, monitors its financial performance and maintains an effective corporate governance structure in each individual subsidiary. Daily operations and administration are delegated to the management of each individual subsidiary. During the Year, none of the Directors above had or maintained any financial, business, family or other material/ or other relevant relationships with any of the other Directors.

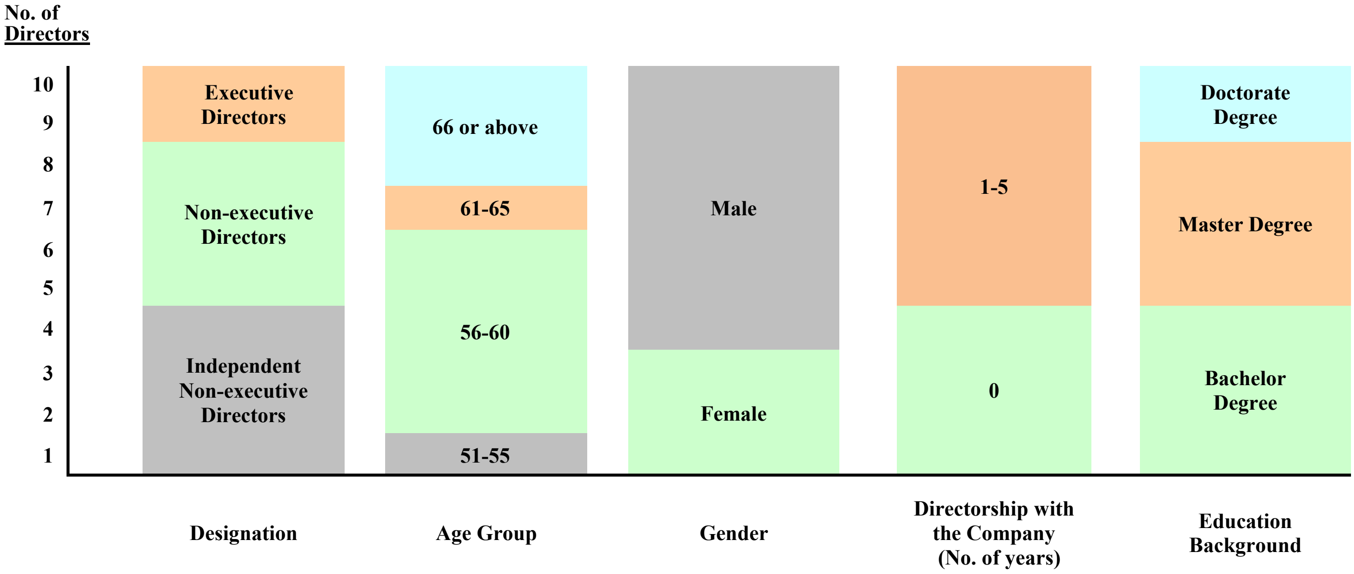
Directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's articles of association.

NOMINATION POLICY AND BOARD DIVERSITY POLICY

Pursuant to the terms of reference of the nomination and remuneration committee, the nomination and remuneration committee is responsible to identify and nominate qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise, and make recommendation to the Board. Furthermore, the nomination and remuneration committee will also make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the general manager.

The selection criteria used by the nomination and remuneration committee in assessing the suitability of a proposed candidate includes: the ability to fulfil director's duties, complement the Company's corporate strategy, possess relevant experience, maintained a good reputation, alignment with the board diversity policy, etc. However, these factors are not meant to be exhaustive, the nomination and remuneration committee has the discretion to nominate any person it considers appropriate. Furthermore, the Board has adopted a board diversity policy, when considering the combination of board members, diversity factors including without limitation, age, cultural and educational background, professional experience, skills, knowledge, length of service, and gender, so as to achieve a sustainable and balanced development of the Board to support the Company's strategic goals and maintain sustainable development.

As at the date of this announcement, the Board's composition under major criteria for diversity was summarised as follows:



Furthermore, the Board members equipped with a wide range of professional background and skills, including experience in insurance companies, banks, government and regulatory bodies, financial accounting, academic research, news and publishing, and as directorship of listed companies. Currently, the Board have 10 Directors, 3 of whom are female, representing for approximately 30%. The Board wish to maintain the current level of female membership. As more and more women are holding high positions in the economic system, the Board will continue to increase the ratio of female members if there are suitable candidates in the future.

NOMINATION POLICY AND BOARD DIVERSITY POLICY *(Continued)*

The Board considers that the current board composition is diverse and meets the criteria of the board diversity policy, its experience can supervise and guide the management, and to cope with the Company's development strategies. The Board will review the board diversity from time to time to ensure that the board diversity policy is complied with.

MECHANISMS TO ENSURE INDEPENDENT VIEWS AND INPUT ARE AVAILABLE TO THE BOARD

The nomination and remuneration committee reviewed from time to time and considered that the following key features or mechanisms under the Board and governance structure are effective in ensuring that independent views and input are provided to the Board.

(1) Board and board committees' structure - The Board has 4 independent non-executive Directors, who are independent of and not related to each other, other members of the Board and any members of the senior management. The majority of the audit committee, nomination and remuneration committee members are independent non-executive Directors, while the audit committee, nomination and remuneration committee and risk management committee are chaired by independent non-executive Directors.

(2) Independent non-executive Directors' remuneration - Independent non-executive Directors receive a fixed remuneration or not receiving any director's remuneration.

(3) Appointment of independent non-executive Directors - In assessing the suitability of the candidates, the nomination and remuneration committee will review their biographical details, qualifications and time commitment, and will also consider if the candidate align with the composition of the board, the skills and experience of the Directors, and comply with the Company's nomination policy and board diversity policy.

(4) Independent non-executive Directors provide time commitment and annual review of independence - All independent non-executive directors provide details of their positions in public companies or organisations to the Company every year, and confirm to the Company that they have devoted sufficient time and energy to handle Company's affairs. At the same time, independent non-executive directors are required to undergo a review of their independence when they are appointed, and an annual review thereafter to ensure their independence.

