




中国人寿保险股份有限公司
China Life Insurance Company Limited

Stock Code : 2628

Interim Report 2024

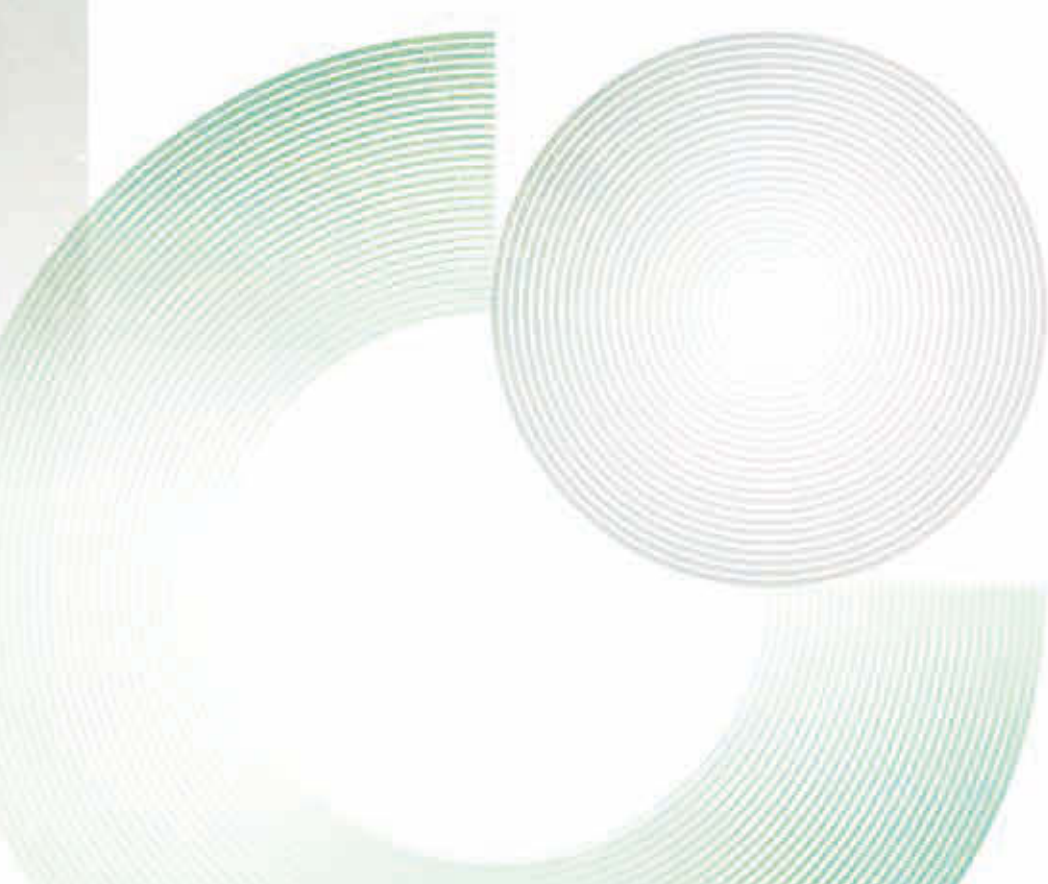




The Company was established in Beijing, China on 30 June 2003 according to the Company Law and the Insurance Law of the People's Republic of China. The Company was successfully listed overseas in December 2003 and returned to the domestic market as an A-share listed company in January 2007. The Company's registered capital is RMB28,264,705,000.

The Company is a leading life insurance company in China and possesses an extensive distribution network comprising exclusive agents, direct sales representatives, and dedicated and non-dedicated agencies. The Company is one of the largest institutional investors in China, and becomes one of the largest insurance asset management companies in China through its controlling shareholding in China Life Asset Management Company Limited. The Company also has controlling shareholding in China Life Pension Company Limited.

The Company is a leading provider of life insurance, annuity insurance, health and accident insurance in China. As at the end of the Reporting Period, the Company had approximately 328 million long-term insurance policies in force. We also had a great quantity of short-term insurance policies, including accident insurance, health insurance and term life insurance, with a term of one year or less.



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BUSINESS HIGHLIGHTS



Gross written premiums

489,566

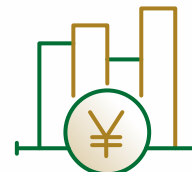
million



Total assets

6,222,638

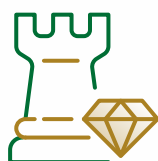
million



Investment assets

6,086,485

million



Embedded value

1,404,536

million



Value of half year's sales

32,262

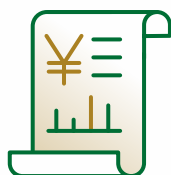
million



Net profit attributable to equity holders of the Company

38,278

million



Gross investment income

122,366

million



Comprehensive solvency ratio

205.23%

Number of long-term in-force policies

3.28

hundred million

FINANCIAL SUMMARY

MAJOR FINANCIAL DATA AND INDICATORS¹

RMB million

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

Notes:

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

INFORMATION ON THE DIFFERENCE BETWEEN THE FINANCIAL STATEMENTS PREPARED UNDER ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH CHANGE OF OVER 30% AND THE REASONS FOR CHANGE

RMB million

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



LETTER TO SHAREHOLDERS

Dear Shareholders,

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

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

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

Towards specialisation, we strengthened our asset-liability management to foster more sustainable and efficient growth. We effectively adapted to the changes in aspects such as macroeconomic environment and regulatory policies. Sticking to long-termism, we enhanced the coordinated interaction between assets and liabilities, and implemented various measures to reduce costs and increase efficiency, thereby promoting a more sustainable and efficient development of the Company. We further strengthened liability cost management and continuously advanced the diversification of product supply in terms

of product form, duration and cost, which resulted in a more balanced business structure, optimised liability quality, and diversified value creation. We practiced the philosophy of long-term investment, value investment and prudent investment, making allocation to major assets categories from the cross-cycle and long-term perspective. We consistently strengthened our investment capabilities, enriched our investment strategies on an ongoing basis, and endeavoured to stabilise investments and increase returns. On the whole, the Company’s asset-liability management has been turning more systematic, proactive and foresighted.

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

Towards stability, we coordinated business development and risk control while proactively managed risks in all business sectors.