(5) Conflict of interest management - When holding board meetings or board committees' meetings, all Directors are required to declare their interests in accordance with the Company's articles of association and take appropriate actions to avoid conflicts of interest.

(6) Independent non-executive Directors participate in the proposal reporting or research meetings of the Board - All independent non-executive Directors are invited to participate in proposal reporting meetings to share their views and opinions. The opinions of all independent non-executive Directors are important and will be properly handled. Furthermore, depending on working needs or the requirements of independent non-executive Directors, the Company will arrange independent non-executive Directors to participate in various research activities and participate in meetings related to Group's operation and management.

(7) Meeting between independent non-executive Directors and the chairman - The annual meeting between the chairman and all independent non-executive Directors is held without the presence of other directors, providing an effective platform for the chairman to receive independent opinions on various issues of the Group.

(8) Professional advice - To facilitate proper discharge of their duties, all Directors (including independent non-executive Directors) are entitled to seek advice from the company secretary or the in-house legal team as well as from independent professional advisers at the Company's expense.

EMPLOYEE GENDER DIVERSITY

The Company also promotes diversity policy at employee level. As at 31 December 2024, the Company had a total of 62,266 employees (including senior management), of whom 51.1% were female and 48.9% were male, and the overall ratio of male to female employees of the Company in this regard maintained relatively even. The proportions of female full-time internal staffs by job function were approximately 42%, 54% and 45% in the management, professional and supporting categories, respectively, and the Company has achieved solid results in gender diversity. The Company will continue to pay attention to the diversity of the workforce structure, carry out monthly statistics on the gender, age, education, cultural background and work experience and other information of all employees, and conduct regular analysis to avoid structural imbalance and continuously promote and maintain a diverse workforce environment.

DIRECTORS' TRAINING

Directors were given relevant guideline materials regarding the duties and responsibilities for being a director, relevant laws and regulations applicable to the directors and the duties on disclosures of interests. Such induction materials will also be provided to newly appointed Directors, including Ms. LIU Yi ("**Ms. LIU**"), Mr. SHIU Sin Por ("**Mr. SHIU**") and Mr. CAI Hongping ("**Mr. CAI**") appointment in December 2024, and Mr. ZHOU Lianggang ("**Mr. ZHOU**") appointment in March 2025. Ms. LIU, Mr. SHIU, Mr. CAI and Mr. ZHOU had obtained legal advice referred to the Rule 3.09D of the Listing Rules and has confirmed their understood their obligations as a director of the Company on 26 November 2024, 9 December 2024, 9 December 2024 and 19 March 2025, respectively. Mr. YIN Zhaojun, Mr. LI Kedong, Mr. GUO Zhaoxu, Mr. HU Xingguo, Ms. ZHANG Cui, Mrs. LAW FAN Chiu Fun Fanny, Ms. LIU Yi, Mr. SHIU Sin Por and Mr. CAI Hongping provided their training record and confirmed that they have complied with Code Provision C.1.4 of the Code by attending relevant seminars, training sessions and reading materials to develop and refresh their knowledge and skills during the Year.

CHAIRMAN AND GENERAL MANAGER

Mr. YIN Zhaojun was appointed as the chairman on 18 December 2024 to take over from Mr. WANG Sidong, who resigned on the same date, and ceased to be the general manager of the Company. Mr. LI Kedong was appointed as the general manager on 23 January 2025 to take over from Mr. YIN Zhaojun, who ceased to be the general manager of the Company on 18 December 2024. The roles of the chairman and the general manager are clearly defined, segregated and established in writing and are not exercised by the same individual.

BOARD COMMITTEES

The Company currently has 4 board committees (namely the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Strategy and Investment Committee) with defined terms of reference which are posted on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE

The Audit Committee with specific written terms of reference was established by the Company on 29 May 2000 and the Chinese name was amended on 27 August 2024.

The written terms of reference for the Audit Committee are in accordance with the Code. The role and principal duties of the Audit Committee include meeting with the Group's senior management and external auditor regularly to review the effectiveness of the internal control system and the interim and annual results of the Group.

AUDIT COMMITTEE *(Continued)*

Ms. LIU Yi, an independent non-executive director, was appointed as the chairman of the Audit Committee on 18 December 2024 to take over from Mr. WU Ting Yuk Anthony, who resigned on the same date. Mr. SHIU Sin Por and Mr. CAI Hongping, independent non-executive directors, were also appointed as members of the Audit Committee on the same date to take over from Mr. ZHU Dajian and Mr. XIE Zhichun, who resigned on the same date. Currently, Ms. LIU Yi, an independent non-executive Director, is the chairman of the Audit Committee, with 2 non-executive Directors, namely Mr. HU Xingguo and Ms. ZHANG Cui, and 3 independent non-executive Directors, namely Mrs. LAW FAN Chiu Fun Fanny, Mr. SHIU Sin Por and Mr. CAI Hongping as members.

During the period from 1 January 2024 to the date of this announcement, the Audit Committee held 5 meetings. The subject matters of the work performed in accordance with its terms of reference are mainly set out below:

- Reviewed the interim results and annual results of the Company and its subsidiaries for 2024;
- Reviewed and recommended the appointment of auditor, approved the remuneration and terms of engagement of the auditor, assessed the auditor's independence and objectivity, and the effectiveness of the audit process;
- Reviewed the quarterly and annual internal audit reports; and
- Reviewed the system of internal controls and the findings and recommendations of the internal audit function.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination Committee and Remuneration Committee with specific written terms of reference were established by the Company on 29 March 2012 and 24 February 2005, respectively. On 27 August 2024, the Nomination Committee and Remuneration Committee has been reorganised into Nomination and Remuneration Committee.

The role and principal duties of the Nomination and Remuneration Committee include reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors and assessing the independence of the independent non-executive Directors to ensure that the Board has a balance of expertise, skills, experience and diversity. Furthermore, they also include the making of recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management; the establishment of a formal and transparent procedure for developing the policy on such remuneration; and to assess the performance of executive Directors and to determine the specific remuneration packages of all executive Directors and senior management and make recommendations to the Board. For details of the Company's nomination policy, please refer to the section headed "Nomination Policy and Board Diversity Policy" above.

The main principles of the Group's remuneration policies are:

(a) Remuneration should be determined by taking into consideration factors such as salaries paid by comparable companies, time commitment, responsibility, employment conditions elsewhere in the Group and the appropriateness of performance-based remuneration;

(b) Performance-based remuneration should be reviewed and approved with reference to the corporate goals and objectives approved by the Board from time to time; and

(c) No Director should be involved in deciding his or her own remuneration.

NOMINATION AND REMUNERATION COMMITTEE *(Continued)*

Before reorganisation of the Remuneration Committee and the Nomination Committee, the chairman of the Remuneration Committee was Mr. ZHU Dajian, with Mr. WANG Sidong, Mr. YIN Zhaojun, Mr. WU Ting Yuk Anthony, Mr. XIE Zhichun and Mrs. LAW FAN Chiu Fun Fanny as members, while the chairman of the Nomination Committee was Mr. WANG Sidong, with Mr. LI Kedong, Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony and Mrs. LAW FAN Chiu Fun Fanny as members. On 27 August 2024, members of the Nomination and Remuneration Committee includes Mr. ZHU Dajian (chairman), Mr. WANG Sidong and Mrs. LAW FAN Chiu Fun Fanny. Mr. SHIU Sin Por, an independent non-executive Director, was appointed as the chairman of the Nomination and Remuneration Committee on 18 December 2024, to take over from Mr. ZHU Dajian, who resigned on the same date and Mr. YIN Zhaojun, the chairman of the Board and an executive Director, was appointed as a member of the Nomination and Remuneration Committee to take over from Mr. WANG Sidong, who resigned on the same date. Currently, Mr. SHIU Sin Por, an independent non-executive Director, is the chairman of the Nomination and Remuneration Committee, with 1 executive Director, namely Mr. YIN Zhaojun and 1 independent non-executive Director, namely Mrs. LAW FAN Chiu Fun Fanny, as members.

During the period from 1 January 2024 to the date of this announcement, the Nomination and Remuneration Committee held 1 meeting, and the subject matters of the work performed in accordance with its terms of reference are mainly set out below:

- Reviewed the structure, diversity policy and policy of independent views mechanism of the Board;
- Assessed the independence of the independent non-executive Directors;
- Made recommendations to the Board on the appointment and reappointment of Directors in accordance with the nomination policy;
- Approved the remuneration of Directors and senior management; and
- Approved the appointment letter of Directors.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee with specific written terms of reference was established by the Company on 30 December 2015. The role and principal duties of the Risk Management Committee include overseeing the Company's and its subsidiaries' overall risk management framework, acting as the second line of defense, and advising the Board on the Group's risk-related matters.

Mr. CAI Hongping, an independent non-executive director, was appointed as the chairman of the Risk Management Committee on 18 December 2024 to take over from Mr. XIE Zhichun, who resigned on the same date. Mr. LI Kedong, an executive director, was appointed as a member of the Risk Management Committee and Mr. YIN Zhaojun has ceased to be a member of the Risk Management Committee on 23 January 2025. Currently, Mr. CAI Hongping, an independent non-executive Director, is the chairman of the Risk Management Committee, with an executive Director, namely Mr. LI Kedong, and 2 non-executive Directors, namely Mr. GUO Zhaoxu and Ms. ZHANG Cui, as members.

During the period from 1 January 2024 to the date of this announcement, the Risk Management Committee held 4 meetings. The subject matters of the work performed in accordance with its terms of reference are mainly set out below:

- Reviewed the quarterly and annual risk management reports and annual compliance report; and
- Reviewed the risk appetite of the Group.

STRATEGY AND INVESTMENT COMMITTEE

The Strategy and Investment Committee with specific written terms of reference was established by the Company on 27 August 2024, in place of the Corporate Governance Committee established by the Company on 17 October 2014, to oversee the strategy, investment and corporate governance matters of the Company.

The chairman of the original Corporate Governance Committee was Mr. WANG Sidong, with Mr. YIN Zhaojun and Mr. LI Kedong, as members. On 27 August 2024, members of the Strategy and Investment Committee includes Mr. WANG Sidong (chairman), Mr. YIN Zhaojun, Mr. LI Kedong and Mr. HU Xingguo. Mr. YIN Zhaojun, the chairman of the Board and an executive director, was re-designated as the chairman of the Strategy and Investment Committee on 18 December 2024, to take over from Mr. WANG Sidong, who resigned on the same date. Mr. ZHOU Lianggang, a non-executive director, was appointed as a member of the Strategy and Investment Committee on 24 March 2025. Currently, Mr. YIN Zhaojun, the chairman of the Board and an executive director, is the chairman of the Strategy and Investment Committee, with 1 executive Director, namely Mr. LI Kedong, and 2 non-executive Directors, namely Mr. HU Xingguo and Mr. ZHOU Lianggang, as members.

During the period from 1 January 2024 to the date of this announcement, the Strategy and Investment Committee (including the Corporate Governance Committee) held 2 meetings, and the subject matters of the work performed in accordance with its terms of reference are mainly set out below:

- Reviewed the structure, diversity policy and policy of independent views mechanism of the Board;
- Reviewed the shareholder communication policy review report; and
- Reviewed compliance with the Code and disclosure in the Corporate Governance Report; and
- Reviewed capital injection to subsidiaries and other investment matters.

AUDITOR'S REMUNERATION

KPMG is the auditor of the Company. The services provided by them include audit, other assurance and non-audit services. During the 2024 financial year, the fees paid and payable for the Group were HK$48.63 million, of which the fees for the statutory audit and other services were HK$44.29 million and HK$4.34 million, respectively.

RESPONSIBILITY STATEMENT OF DIRECTORS ON FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of the financial statements which gives a true and fair view of the Company's financial position, performance results and cash flows. To the best knowledge of the Directors, there was no material event or condition during the Year that might have a material adverse effect on the continuing operation of the Company.