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

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

Board of Directors of
China Life Insurance Company Limited

29 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS¹

REVIEW OF BUSINESS OPERATIONS

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

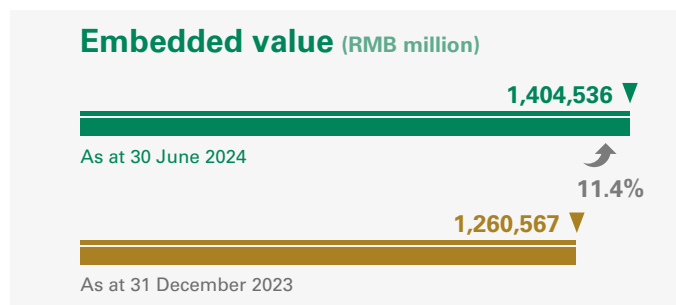
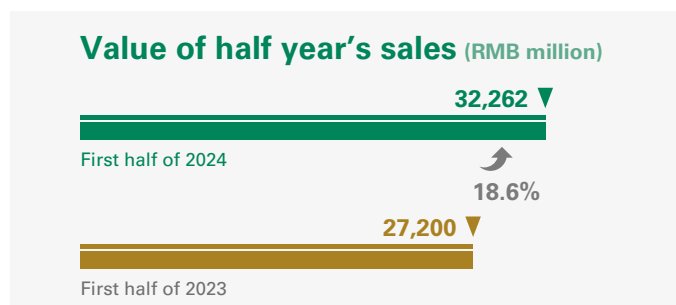
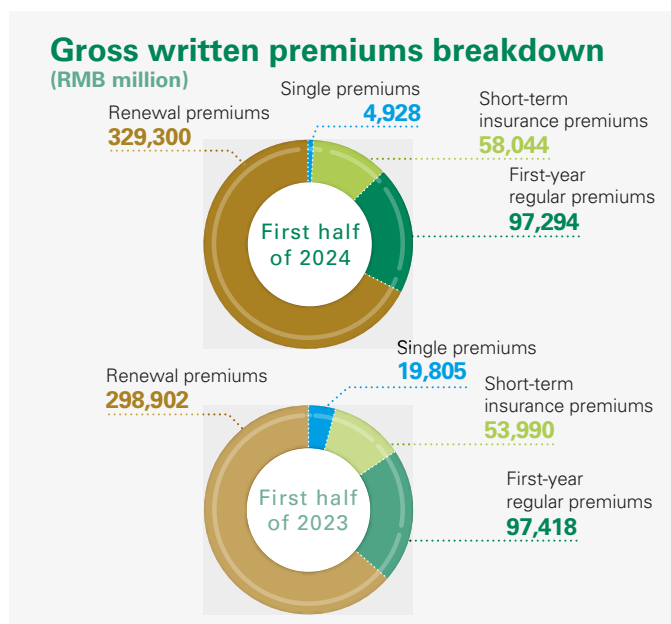
The Company further enhanced its comprehensive strengths and made new strides from a high base. As at the end of the Reporting Period, the Company's total assets and investment assets both surpassed RMB6 trillion, reaching RMB6.22 trillion and RMB6.09 trillion, respectively. Its embedded value exceeded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

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

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

and the productivity per agent of the sales force. The value of half year's sales achieved rapid growth, a year-on-year increase of 18.6% over the 2023 corresponding restated results², reaching RMB32,262 million, which continued to lead the industry.

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



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

Key Performance Indicators for the First Half of 2024

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

Notes:

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

BUSINESS ANALYSIS

Figures of Gross Written Premiums

Gross Written Premiums Categorised by Business

RMB million

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

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

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

Gross Written Premiums Categorised by Channel

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

Notes:

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

Insurance Business

Analysis of Insurance Business

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

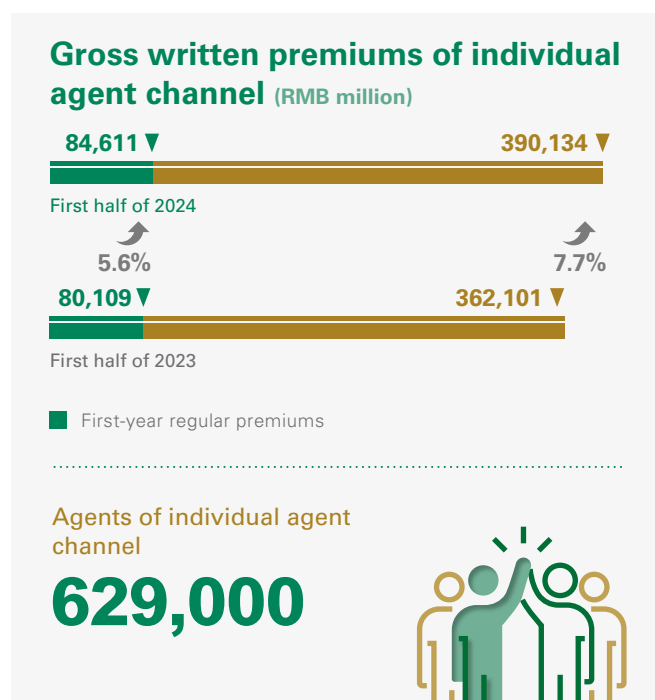
Individual Agent Channel

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

In the first half of 2024, the individual agent channel pushed forward its sales system reforms in greater depth. The existing sales force consistently pursued the concept of "team buildup based on customer resources" and accelerated the establishment of a customer-centric business operation and management system in the channel, which speeded up the transformation towards a specialised,

professional and integrated individual agent team. The Company advanced the "6+1" key tasks for the individual agent channel and continuously promoted the iterative upgrade of key technologies for team buildup, with the focus on optimising agent recruitment and development and increasing productivity. The "Seed Program", launched under the deployment of new sales model, progressed as planned, with the pilot program being initiated in 24 cities and having achieved initial results.

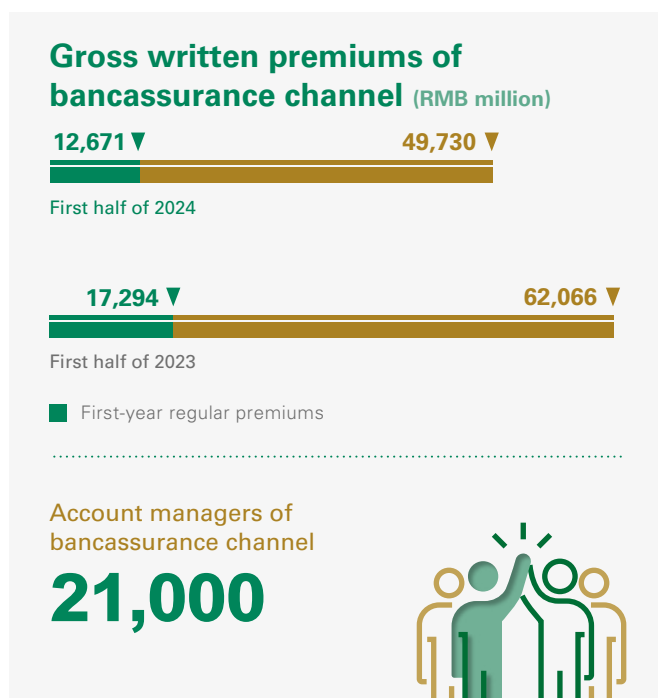
As at the end of the Reporting Period, the number of agents of the channel was 629,000, including 401,000 agents from the general sales team and 228,000 agents from the upsales team. The quality of the sales force continued to improve, and its structure was further optimised, with a gradual increase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



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

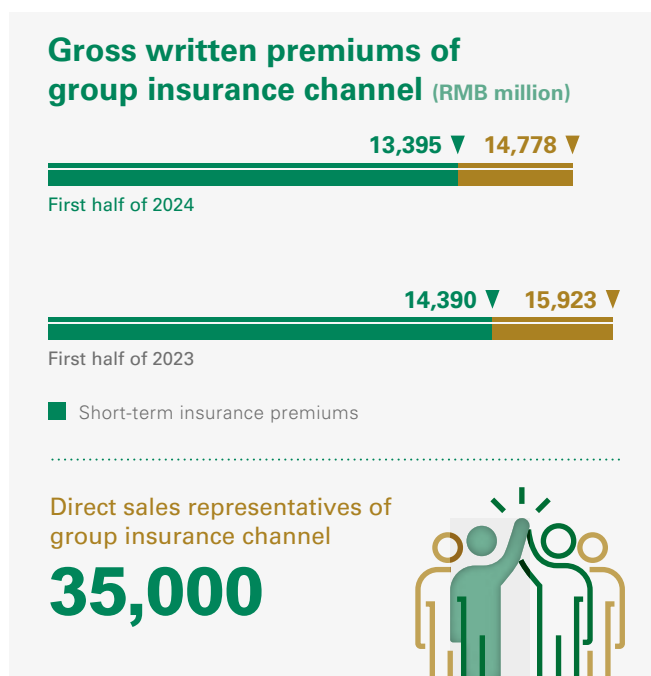
Bancassurance Channel

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



Group Insurance Channel

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



Other Channels

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

Online Insurance Business

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

Integrated Financial Business

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

Inclusive Healthcare and Integrated Senior-care Service System

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

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

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

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

Analysis of Insurance Products

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

Serving the overall interests of national development, the Company gave full play to the functions of insurance as a “shock absorber” and a “stabiliser”.

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

Staying true to its original aspiration and missions, the Company strived to meet the needs of its customers for diverse insurance protection.

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

Investment Business

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

Investment Portfolios

RMB million

Items	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage	Amount	Percentage
Categorised by investment object				
Fixed-maturity financial assets	4,493,468	73.83%	4,119,072	72.78%
Term deposits	459,220	7.54%	413,255	7.30%
Bonds	3,491,255	57.36%	3,159,774	55.83%
Debt-type financial products ¹	501,899	8.25%	484,828	8.57%
Other fixed-maturity investments ²	41,094	0.68%	61,215	1.08%
Equity financial assets	1,192,838	19.60%	1,099,601	19.43%
Common stocks	441,739	7.26%	430,200	7.60%
Funds ³	273,667	4.50%	206,963	3.66%
Other equity investments ⁴	477,432	7.84%	462,438	8.17%
Investment properties	12,620	0.21%	12,753	0.23%
Cash and others ⁵	112,708	1.85%	169,064	2.99%
Investments in associates and joint ventures	274,851	4.51%	258,760	4.57%
Total	6,086,485	100.00%	5,659,250	100.00%
Categorised by accounting method				
Financial assets at fair value through profit or loss	1,862,698	30.60%	1,705,375	30.13%
Investment in debt instruments at amortised cost	191,099	3.14%	211,349	3.74%
Investment in debt instruments at fair value through other comprehensive income	3,007,118	49.41%	2,744,169	48.49%
Investment in equity instruments at fair value through other comprehensive income	159,564	2.62%	138,005	2.44%
Investments in associates and joint ventures	274,851	4.51%	258,760	4.57%
Others	591,155	9.72%	601,592	10.63%
Total	6,086,485	100.00%	5,659,250	100.00%

Notes:

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

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

Investment Income

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

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

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

Credit Risk Management

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

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

Major Investments

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

ANALYSIS OF SPECIFIC ITEMS

Insurance Revenue

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

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

Insurance Service Expenses

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

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

Insurance Finance Income/(expenses) from Insurance Contracts Issued

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

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

Insurance Contract Liabilities

RMB million

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

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

Analysis of Cash Flows

Liquidity Sources

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

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

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

Liquidity Uses

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

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

Consolidated Cash Flows

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

RMB million

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

Solvency Ratio

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

ratio of core capital to minimum capital, which reflects the adequacy of the core capital of an insurance company. The comprehensive solvency ratio is the ratio of the sum of core capital and supplementary capital to minimum capital, which reflects the overall capital adequacy of an insurance company.

RMB million

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

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

Sale of Material Assets and Equity

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

Major Subsidiaries and Associates of the Company¹

RMB million

Company name	Major business scope	Registered capital	Shareholding	Total assets	Net assets	Net profit
China Life Asset Management Company Limited	Management and utilisation of proprietary funds; acting as agent or trustee for asset management business; consulting business relevant to the above businesses; other asset management business permitted by applicable PRC laws and regulations.	4,000	60%	22,347	18,728	1,530
China Life Pension Company Limited	Group pension insurance and annuity; individual pension insurance and annuity; short-term health insurance; accident insurance; reinsurance of the above insurance businesses; business for the use of insurance funds that are permitted by applicable PRC laws and regulations; pension insurance asset management product business; management of funds in RMB or foreign currency as entrusted by entrusting parties for the retirement benefit purpose; other businesses permitted by the NFRA.	3,400	70.74% is held by the Company, and 3.53% is held by AMC	25,109	7,440	526
China Life Property and Casualty Insurance Company Limited ²	Property loss insurance; liability insurance; credit insurance and bond insurance; short-term health insurance and accident insurance; reinsurance of the above insurance businesses; business for the use of insurance funds that are permitted by applicable PRC laws and regulations; other businesses permitted by the NFRA.	27,800	40%	150,897	35,261	1,761
China Guangfa Bank Co., Ltd.	Taking public deposits; granting short-term, mid-term and long-term loans; handling settlements in and out of China; honoring bills and offering discounting services; issuing financial bonds; issuing, paying for and underwriting government bonds as an agent; sales and purchases of negotiable securities such as government bonds and financial bonds; engaging in inter-bank borrowings; providing letters of credit service and guarantee; engaging in bank card business; acting as payment and receipt agent and insurance agent; providing safe deposit box services; taking deposits and granting loans in foreign currency; foreign currency remittance; foreign currency exchange; international settlements; foreign exchange settlements and sales; inter-bank foreign currency borrowings; honoring bills of exchange and offering discounting services in foreign currency; granting foreign currency loans; granting foreign currency guarantees; sales and purchases of negotiable securities other than shares in a foreign currency for itself and as an agent; issuing negotiable securities other than shares in a foreign currency for itself and as an agent; sales and purchases of foreign exchange on its own account and on behalf of its customers; issuing and making payments for foreign credit card as an agent; offshore financial operations; assets and credit verification, consultation and notarisation businesses; other businesses approved by the NFRA and other relevant authorities.	21,790	43.686%	3,534,381	315,933	8,307

Notes:

- For details, please refer to Note 17 in the Notes to the Interim Condensed Consolidated Financial Statements in this report.
- CLP&C has not adopted *IFRS 9 – Financial Instruments* and *IFRS 17 – Insurance Contracts*. Therefore, the financial data presented in this table is calculated in accordance with *IFRS 39 – Financial Instruments* and *IFRS 4 – Insurance Contracts*.

Structured Entities Controlled by the Company

The details of structured entities controlled by the Company are set out in Note 17 in the Notes to the Interim Condensed Consolidated Financial Statements in this report.

Analysis of Core Competitiveness

During the Reporting Period, there was no material change in the Company's core competitiveness.

TECHNOLOGY CAPABILITIES, OPERATIONS AND SERVICES, RISK MANAGEMENT AND CONTROL

Technology Capabilities

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

The digital infrastructure was consistently reinforced.

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

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

Technological innovation flourished in multiple areas.

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

Operations and Services

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

Operational efficiency was enhanced by digitalised and intelligent initiatives.

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

Access to services through contract points was further improved.

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

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

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

Risk Management and Control

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

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

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

PERFORMANCE OF THE CORPORATE SOCIAL RESPONSIBILITY

By upholding its strategic goal of “building a world-class and responsible life insurance company” in corporate responsibility, the Company was fully committed to developing an ESG and green finance management system with China Life’s characteristics. It continuously refined the ESG and green finance governance structure, with the Board taking the main responsibilities. The Company implemented targeted ESG initiatives, actively supported the “dual carbon” strategy, and strengthened its growth drivers for sustainable development.