The statement of the auditor of the Company on their responsibilities on the financial statements is set out in the Independent Auditor's Report.

COMPANY SECRETARY

Mr. ZHANG Ruohan ("**Mr. ZHANG**") is a senior management, chief financial officer and company secretary of the Company. Mr. ZHANG had taken no less than 15 hours of the relevant professional training on review of the Listing Rules and other compliance requirements during the Year.

RISK MANAGEMENT

The Group has established a comprehensive risk management system covering the entire group. The governance structure, rules and regulations, working mechanisms and procedures for risk management have been further improved.

The Board conducted an annual review on the Group's risk management according to its responsibilities in order to ensure the effectiveness of risk management practice.

In 2024, the Group closely followed the risk appetite of "Adherence to the Bottom Line and Act Prudently" to deal with various risks encountered in the operation. It stuck to the bottom line that no systematic risk shall occur, and exerted effort to implement its high-quality development strategies. By further improving the comprehensive risk management system with "Three Lines of Defense", it implemented the risk appetite, perfected the risk management framework, consolidated and strengthened the synergy of the risk management organisational structure, enhanced risk management level, and enhanced the risk assessment and response capacity, in order to promptly solve existing risks and effectively prevent new risks. The Board considers the Group's overall risk management to be effective and risks to be manageable in 2024. The Company has integrated ESG into its comprehensive risk management practices, progressively refining the Group's ESG risk management framework. ESG risk identification, monitoring, assessment, and management have been incorporated into daily operational management.

I. The Board's Statement in Respect of Comprehensive Risk Management Responsibilities

The Board is responsible for establishing and maintaining an effective comprehensive risk management system. The comprehensive risk management of the Company is jointly implemented by the Board, the management and all staff members. The goal of the comprehensive risk management of the Company is to promote the realisation of the strategic objective with adherence to the matching of risks and returns while at the same time maintain stability and prudence.

Given the limitations of the risk management system, reasonable guarantees can only be given in relation to the objectives mentioned above, and the effectiveness of our risk management over the Company may change as the internal environment, external environment and business situation change.

The Directors conduct regular self-assessment on the risk management system each year and continue to improve its performance. It was considered that no material defect was found in both the framework design and the execution of the risk management during the Year. Although shortcomings and deficiencies in the risk management found during routine inspections may lead to certain risks, these risks were considered manageable and has been rectified, and did not create substantial impact on the financial reporting objectives of the Group. Corrective measures for such risks have been and continue to be implemented. The Board considers that the Group's comprehensive risk management system was sound, effective and adequate during the Year.

The Company's risk management report of 2024 has been completed and has been reviewed and approved by the Board. The Board and all of its members are responsible for the risk management report's truthfulness, accuracy and integrity.

RISK MANAGEMENT *(Continued)*

II. The Three Lines of Defense for the Comprehensive Risk Management Framework

The Company has established a comprehensive risk management organisation system in which decisions are made by and the ultimate responsibility is assumed by the Board. Among them, the Risk Management Committee provides support for the decision-making of the Board, the management level directly manages and executes the risk management practices, the Risk Management Department takes the lead and organises each work, every functional department performs its own duties with all employees participating together, and the Audit Committee, audit department and TPFAS are responsible for supervision.

All functional and business departments constitute the first line of defense. They take direct responsibility for risk management of the Company.

The respective risk management committees, together with the risk management department constitute the second line of defense. Their responsibilities are to organise and coordinate the construction of the Comprehensive Risk Management Framework.

The respective audit committees, audit department and TPFAS constitute the third line of defense. Their main responsibilities are to analyse and evaluate the effectiveness of the comprehensive risk management practices.

III. Status of Risk Management System

In 2024, the Group carried out its comprehensive risk management by embracing its risk prevention and control requirements, focusing on the development strategies of the Group, implementing the risk appetite of "Adhering to the Bottom Line and Act Prudently" to deal with various risks encountered in the operation, perfecting the risk management framework and mechanism, defining the management culture that "Risk Management is Everyone's Responsibility" focusing on risk prevention and control in key areas, strengthening its capability to address risks and handle crisis situations, continued to solve existing risks and effectively prevent new risks, so as to strive to lay a solid risk management foundation for the sustainable and healthy development of each business line of the Group.

3.1 The Establishment of Risk Management System

The Group enhanced the construction of comprehensive risk management throughout the Group according to the internal risk management needs under a "Unified Framework, Hierarchical Management" mode, which further improved the risk management process and system; and fully implemented the division of responsibilities among different departments under the "Three Lines of Defense" of the comprehensive risk management, and continuously strengthened the coordination and cooperation among organisations to create synergy in risk prevention and control and continuously optimise the risk prevention and control framework and mechanism.

3.2 Develop the Overall Strategy of Risk Management

The Group's comprehensive risk management strategy takes into account the interests of all parties, including shareholders and customers, to improve the effectiveness of operational management, reduce uncertainty of achieving its business objectives and safeguard the sustainable growth of its corporate value. The Group and its subsidiaries have determined their risk appetite system based on their own conditions and external environment, centering on their development strategies to ensure the effective implementation of the risk management strategy.

RISK MANAGEMENT *(Continued)*

3.2 Develop the Overall Strategy of Risk Management (Continued)

Taking into account the requirements of the Central Government on preventing and resolving financial risks as well as its assessment of the international and domestic financial situation, the Group continued to adopt a risk appetite of "Adherence to the Bottom Line and Act Prudently" to deal with various risks encountered in the operation in 2024. On this basis, the Group will further strengthen capital constraints and enhance the specific risks management of the Group, so as to promote the high-quality development of the Group's business. In 2024, the risk appetite system was constructed from four dimensions, namely capital adequacy, asset quality, return on risk capital and corporate reputation, and risk tolerance and risk limits were established to match through the strengthening of the guidance mechanism. Risk limits are set at three levels: "Normal", "Warning" and "Over-limit" for risk points. The "Normal" means that the risk appetite and risk tolerance requirements are met and no management measures are required; the "Warning" means that the risk situation is approaching the risk limit, which should be a cause for concern and needs to be dealt with in accordance with the risk disposal plan; and the "Over-limit" means that the risk limit is exceeded, which shall be subject to the reporting procedure for exceeding the limit. The "Over-limit", if at the subsidiary level, is required to be reported to the company's Risk Management Department, and significant risks are reported to both the company's management and the Group's Risk Management Department, while significant risks at the Group level are reported to the risk management committee of the Board. In 2024, the Group's risk appetite system operated normally, and the overall risk situation was stable.