Focusing on Primary Responsibilities and Principal Business and Benefiting the General Public

Capitalising on the due role of insurance, the Company supported the construction of a multi-level social security system, and applied financial resources to bolster the development of real economy, thereby contributing to the construction of Chinese-style modernisation. It diversified its inclusive insurance and services in response to the immediate needs of the people. As at the end of the Reporting Period, the Company undertook over 200 supplementary major medical expenses insurance programs, over 70 policy-sponsored long-term care insurance programs and over 120 city-customised commercial medical insurance projects. In particular, claims payment under supplementary major medical expenses insurance was made to over 11 million people in the first half of 2024, which effectively reduced people’s medical expenses burden. The Company continuously enriched inclusive insurance products and services for specific groups, increasing the provision of insurance protection for niche groups such as agricultural-related population, females, children, and people from different professions. The Company accelerated the deployment of pension insurance, and made full commitment to developing old-age finance. In the first half of 2024, the Company provided insurance protection to senior people for over 96.32 million person-times. Meanwhile, the Company support the development of new quality productivity forces, with the existing investments in proprietary technological projects exceeding RMB320 billion, and the investments in real economy surpassing RMB4.25 trillion, as at the end of the Reporting Period.

Facilitating Rural Revitalisation to Consolidate Achievements in Poverty Alleviation

In the first half of 2024, the Company continued to improve its long-term mechanism for assistance and made every effort to enhance the quality and efficiency of financial and insurance services in serving “agriculture, farmers and rural areas”. It dispatched 946 personnel staying at villages for assistance, undertook projects in 1,120 localities and devoted assistance funds of RMB6.5577 million, helping farmers to improve both production and income. The Company made substantial efforts to develop insurance business in response to the demands of rural residents for diversified insurance protection, offered risk protection of RMB50.41 trillion for 180 million rural residents and made the claims payment of RMB8,072 million to 2.31 million people, fortifying the multi-layered insurance protection network and effectively consolidating achievements in poverty alleviation.

Adhering to Green and Low-carbon Operation and Serving the Beautiful China Initiative

The Company well practised the concept of green finance, coordinated efforts across product development, investment and operations, thereby contributing to the comprehensive green transformation of economic and social development. Focusing on the needs of customers from the green industries, the Company continuously enhanced its capability in supplying green insurance services and promoted the development of green insurance business. In the first half of 2024, the sum assured of green insurance businesses was RMB572,923 million for the Company. Pursuing the concept of green investment, the Company formulated an ESG investment enhancement plan, so as to contribute its professional expertise to achieving a virtuous cycle of economic growth and ecological balance. Its investments in green industries such as clean energy, energy conservation and environmental protection, and pollution prevention also increased to over RMB470 billion for all existing projects as at the end of the Reporting Period. The Company incorporated low-carbon principles into daily operations and business development, building an online intelligent operation system, with the paperless insurance application rate for new individual long-term insurance policies reaching nearly 100%. The Company also launched climate change management projects to solidify its capability in ESG risk management.

Practising Public Welfare Responsibility and Upholding the Original Aspiration of Promoting Finance for the Greater Good

With an adherence to the concept of “people-oriented, caring for life, creating value and serving the community” in social responsibility, the Company continuously strengthened long-term public welfare mechanisms, persistently carried out public welfare projects, and encouraged employees to participate in volunteer services. Through China Life Foundation, the Company offered supports to grassroots medical workers in Lhasa by launching training programs for them, made consistent donations to maternal care programs and the assistance programs for distressed females suffering from “two gynecological cancers”, which facilitated diverse public welfare practices with active actions. In response to the “Leading Sporting Nation” initiative, the Company sponsored the National Youth Basketball Open (NYBO), providing insurance protection for over 0.2 million youth players. The Company also proceeded with the “Assistance in Sports Program for 100 Schools” by organising public courses on physical education, selecting and assigning professional sports volunteers and donating textbooks of physical education, to support the development of education in underdeveloped areas. The Company’s volunteer services were more institutionalised and well-planned, with the number of registered volunteers amounting to more than 8,400, continuously carrying out public welfare activities in relation to environmental protection, educational assistance, senior care and disaster relief, among others, for the purpose of promoting the spirit of volunteerism.

FUTURE PROSPECT

Industry Landscape and Development Trends

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

Development Strategies and Business Plans of the Company

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

Potential Risks

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

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



EMBEDDED VALUE

BACKGROUND

China Life Insurance Company Limited prepares financial statements to public investors in accordance with the relevant accounting standards. An alternative measure of the value and profitability of a life insurance company can be provided by the embedded value method. Embedded value is an actuarially determined estimate of the economic value of the life insurance business of an insurance company based on a particular set of assumptions about future experience, excluding the economic value of future new business. In addition, the value of half year's sales represents an actuarially determined estimate of the economic value arising from new life insurance business issued in half year based on a particular set of assumptions about future experience.

China Life Insurance Company Limited believes that reporting the Company's embedded value and value of half year's sales provides useful information to investors in two respects. First, the value of the Company's in-force business represents the total amount of shareholders' interest in distributable earnings, in present value terms, which can be expected to emerge over time, in accordance with the assumptions used. Second, the value of half year's sales provides an indication of the value created for investors

by new business activity based on the assumptions used and hence the potential of the business. However, the information on embedded value and value of half year's sales should not be viewed as a substitute of financial measures under the relevant accounting basis. Investors should not make investment decisions based solely on embedded value information and the value of half year's sales.

It is important to note that there is no universal standard which defines the form, calculation methodology or presentation format of the embedded value of an insurance company. Hence, differences in definition, methodology, assumptions, accounting basis and disclosures may cause inconsistency when comparing the results of different companies.

Also, the calculation of embedded value and value of half year's sales involves substantial technical complexity and estimates can vary materially as key assumptions are changed. Therefore, special care is advised when interpreting embedded value results.

The values shown below do not consider the future financial impact of transactions between the Company and CLIC, CLI, AMC, Pension Company, CLP&C, and etc.

DEFINITIONS OF EMBEDDED VALUE AND VALUE OF HALF YEAR'S SALES

The embedded value of a life insurer is defined as the sum of the adjusted net worth and the value of in-force business allowing for the cost of required capital.

“Adjusted net worth” is equal to the sum of:

- Net assets, defined as assets less corresponding policy liabilities and other liabilities valued; and
- Net-of-tax adjustments for relevant differences between the market value and the book value of assets, together with relevant net-of-tax adjustments to certain liabilities.

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

The “value of in-force business” and the “value of half year’s sales” are defined here as the discounted value of the projected stream of future shareholders’ interest in distributable earnings for existing in-force business at the valuation date and for half year’s sales in the six months immediately preceding the valuation date.

The value of in-force business and the value of half year’s sales have been determined using a traditional deterministic discounted cash flow methodology. This methodology makes implicit allowance for all risks that are not considered in valuation process (e.g. risks in accordance with solvency capacity, cash flow adequacy, and business characteristics) and the economic cost of required capital through the use of a risk-adjusted discount rate.

PREPARATION AND REVIEW

The embedded value and the value of half year’s sales were prepared by China Life Insurance Company Limited in accordance with the “CAA Standards of Actuarial Practice: Appraisal of Embedded Value” issued by the China Association of Actuaries (“CAA”). Deloitte Consulting (Shanghai) Co., Ltd. performed a review of China Life’s embedded value. The review statement is contained in the “Independent Actuaries Review Opinion Report on Embedded Value of China Life Insurance Company Limited” section.

ASSUMPTIONS

The valuation assumptions used as at 30 June 2024 are consistent with those used as at 31 December 2023.

SUMMARY OF RESULTS

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

Components of Embedded Value

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

Note: Numbers may not be additive due to rounding.

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

Components of Value of Half Year's Sales

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

Notes:

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

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

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

	RMB million	
	30 June 2024	30 June 2023
By First Year Premium	30.6%	25.2%
By Annual Premium Equivalent	31.0%	28.2%

Notes:

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

MOVEMENT ANALYSIS

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

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

RMB million

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

Notes:

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

SENSITIVITY RESULTS

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

Sensitivity Results

RMB million

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

INDEPENDENT ACTUARIES REVIEW OPINION REPORT ON EMBEDDED VALUE OF CHINA LIFE INSURANCE COMPANY LIMITED

China Life Insurance Company Limited (“China Life”) has prepared embedded value results as at 30 June 2024 (“EV Results”). The disclosure of these EV Results, together with a description of the methodology and assumptions that have been used, are shown in the Embedded Value section.

China Life has retained Deloitte Consulting (Shanghai) Co., Ltd. to review its EV Results. The task is undertaken by Deloitte Actuarial and Insurance Solutions of Deloitte Consulting (Shanghai) Co., Ltd. (“Deloitte Consulting” or “we”).

Scope of Work

Our scope of work covered:

- a review of the methodology used to develop the embedded value and value of half year’s sales as at 30 June 2024, in accordance with the “CAA Standards of Actuarial Practice: Appraisal of Embedded Value”, issued by the China Association of Actuaries (“CAA”);
- a review of the economic and operating assumptions used to develop embedded value and value of half year’s sales as at 30 June 2024; and
- a review of China Life’s EV Results, including embedded value, value of half year’s sales, analysis of embedded value movement from 31 December 2023 to 30 June 2024, and the sensitivity results of value of in-force business and value of half year’s sales.

Basis of Opinion, Reliance and Limitation

We carried out our review work based on “CAA Standards of Actuarial Practice: Appraisal of Embedded Value”, issued by CAA. In carrying out our review, we have relied on the completeness and accuracy of audited and unaudited data and information provided by China Life.

The determination of embedded value is based on a range of assumptions on future operations and investment performance. The future actual experiences are affected by internal and external factors, many of which are not entirely controlled by China Life. Hence the future actual experiences may deviate from these assumptions.

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

Opinion

Based on the scope of work above, we have concluded that:

- The embedded value methodology used by China Life is in line with the “CAA Standards of Actuarial Practice: Appraisal of Embedded Value” issued by CAA. This method is commonly used by life and health insurance companies in China;
- The economic assumptions used by China Life have taken into account the current investment market conditions and the investment strategy of China Life;
- The operating assumptions used by China Life have taken into account the past experience and the expectation of future experience; and
- The embedded value results are consistent with its methodology and assumptions used. The overall result is reasonable.

**For and on behalf of
Deloitte Consulting (Shanghai) Co., Ltd.
Eric Lu Yu Jiang**

29 August 2024



SIGNIFICANT EVENTS

MATERIAL LITIGATIONS OR ARBITRATIONS

During the Reporting Period, the Company was not involved in any material litigation or arbitration.

MAJOR CONNECTED TRANSACTIONS

Continuing Connected Transactions

During the Reporting Period, the following continuing connected transactions were carried out by the Company pursuant to Rule 14A.76(2) of the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules"), including the insurance sales framework agreement between the Company and CLP&C, the asset management agreement between the Company and AMC, the framework agreement between the Company and China Life Capital, and the framework agreements entered into by China Life AMP with the Company, CLIC and CLI, respectively. These continuing connected transactions were subject to the reporting, announcement and annual review requirements but were exempt from the independent shareholders' approval requirement under the Listing Rules. CLIC, the controlling shareholder of the Company, holds 60% of the equity interest in CLP&C and 100% of the equity interest in CLI and China Life Capital. Therefore, each of CLIC, CLP&C, CLI and China Life Capital constitutes a connected person of the Company. AMC is held as to 60% and 40% by the Company and CLIC, respectively, and is therefore

a connected subsidiary of the Company. China Life AMP is a subsidiary of AMC, and is therefore also a connected subsidiary of the Company.

During the Reporting Period, the continuing connected transaction carried out by the Company that was subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules included the agreement for entrusted investment and management and operating services with respect to alternative investments with insurance funds between the Company and CLI. Such agreement and the transactions thereunder have been approved by the independent shareholders of the Company.

During the Reporting Period, the Company also carried out certain continuing connected transactions, including the policy management agreement between the Company and CLIC, and the asset management agreement between CLIC and AMC, which were exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the above continuing connected transactions. When conducting the above continuing connected transactions during the Reporting Period, the Company has followed the pricing policies and guidelines formulated at the time when such transactions were entered into.

Policy Management Agreement

The Company and CLIC entered into the 2022-2024 policy management agreement on 31 December 2021, with a term from 1 January 2022 to 31 December 2024. Pursuant to the agreement, the Company will accept CLIC's entrustment to provide policy administration services relating to the non-transferred policies. The Company acts as a service provider under the agreement and does not acquire any rights or assume any obligations as an insurer under the non-transferred policies. The annual cap in respect of the service fee to be paid by CLIC to the Company for each of the three years ending 31 December 2024 is RMB491 million.

For the first half of 2024, the service fee paid by CLIC to the Company amounted to RMB231.60 million.

Insurance Sales Framework Agreement

The Company and CLP&C entered into the 2021 insurance sales framework agreement on 20 February 2021, with a term of two years from 8 March 2021 to 7 March 2023, which could be automatically extended for one year to 7 March 2024. Pursuant to the agreement, CLP&C entrusted the Company to act as an agent to sell selected insurance products within the authorised regions, and paid an agency service fee to the Company in consideration of the services provided. The annual caps for the three years ended 31 December 2023 were RMB3,500 million, RMB3,830 million and RMB4,240 million, respectively.

The Company and CLP&C entered into the 2024 insurance sales framework agreement on 23 February 2024, with a term of three years from 8 March 2024 to 7 March 2027. Pursuant to the agreement, CLP&C will continue to entrust the Company to act as an agent to sell selected insurance products within the authorised regions, and pay an agency service fee to the Company in consideration of the services provided. The annual caps for the three years ending 31 December 2026 are RMB2,620 million, RMB2,840 million and RMB3,110 million, respectively.

For the first half of 2024, CLP&C paid the Company an agency service fee of RMB837.43 million.

Asset Management Agreements

Asset Management Agreement between the Company and AMC

The Company and AMC entered into the 2023-2025 asset management agreement on 1 January 2023, with a term from 1 January 2023 to 31 December 2025. Pursuant to the 2023-2025 asset management agreement, AMC agreed to invest and manage assets entrusted to it by the Company, on a discretionary basis, within the scope granted by the Company and in accordance with the requirements of applicable laws and regulations, regulatory requirements and the investment guidelines given by the Company. In consideration of AMC's services in respect of investing and managing various categories of assets entrusted to it by the Company under the agreement, the Company agreed to pay AMC a service fee. The annual caps for the three years ending 31 December 2025 are RMB4,000 million, RMB5,000 million and RMB6,000 million, respectively.

For the first half of 2024, the Company paid AMC a service fee of RMB1,784.92 million.

Asset Management Agreement between CLIC and AMC

CLIC and AMC entered into the 2023-2025 asset management agreement on 29 December 2022, with a term from 1 January 2023 to 31 December 2025. Pursuant to the 2023-2025 asset management agreement, AMC agreed to invest and manage assets entrusted to it by CLIC, on a discretionary basis, subject to the investment guidelines and instructions given by CLIC. In consideration of AMC's services in respect of investing and managing assets entrusted to it by CLIC under the agreement, CLIC agreed to pay AMC a service fee. The annual cap for each of the three years ending 31 December 2025 is RMB500 million.

For the first half of 2024, CLIC paid AMC a service fee of RMB60.62 million.