3.3 Risk Management Policy and Procedures

The Group continues to strengthen its "Multiple Pillars" risk management system through continuous top-down guidance and refinement. The first is the overall guidelines and strategies for risk management, including the basic system of comprehensive risk management, risk appetite statement and relevant systems for risk appetite system management; the second is the classification of risk management methods, including the Group's specific risks, the seven major risk management methods and relevant systems; and the third is the management methods of systems and tools, including the risk management information system, capital planning, asset and liability management, stress testing and other management methods. Each member company of the Group further refined its risk management requirements in accordance with local regulatory requirements, taking into account the actual development of its own business.

RISK MANAGEMENT *(Continued)*

3.4 Risk Management Tools

The Group continues to enrich its risk management methods and tools. The first is asset and liability management. The Group has established a sound asset and liability management system, regularly monitors and evaluates the asset and liability matching status of important subsidiaries, and regularly prepares internal analysis reports on the Group's asset and liability management. The second is comprehensive budgeting. The Group guides and audits the comprehensive budgets of its subsidiaries annually, deepens the target-oriented budget management, strengthens capital constraints, scientifically and reasonably determines the operation and management objectives of each budget unit, and improves the budget review process to promote the full implementation of the Group's high-quality development strategy. The third is capital planning. The Group formulates a three-year rolling capital plan based on it's development strategy and the development plans of its subsidiaries each year, and implements capital raising plans based on the actual development needs of its subsidiaries to ensure that the supply of capital matches the demand for capital. The fourth is stress testing. The Group has established a solvency stress test management methodology and specified the annual work plan, scientifically formulated stress scenario assumptions, analysed the risks based on the results of the stress test and put forward corresponding management measures, and continuously conducted solvency stress tests and reported them to the regulatory authorities in accordance with regulatory requirements.

3.5 Risk Management Information System

The Group's comprehensive risk management system covers risk management, compliance management, legal management, credit limit management, audit and rectification management, etc., with a user base covering the Group and its both overseas and PRC domestic subsidiaries, and the level of risk management informatisation has been continuously enhanced and will be continuously improved and optimised, and the promotion and use of the system will be stepped up, so as to continuously improve the effectiveness of risk management.

3.6 Risk Management Culture and Talent

The Group highly emphasised risk management culture cultivation and talent cultivation, advanced risk management from strategic perspective by promoting the establishment of comprehensive risk management system with risk capital at the core and stressing the necessity and importance of risk management with risk capital management as the core; continued to build the professional team for risk management through internal cultivation and external recruitment.

IV. Internal Control Implementation

During the Year, the Company optimised and enhanced its internal control system in 5 key areas: control environment, risk identification and assessment, control activities, information and communication, and internal supervision. These improvements were made in accordance with relevant laws, regulations, and supervisory requirements, while considering the Company's development strategy, internal management, and market dynamics.

RISK MANAGEMENT *(Continued)*

4.1 Continuous Optimisation of the Internal Control Environment

The Company further improved its corporate governance. The governance structure established by the Board and senior management operates with clear authority and responsibility, effective checks and balances, and standardised processes. The internal control organisational structure, based on the "Three Lines of Defense", has been established and is functioning effectively. In 2024, the Company formulated and revised 37 policies, promoting the continuous updating and refinement of its institutional framework. It carried out the preparation of the 2024 Authorisation Plan to advance the modernisation of the Company's governance system. The Company also organised the 2024 Publicity Month for the Prevention of Illegal Fundraising, educating the general public on preventing illegal fundraising activities. Furthermore, the Company conducted multiple training sessions on topics such as connected transactions, sanction risk management, criminal case risk prevention and control, and anti-money laundering compliance, continuously enhancing internal control and compliance awareness among employees at all levels.

4.2 Enhanced Risk Identification and Assessment

In 2024, the Group conducted a comprehensive system-wide operational risk review. For risks identified during the review, the Group supervised subsidiaries to implement effective corrective measures, continuously strengthening operational risk management and establishing a long-term operational risk prevention mechanism. The Group also strengthened compliance risk evaluation by comprehensively analysing the number, distribution, characteristics, and causes of administrative penalties imposed on subsidiaries in 2024, enabling a holistic assessment of the Group's overall risk landscape.

4.3 Improved Quality of Control Activities

The Company has developed an internal control management mechanism centered on processes and continues to optimise it. It formulated policies related to operational risk management, criminal case risk prevention, and criminal case handling, further enhancing its legal compliance management capabilities. The Company also improved connected transaction management by optimising the connected transaction management system. Furthermore, the Company revised basic investment management policies and post-investment management policies for alternative investments, further clarifying management requirements. The property and casualty insurance product management system was amended to strengthen the management of property and casualty insurance products.

4.4 Improved Information Exchange and Communication

The Company established an independent Brand Promotion Department to further improve its brand promotion management framework. It formulated policies for managing self-media promotion, standardising the management of the Group's self-media accounts and promotional content, and thereby strengthening brand promotion management. The Company also enhanced the standardisation and streamlining of regulatory data reporting processes. It developed basic policies and measures for managing information disclosure, further optimising information disclosure practices.

4.5 Further Strengthening of Internal Supervision

The internal audit units are risk-oriented, and follow the requirements of China insurance "C-ROSS" Phase II regulatory framework. They keep strengthening audit supervision in key areas, the risk alert mechanism, and application of audit results, as well as requires all subsidiaries to make accountability the more regular mechanism, especially on violations. Additionally, the Company revised policies related to accountability for violations, further enhancing its governance and management practices.