Agreement for Entrusted Investment and Management and Operating Services with respect to Alternative Investments with Insurance Funds between the Company and CLI

As approved by the 2022 Annual General Meeting of the Company, the Company and CLI entered into the 2023-2025 agreement for entrusted investment and management and operating services with respect to alternative investments with insurance funds (the "2023-2025 Alternative Investment Agreement") on 30 June 2023. The 2023-2025 Alternative Investment Agreement is for a term from 1 July 2023 to 31 December 2024, and can be automatically renewed for one year. Pursuant to the 2023-2025 Alternative Investment Agreement, CLI will invest and manage assets entrusted to it by the Company, on a discretionary basis, within the scope of utilisation of insurance funds as specified by the regulatory authorities and in accordance with the requirements of applicable laws and regulations and the investment guidelines of the Company, and the Company will pay CLI the investment management service fee, product management fee, real estate operation management service fee and performance reward in respect of the investment and management services provided by CLI to the Company. The entrusted assets under the 2023-2025 Alternative Investment Agreement include insurance asset management products, financial products, equity/real estate funds and public REITs products (which are mainly conducted by way of strategic fund and restricted to the participation in strategic placement). In addition, CLI will provide the operating services to the Company with respect to the equity/real estate funds invested by the Company at its own discretion and entrusted by it to CLI for operation and management, and the Company will pay CLI the entrusted operation fee in this regard. For the three years ending 31 December 2025, the annual caps on the contractual amount of assets newly entrusted by the Company to CLI for investment and management are RMB120,000 million (or its equivalent in foreign currency), RMB140,000 million (or its equivalent in foreign currency) and RMB150,000 million (or its equivalent in foreign currency), respectively, and the annual caps on the fees for the investment and management services payable by the Company to CLI (including the investment management service fee, product management fee, real estate operation management service fee and performance reward) and the entrusted operation fee in relation to the operating services are RMB1,500 million (or its equivalent in foreign currency), RMB1,800 million (or its equivalent in foreign currency) and RMB2,200 million (or its equivalent in foreign currency), respectively.

For the first half of 2024, the fees for the investment and management services (including the investment management service fee, product management fee, real estate operation management service fee and performance reward) and the entrusted operation fee in relation to the operating services paid by the Company to CLI amounted to RMB379.10 million, and the contractual amount of assets newly entrusted by the Company to CLI for investment and management was RMB33,183.40 million.

Cooperation Framework Agreement for Investment Management with Insurance Funds between the Company and China Life Capital

The Company and China Life Capital entered into the 2023-2025 framework agreement on 28 December 2022, with a term from 1 January 2023 to 31 December 2025. Pursuant to the agreement, the Company will subscribe in the capacity of the limited partner for the fund products of which China Life Capital or any of its subsidiaries serves (individually and jointly with third parties) as the general partner, and/or the fund products of which China Life Capital serves as the manager (including the fund manager and co-manager). For each of the three years ending 31 December 2025, the annual cap for the subscription by the Company in the capacity of the limited partner of the fund products of which China Life Capital or any of its subsidiaries serves as the general partner is RMB5,000 million, and the annual cap for the management fee charged by China Life Capital as the general partner or the manager of the fund products is RMB500 million.

For the first half of 2024, the amount of subscription by the Company in the capacity of the limited partner of the fund products of which China Life Capital or any of its subsidiaries serves as the general partner was RMB4,900.00 million, and the management fee charged by China Life Capital as the general partner or the manager of the fund products was RMB70.11 million.

Framework Agreements with China Life AMP

Framework Agreement between the Company and China Life AMP

The Company and China Life AMP entered into the 2023-2025 framework agreement on 30 December 2022, with a term of three years from 1 January 2023 to 31 December 2025. Pursuant to the agreement, the Company and China Life AMP will conduct certain daily transactions, including the subscription and redemption of fund products and private asset management. Pricing of the transactions under the agreement shall be determined by the parties through arm's length negotiations with reference to industry practices. For each of the three years ending 31 December 2025, the annual cap of the subscription price and corresponding subscription fee for the subscription of fund products is RMB20,000 million, the annual cap of the redemption price and corresponding redemption fee for the redemption of fund products is RMB20,000 million, and the annual cap of the management fee payable by the Company for the private asset management is RMB700 million.

For the first half of 2024, the subscription price and corresponding subscription fee for the subscription of fund products were RMB3,619.00 million, the redemption price and corresponding redemption fee for the redemption of fund products were RMB3,826.11 million, and the management fee paid by the Company for the private asset management was RMB41.06 million.

Framework Agreement between CLIC and China Life AMP

CLIC and China Life AMP entered into the 2023-2025 framework agreement on 9 December 2022, with a term of three years from 1 January 2023 to 31 December 2025. Pursuant to the agreement, CLIC will subscribe for or redeem the fund units of the funds managed by China Life AMP, and pay the relevant fees. Pricing of the transactions under the agreement shall be determined by the parties through arm's length negotiations with reference to industry practices. For each of the three years ending 31 December 2025, the annual cap of the subscription price and corresponding subscription fee for the subscription of fund products is RMB2,000 million, and the annual cap of the redemption price and corresponding redemption fee for the redemption of fund products is RMB2,000 million.

For the first half of 2024, there was no relevant transaction between CLIC and China Life AMP.

Framework Agreement between CLI and China Life AMP

CLI and China Life AMP entered into the 2023-2025 framework agreement on 29 December 2022, with a term of three years from 1 January 2023 to 31 December 2025. Pursuant to the agreement, CLI and its subsidiaries will conduct certain daily transactions with China Life AMP, including the subscription and redemption of fund products and private asset management. Pricing of the transactions under the agreement shall be determined by the parties through arm's length negotiations with reference to industry practices. For each of the three years ending 31 December 2025, the annual cap of the subscription price and corresponding subscription fee for the subscription of fund products is RMB2,000 million, the annual cap of the redemption price and corresponding redemption fee for the redemption of fund products is RMB2,000 million, and the annual cap of the management fee payable by CLI and its subsidiaries for the private asset management is RMB20 million.

For the first half of 2024, the subscription price and corresponding subscription fee for the subscription of fund products were RMB60.00 million, the redemption price and corresponding redemption fee for the redemption of fund products were RMB60.69 million, and the management fee paid by CLI and its subsidiaries for the private asset management was RMB0 million.

Other Major Connected Transactions

Capital Injection to China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership)

As approved by the thirty-seventh meeting of the seventh session of the Board of Directors of the Company, the Company (as the limited partner) intends to enter into a supplemental agreement to a partnership agreement with China Life Properties Investment Management Company Limited (“China Life Properties”, as the general partner) by 31 December 2024, to increase its capital contribution to China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (the “Partnership”) and to extend the term of the Partnership from six years to ten years. Upon completion of the capital injection by the Company, the total capital contribution by all partners of the Partnership will be increased from RMB9,001,000,000 to RMB13,901,000,000, of which the capital contribution by the Company will be increased from RMB9,000,000,000 to RMB13,900,000,000. Of the Company’s additional capital contribution, it is expected that not more than RMB3,100,000,000 will be applied for the acquisition of 49.895% equity interest in and relevant debts of Beijing Xingtai Tonggang Real Estate Co., Ltd. (the “Project Company”). The Project Company is mainly responsible for the development and operation of Project INDIGO II, a flagship commercial complex located in Dawangjing Business Circle, Beijing. Upon completion of the acquisition, the Project Company will not become a subsidiary of the Company or the Partnership.

China Life Properties is an indirect wholly-owned subsidiary of CLIC, and therefore a connected person of the Company. The above transaction constituted a one-off connected transaction of the Company that was subject to the reporting and announcement requirements but was exempt from the independent shareholders’ approval requirement under Rule 14A.76(2) of the Listing Rules.