RISK MANAGEMENT *(Continued)*

4.6 Internal Control Assessment

During the Year, pursuant to the Listing Rules, the "Basic Standards for Enterprise Internal Control" and the supplementary guidelines jointly promulgated by the five ministries, including the Ministry of Finance of the PRC, and the relevant regulatory provisions issued by NFRA, the Company analysed and identified internal control defects from five aspects: control environment, risk identification and assessment, control activities, information and communication, and monitoring. As a result, an annual comprehensive assessment was made to the internal control system, its implementation and operation results of the Company and the relevant conclusions were formed.

The results of internal control assessment and internal inspection show that the Company's internal control is basically sound, reasonable and effective, and has established relatively sound internal control infrastructure, internal control management system, and risk management system, be able to adjust internal control measures in a timely manner according to changes in internal and external conditions and constantly optimised the business control processes. The Company improved the risk control system, improved the control on information systems, strengthened internal control management and supervision, ensured the achievement of the Group's internal control objectives in terms of organisation, personnel, systems, processes and execution.

The Company will continuously rectify the internal control defects identified according to the assessment results, and to follow up and evaluate the implementation of the rectification measures.

4.7 Whistleblowing Policy

The Company is dedicated to upholding good corporate governance, corporate responsibility, and high transparency. Accordingly, it has established a whistleblowing policy aimed at encouraging and expecting all Directors, employees at all levels of the Group, and individuals who have dealings with the Group to report any misconduct, fraud, or irregularities (including discrimination and harassment) within the Group. The policy also provides guidance for making reports to the Audit Committee either anonymously or with identification.

4.8 Anti-corruption Policy

The Group believes that integrity, honesty, fairness, and impartiality are the core values that all Directors and employees at every level of the Group must uphold at all times. To reinforce these principles, the Company has implemented an anti-corruption policy, which underscores the responsibilities of all Directors and employees in adhering to anti-corruption practices, thereby ensuring the preservation of business integrity, honesty, and transparency.

V. Handling and Dissemination of Inside Information

For the handling and disclosure of inside information, the Group has implemented various procedures and measures, including enhancing awareness of the importance of maintaining confidentiality of inside information within the Group, sharing information with designated individuals on a need-to-know basis, and strictly complying with the relevant Listing Rules, the SFO, and applicable guidelines.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meeting on Requisition by Shareholders

Shareholder(s) representing at least 5% of the total voting rights of all shareholders having a right to vote at general meeting of CTIH may request the Board to convene an extraordinary general meeting, pursuant to Section 566 to 568 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The objective of the meeting must be stated in the related requisition signed by the shareholders concerned and deposited at the registered office of the Company at 25/F., China Taiping Finance Centre, 18 King Wah Road, North Point, Hong Kong, for the attention of the Company Secretary. The requisition may consist of several documents in like form, each signed by one or more of the shareholders concerned.

Procedures for Putting Forward Proposals at Shareholders' Meetings by Shareholders

To put forward a resolution in an annual general meeting, shareholders are requested to follow the requirements and procedures as set out in Section 615 to 616 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). A copy of the requisition/request signed by the shareholders concerned (or 2 or more copies which between them contain the signatures of all the shareholders concerned) needs to be deposited at the registered office of the Company.

Pursuant to Article 95 of the articles of association of the Company, no person other than a director retiring at the meeting (whether by rotation or otherwise) shall be appointed or reappointed a director at any general meeting unless:

(a) he/she is recommended by the Board, or

(b) during a period of not less than seven days commencing no earlier than the day after the despatch of the notice of the meeting and ending no later than seven days prior to the date appointed for the meeting, there has been given to the Company Secretary notice in writing by some shareholder(s) (not being the person to be proposed) qualified to attend and vote at the meeting of his intention to propose that person for appointment or reappointment and also notice in writing signed by the person to be proposed of his willingness to be appointed or reappointed.

Detailed procedures for shareholders to propose a person for election as a Director can be found on the Company's website.

SHAREHOLDERS' RIGHTS *(Continued)*

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may send their enquiries and concerns in writing to the Company Secretary by addressing them to our Investor Relations team, the contact details of which are as follows:

Investor Relations
China Taiping Insurance Holdings Company Limited
25/F., China Taiping Finance Centre,
18 King Wah Road,
North Point,
Hong Kong

Telephone: (852) 2854 6555
Fax: (852) 2866 2262
Email: ir@cntaiping.com

The Company Secretary will forward the enquiries and concerns to the Board and/or relevant board committees of the Company, where appropriate, to answer the shareholders' questions and/or to meet the shareholders' concerns.

CONSTITUTIONAL DOCUMENTS

There was no change to the Company's articles of association during the Year. A copy of the latest consolidated version of the Company's articles of association is posted on the website of the Company and the Stock Exchange.

INVESTOR RELATIONS AND COMMUNICATIONS

The Company recognises the importance of communications with the shareholders of the Company and the investment community, and also recognises the value of providing current and relevant information on the Company to the shareholders and investors. The Company's corporate website, www.ctih.cntaiping.com, features a dedicated Investor Relations section, publishes corporate information and other related financial and non-financial information (including its financial and operational performance, business plan and strategy, material developments, corporate governance and organisational structure etc), aimed at facilitating effective communications with the shareholders, investors and other stakeholders. The latest information on the Company, including annual and interim reports, environmental, social and governance (ESG) & corporate social responsibility report, announcements, circulars, press releases as well as constitutional documents, are also available on the website. At the same time, the Company also communicates with shareholders and investors via shareholder meetings, investor meetings, face-to-face meetings, and open days, and arranges an investor relations team to handle shareholders' constant inquiries and maintain communication.

In summary, the Company promotes effective communication and keep in touch with shareholders through different channels, and the strategy and investment committee believes that the shareholder communication policy was properly implemented and appropriate during the Year.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

YIN Zhaojun	*Chairman*
LI Kedong	*Vice Chairman and General Manager*

Non-executive Directors
GUO Zhaoxu
HU Xingguo
ZHANG Cui
ZHOU Lianggang

Independent non-executive Directors
LAW FAN Chiu Fun Fanny
LIU Yi
SHIU Sin Por
CAI Hongping

AUDIT COMMITTEE

LIU Yi *Chairman*
HU Xingguo
ZHANG Cui
LAW FAN Chiu Fun Fanny
SHIU Sin Por
CAI Hongping

NOMINATION AND REMUNERATION COMMITTEE

SHIU Sin Por *Chairman*
YIN Zhaojun
LAW FAN Chiu Fun Fanny

RISK MANAGEMENT COMMITTEE

CAI Hongping *Chairman*
LI Kedong
GUO Zhaoxu
ZHANG Cui

STRATEGY AND INVESTMENT COMMITTEE

YIN Zhaojun *Chairman*
LI Kedong
HU Xingguo
ZHOU Lianggang

COMPANY SECRETARY

ZHANG Ruohan

AUTHORISED REPRESENTATIVES

YIN Zhaojun
ZHANG Ruohan

REGISTERED OFFICE

25/F., China Taiping Finance Centre
18 King Wah Road
North Point, Hong Kong

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

REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17/F, Hopewell Centre
183 Queen's Road East, Wan Chai,
Hong Kong

INDEPENDENT AUDITOR

KPMG
(Certified Public Accountants and Registered Public Interest Entity Auditor)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Ltd.
Agricultural Bank of China Limited Hong Kong Branch

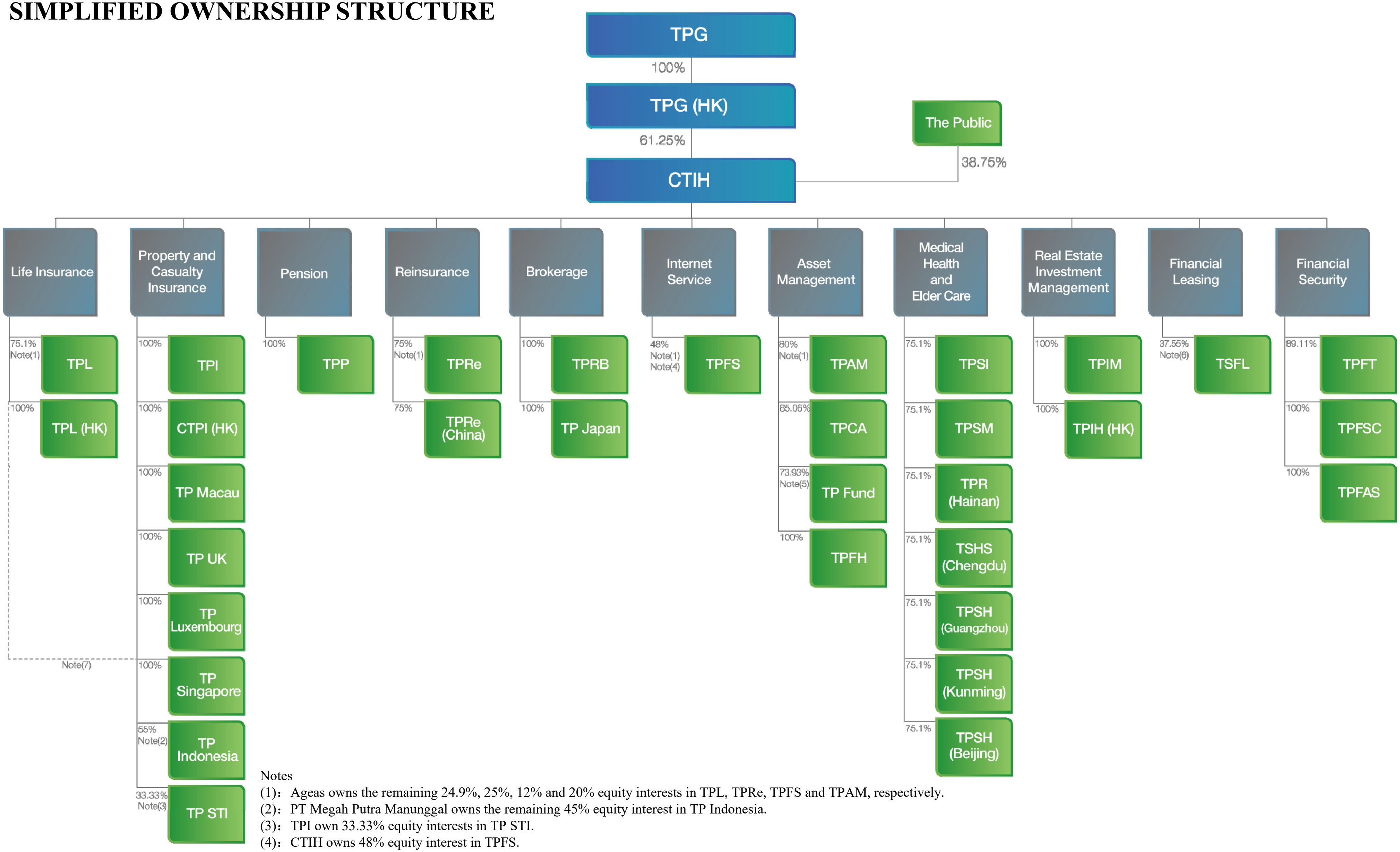
WEBSITE

www.ctih.cntaiping.com
www.cntaiping.com

STOCK MARKET LISTING

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

SIMPLIFIED OWNERSHIP STRUCTURE



Notes

(1): Ageas owns the remaining 24.9%, 25%, 12% and 20% equity interests in TPL, TPRe, TPFS and TPAM, respectively.
(2): PT Megah Putra Manunggal owns the remaining 45% equity interest in TP Indonesia.
(3): TPI own 33.33% equity interests in TP STI.
(4): CTIH owns 48% equity interest in TPFS.
(5): Ashmore Investment Management Limited owns 5.23% equity interests in TP Fund, TPAM owns 56.31% equity interests in TP Fund, TPL owns 38.46% equity interests in TP Fund.
(6): Sinopec Group Company owns 50% equity interests in TSFL, while TPL owns the remaining 50%.
(7): TP Singapore also has life insurance business license and was a comprehensive insurance company.
(8): The ratios shown were effective interests. Except for notes (1) to (6), shares of the subsidiaries were held by the Company and/or its subsidiaries.
(9): The above structure was as of 31 December 2024.