The Company has complied with the disclosure requirement under Chapter 14A of the Listing Rules in respect of the above one-off connected transaction.

Statement on Claims, Debt Transactions and Guarantees etc. of a Non-operating Nature with Related Parties

During the Reporting Period, the Company was not involved in claims, debt transactions or guarantees of a non-operating nature with related parties.

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

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

MATERIAL CONTRACTS AND THEIR PERFORMANCE

During the Reporting Period, the Company neither acted as trustee, contractor or lessee of other companies’ assets, nor entrusted, contracted or leased its assets to other companies, the profit or loss from which accounted for 10% or more of the Company’s profits for the Reporting Period, nor were there any such matters that occurred in previous periods but subsisted during the Reporting Period.

During the Reporting Period, China Life Insurance Company Limited neither gave external guarantees nor provided guarantees to its holding subsidiaries. As at the end of the Reporting Period, the external guarantee balance of the holding subsidiaries of the Company was RMB367 million⁵.

Entrusted investment management during the Reporting Period or any entrusted investment management occurred in previous periods but subsisted during the Reporting Period: Investment is one of the principal businesses of the Company. The Company mainly adopts the mode of entrusted investment for management of its investment assets, and has established a diversified framework of entrusted investment management with China Life’s internal managers playing the key role and the external managers offering effective supports. The internal managers include AMC and its subsidiaries, and CLI and its subsidiaries. The external managers comprise both domestic and overseas managers, including fund companies, securities companies and other professional investment management institutions. The Company selected different investment managers based on the purpose of allocation of various types of investments, their risk features and the expertise of different managers, so as to establish a great variety of investment portfolios and improve the efficiency of insurance fund utilisation. The Company entered into entrusted investment management agreements or asset management contracts with all managers and supervised the managers’ daily investment performance through the measures such as investment guidelines, asset custody and performance appraisals. The Company also adopted risk control measures in respect of specific investments based on the characteristics of different managers and investment products.

Except as otherwise disclosed in this report, the Company had no other material contracts during the Reporting Period.

⁵ The guarantee occurred before the company became a holding subsidiary of the Company in 2023, and did not involve the provision of guarantee for the Company’s shareholders, effective controller or their related parties.

PENSION PLAN

Full-time employees of the Company are covered by various government-sponsored pension plans, under which the employees are entitled to a monthly pension based on certain formulae. These government agencies are responsible for the pension liability to these employees upon retirement. The Company contributes on a monthly basis to these pension plans for full-time employees. All contributions made under the government-sponsored pension plans described above are fully attributable to employees of the Company at the time of the payment and the Company is unable to forfeit any amounts contributed by it to such plans. In addition to the government-sponsored pension plans, the Company established an employee annuity fund plan pursuant to the relevant laws and regulations in the PRC, whereby the Company is required to contribute to the plan at fixed rates of the employees' salary costs. Contributions made by the Company under the annuity fund plan that is forfeited in respect of those employees who resign from their positions prior to the full vesting of the contributions will be recorded in the public account of the annuity fund and shall not be used to offset any contributions to be made by the Company in the future. All funds in the public account will be attributed to the employees whose accounts are in normal status after the approval procedures are completed as required. Under these plans, the Company has no legal or constructive obligation for retirement benefit beyond the contributions made.

INTEREST-BEARING LOANS AND OTHER BORROWINGS

As at the end of the Reporting Period, the interest-bearing loans and other borrowings of the Company included a bank loan of GBP275 million with a maturity date on 16 June 2025, which is a fixed rate bank loan. Interest-bearing loans and other borrowings also included a bank loan of USD965 million with a maturity date on 27 September 2024, a bank loan of EUR430 million with a maturity date on 8 September 2026, both of which are floating rate bank loans.

H SHARE STOCK APPRECIATION RIGHTS

No H Share stock appreciation rights of the Company were granted or exercised in the first half of 2024. The Company will deal with such rights and related matters in accordance with relevant PRC governmental policies.

UNDERTAKINGS MADE BY THE PARTIES INCLUDING THE COMPANY'S EFFECTIVE CONTROLLER, SHAREHOLDERS, RELATED PARTIES, ACQUIRERS AND THE COMPANY WHICH ARE EITHER GIVEN OR EFFECTIVE DURING THE REPORTING PERIOD

Prior to the listing of the Company's A Shares (30 November 2006), land use rights were injected by CLIC into the Company during its reorganisation. Out of these, four pieces of land (with a total area of 10,421.12 square meters) had not had its formalities in relation to the change of ownership completed. Further, out of the properties injected into the Company, there were six properties (with a gross floor area of 8,639.76 square meters) in respect of which the formalities in relation to the change of ownership had not been completed. CLIC undertook to assist the Company in completing the above-mentioned formalities within one year of the date of listing of the Company's A Shares, and in the event that such formalities could not be completed within such period, CLIC would bear any potential losses to the Company due to the defective ownership.

CLIC strictly followed these commitments. As at the end of the Reporting Period, save for the two properties and related land of the Company's Shenzhen Branch, the ownership registration formalities of which had not been completed due to historical reasons, all other formalities in relation to the change of land and property ownership had been completed. The Shenzhen Branch of the Company continues to use such properties and land, and no other parties have questioned or hindered the use of such properties and land by the Company.

The Company's Shenzhen Branch and the other co-owners of the properties have issued a letter to the governing department of the original owner of the properties in respect of the confirmation of ownership of the properties, requesting it to report the ownership issue to the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"), and requesting the SASAC to confirm the respective shares of each co-owner in the properties and to issue written documents in this regard to the department of land and resources of Shenzhen, so as to assist the Company and the other co-owners to complete the formalities in relation to the division of ownership of the properties.

Given that the change of ownership of the above two properties and related land use rights were directed by the co-owners, and all formalities in relation to the change of ownership were proceeded slowly due to reasons such as issues rooted in history and government approvals, CLIC, the controlling shareholder of the Company, made further commitment as follows: CLIC will assist the Company in completing, and urge the co-owners to complete, the formalities in relation to the change of ownership in respect of the above two properties and related land use rights as soon as possible. If the formalities cannot be completed due to the reasons of the co-owners, CLIC will take any other legally practicable measures to resolve the issue and will bear any potential losses suffered by the Company as a result of the defective ownership.

AUDITORS

Following the consideration and approval by the shareholders at the 2023 Annual General Meeting on 27 June 2024, Ernst & Young Hua Ming LLP and Ernst & Young have been appointed as the domestic and overseas auditors of the Company for the year 2024, who will hold office until the conclusion of the 2024 Annual General Meeting. The Company's 2024 half-year financial statements prepared in accordance with ASBE have been reviewed (not audited) by Ernst & Young Hua Ming LLP and the Company's 2024 Interim Condensed Consolidated Financial Statements prepared in accordance with IFRSs have been reviewed (not audited) by Ernst & Young.

ALLEGED VIOLATION OF LAWS AND REGULATIONS BY, PENALTIES IMPOSED ON AND RECTIFICATION OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, EFFECTIVE CONTROLLER, DIRECTORS, SUPERVISORS OR SENIOR MANAGEMENT

During the Reporting Period, the Company was not investigated for suspected crimes according to law, and none of its controlling shareholders, effective controller, Directors, Supervisors and senior management were subject to any compulsory measures for suspected crimes according to law. The Company or its controlling shareholders, effective controller, Directors, Supervisors and senior management were not subject to any criminal punishment, investigation by the CSRC for alleged violation of laws and regulations, administrative penalty by the CSRC, or material administrative penalty by other competent authorities, nor were they detained by the disciplinary inspection and supervision authorities for alleged serious violation of disciplines or laws or duty-related crimes which had an impact on their performance of duties. None of the Company's Directors, Supervisors and senior management were subject to any compulsory measures by other competent authorities for alleged violation of laws and regulations which had an impact on their performance of duties.