DEFINITIONS

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

"Ageas"	Ageas Insurance International NV
"Board"	the board of Directors
"BVI"	British Virgin Islands
"Code"	Corporate Governance Code as set out in Appendix C1 of the Listing Rules
"Company" or "CTIH"	China Taiping Insurance Holdings Company Limited
"C-ROSS"	China Risk Oriented Solvency System
"CSM"	Contractual service margin
"CTPI (HK)"	China Taiping Insurance (HK) Company Limited
"Director(s)"	The director(s) of the Company, including the independent non-executive directors
"Dragon Jade"	Dragon Jade Industrial District Management (Shenzhen) Co., Ltd.
"Easiwell"	Easiwell Limited
"ECL"	Expected credit loss
"FVOCI"	Fair value through other comprehensive income
"FVPL"	Fair value through profit or loss
"Group"	CTIH and its subsidiaries
"HIBOR"	Hong Kong Interbank Offer Rate
"HKAS"	Hong Kong Accounting Standard
"HKFRS"	Hong Kong Financial Reporting Standard
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Hong Kong" or "HKSAR"	Hong Kong Special Administrative Region of the PRC
"Indonesia"	Republic of Indonesia
"Last Year"	The year ended 31 December 2023
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

"Luxembourg"	Grand Duchy of Luxembourg
"Macau"	Macau Special Administrative Region of the PRC
"Manhold"	Manhold Limited
"MPF scheme"	Mandatory Provident Fund Scheme
"NFRA"	National Financial Regulatory Administration, previously named as China Banking and Insurance Regulatory Commission
"PAA"	Premium allocation approach
"PRC" or "China"	The People's Republic of China
"SFO"	Securities and Futures Ordinance
"Share(s)"	Share(s) in the capital of the Company
"Singapore"	Republic of Singapore
"Sinopec Group Company"	中國石油化工集團有限公司(China Petrochemical Corporation*), a State-Owned Enterprise incorporated in the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Taiping Golden Win"	Taiping Golden Win Investment Limited
"the Year"	The year ended 31 December 2024
"TPAM"	Taiping Asset Management Company Limited
"TPCA"	Taiping Capital Asset Management Company Limited
"TPFAS"	Taiping Financial Audit Service (Shenzhen) Company Limited
"TPFH"	Taiping Financial Holdings Company Limited
"TPFS"	Taiping Financial Services Company Limited
"TPFSC"	Taiping Financial Operating Service (Shanghai) Co., Ltd.
"TPFT"	Taiping Financial Technology Service (Shanghai) Company Limited
"TPG"	China Taiping Insurance Group Ltd.
"TPG (HK)"	China Taiping Insurance Group (HK) Company Limited
"TPI"	Taiping General Insurance Company Limited
"TPIH (HK)"	Taiping Investment Holdings (HK) Company Limited

"TPIM"	Taiping Industry Investment Management Co., Ltd.
"TPL"	Taiping Life Insurance Company Limited
"TPL (HK)"	China Taiping Life Insurance (Hong Kong) Company Limited
"TPL (Macau)"	China Taiping Life Insurance (Macau) Company Limited
"TPP"	Taiping Pension Company Limited
"TPR (Hainan)"	Taiping Real Estate (Hainan) Co. Ltd.
"TPRB"	Taiping Reinsurance Brokers Limited
"TPRe"	Taiping Reinsurance Company Limited
"TPRe (China)"	Taiping Reinsurance (China) Company Limited
"TPSH (Beijing)"	太平健康養老（北京）有限公司 ("Taiping Senior Healthcare (Beijing) Co., Ltd.", being the unofficial English name)
"TPSH (Guangzhou)"	太平健康養老（廣州）有限公司 ("Taiping Senior Healthcare (Guangzhou) Co., Ltd.", being the unofficial English name)
"TPSH (Kunming)"	太平健康養老服務（昆明）有限公司 ("Taiping Senior Healthcare Services (Kunming) Co., Ltd.", being the unofficial English name)
"TPSI"	Taiping Senior Living Investments Company Limited
"TPSM"	Taiping Senior Living Management Company Limited
"TP Fund"	Taiping Fund Management Company Limited
"TP Indonesia"	PT China Taiping Insurance Indonesia
"TP Japan"	China Taiping Insurance Service (Japan) Co. Ltd.
"TP Luxembourg"	China Taiping Insurance (LU) S.A.
"TP Macau"	China Taiping Insurance (Macau) Company Limited
"TP Singapore"	China Taiping Insurance (Singapore) PTE. Ltd.
"TP STI"	Taiping Science and Technology Insurance Co., Ltd.
"TP UK"	China Taiping Insurance (UK) Company Limited
"TSFL"	Taiping & Sinopec Financial Leasing Co. Ltd.
"TSHS (Chengdu)"	Taiping Senior Healthcare Services (Chengdu) Co., Ltd.
"UK"	the United Kingdom of Great Britain and Northern Ireland

"United States"	United States of America
"HKD" or "HK$"	Hong Kong dollars
"GBP"	British Pound
"IDR"	Indonesian Rupiah
"JPY"	Japanese Yen
"MOP"	Macau Pataca
"RMB"	Renminbi
"SGD"	Singaporean dollars
"USD"	United States dollars

By Order of the Board of
China Taiping Insurance Holdings Company Limited
ZHANG Ruohan
Company Secretary

Hong Kong, 24 March 2025

As at the date of this announcement, the Board comprises 10 directors, of which Mr. YIN Zhaojun and Mr. LI Kedong are executive directors, Mr. GUO Zhaoxu, Mr. HU Xingguo, Ms. ZHANG Cui and Mr. ZHOU Lianggang are non-executive directors, and Mrs. LAW FAN Chiu Fun Fanny, Ms. LIU Yi, Mr. SHIU Sin Por and Mr. CAI Hongping are independent non-executive directors.