RESTRICTION ON MAJOR ASSETS

The major assets of the Company are financial assets. During the Reporting Period, there was no major asset of the Company being seized, detained or frozen that is subject to the disclosure requirements.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

In the first half of 2024, the Company adhered strictly to the regulatory requirements and listing rules of the jurisdictions where it is listed, and adopted effective measures to improve the efficiency of the Board of Directors, strengthen the communication with investors, standardise and upgrade the system and workflow of information disclosure, and increase the transparency of its business operations, so as to ensure that investors, especially small and medium investors, have an equal access to the Company's information.

The shareholders' general meetings, the Board of Directors and the Board of Supervisors of the Company have been functioning pursuant to their relevant procedural rules. As at the end of the Reporting Period, the Board of Directors held eight meetings, and the Board of Supervisors held three meetings. The announcements concerning the resolutions adopted at the above meetings were published on the Shanghai Securities News, Securities Times and Securities Daily, as well as the website of the SSE, the HKExnews website of Hong Kong Exchanges and Clearing Limited and the website of the Company.

Shareholders' general meeting convened during the Reporting Period is as follows:

Nineteen proposals, including the reports in relation to corporate governance for the year 2023, the financial report for the year 2023, the nomination of Directors of the eighth session of the Board of Directors and the appointment of auditors for the year 2024, were considered and approved by a combination of on-site and online voting, and the duty report of the Independent Directors for the year 2023 and the report on the overall status of connected transactions for the year 2023 were received and reviewed at the 2023 Annual General Meeting held by the Company in Beijing on 27 June 2024.

Session of the meeting	Date of the meeting	Index for websites on which resolutions were published	Date of publication of resolutions
2023 Annual General Meeting	27 June 2024	www.sse.com.cn www.hkexnews.hk www.e-chinalife.com	27 June 2024

The Company has applied the principles of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and has complied with all code provisions during the Reporting Period.

The Audit Committee of the Board of Directors of the Company has reviewed the 2024 Interim Report of the Company.

PROFIT DISTRIBUTION DURING THE REPORTING PERIOD

In accordance with the 2024 interim profit distribution plan approved by the Board on 29 August 2024, based on a total of 28,264,705,000 shares in issue, the Company proposed to distribute a cash dividend of RMB0.20 per share (inclusive of tax) to all shareholders of the Company, totalling approximately RMB5,653 million. The foregoing profit distribution plan is subject to the approval by the shareholders' general meeting.

According to the profit distribution plan of the Company for the year 2023 approved at the 2023 Annual General Meeting held on 27 June 2024, with the appropriation to its discretionary surplus reserve fund of RMB1,753 million (10% of the net profit for the year 2023 under ASBE), based on a total of 28,264,705,000 shares in issue, the Company has distributed a cash dividend of RMB0.43 per share (inclusive of tax) to all shareholders of the Company, totalling approximately RMB12,154 million (inclusive of tax).

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS INFORMATION

Changes in Share Capital

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

Information on Shareholders

Total Number of Shareholders and their Shareholdings

Total number of ordinary share shareholders as at the end of the Reporting Period	No. of A Share shareholders: 90,075 No. of H Share shareholders: 24,070
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Particulars of top ten shareholders of the Company

Unit: Shares

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held as at the end of the Reporting Period	Increase/Decrease during the Reporting Period	Number of shares subject to selling restrictions	Number of shares pledged or frozen
China Life Insurance (Group) Company	State-owned legal person	68.37%	19,323,530,000	-	-	-
HKSCC Nominees Limited	Overseas legal person	25.93%	7,328,243,540	+719,738	-	-
China Securities Finance Corporation Limited	State-owned legal person	2.51%	708,240,246	-	-	-
Central Huijin Asset Management Limited	State-owned legal person	0.41%	117,165,585	-	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.26%	73,427,415	+29,072,476	-	-
Industrial and Commercial Bank of China Limited – SSE 50 Exchange Traded Index Securities Investment Fund	Other	0.10%	27,031,502	+6,724,799	-	-
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Index Securities Investment Fund	Other	0.07%	19,707,333	+7,304,600	-	-
Guosen Securities Co., Ltd. – Founder Fubon CSI Insurance Theme Index Securities Investment Fund	Other	0.06%	16,143,812	+2,441,900	-	-
China National Nuclear Corporation Capital Holdings Co., Ltd.	State-owned legal person	0.05%	13,643,837	+2,535,000	-	-
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Index Initiative Securities Investment Fund	Other	0.05%	13,070,147	+9,162,000	-	-

Notes:

- The above shares are tradable shares not subject to selling restrictions. As at the end of the Reporting Period, except for the unknown situation regarding HKSCC Nominees Limited, none of the other shareholders of the Company as described above have lent their shares through refinancing.
- HKSCC Nominees Limited is a company that holds shares on behalf of the clients of the Hong Kong stock brokers and other participants of the CCASS system. The relevant regulations of the HKSE do not require such persons to declare whether their shareholdings are pledged or frozen. Hence, HKSCC Nominees Limited is unable to calculate or provide the number of shares that are pledged or frozen.
- Industrial and Commercial Bank of China Limited – SSE 50 Exchange Traded Index Securities Investment Fund and Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Index Securities Investment Fund have Industrial and Commercial Bank of China Limited as their fund depository. Save as above, the Company was not aware of any connected relationship and concerted parties as defined by the “Measures for the Administration of the Takeover of Listed Companies” among the top ten shareholders of the Company.

Change in the Controlling Shareholder and the Effective Controller

During the Reporting Period, there was no change in the controlling shareholder and the effective controller of the Company.

Interests and Short Positions in the Shares and Underlying Shares of the Company Held by Substantial Shareholders and Other Persons Under Hong Kong Laws and Regulations

So far as is known to the Directors, Supervisors and the chief executive of the Company, as at 30 June 2024, the following persons (other than the Directors, Supervisors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the HKSE:

Name of substantial shareholder	Capacity	Class of shares	Number of shares held	Percentage of the respective class of shares	Percentage of the total number of shares in issue
China Life Insurance (Group) Company	Beneficial owner	A Shares	19,323,530,000 (L)	92.80%	68.37%
FMR LLC ^(Note 1)	Interest in controlled corporation	H Shares	524,260,965 (L)	7.05%	1.85%
BlackRock, Inc. ^(Note 2)	Interest in controlled corporation	H Shares	436,647,392 (L) 5,692,000 (S)	5.87% 0.08%	1.54% 0.02%
Citigroup Inc. ^(Note 3)	Interest in controlled corporation, approved lending agent	H Shares	385,528,344 (L)	5.18%	1.36%
			42,456,155 (S)	0.57%	0.15%
			309,767,365 (P)	4.16%	1.10%

The letter "L" denotes a long position. The letter "S" denotes a short position. The letter "P" denotes interest in a lending pool.

(Note 1): FMR LLC was interested in a total of 524,260,965 H shares of the Company in accordance with the provisions of Part XV of the SFO. Of these shares, Fidelity Management & Research Company LLC, Fidelity Institutional Asset Management Trust Company and FIAM LLC were interested in 338,674,046 H shares, 48,491,192 H shares and 103,490,980 H shares, respectively. All of these entities are either controlled or indirectly controlled subsidiaries of FMR LLC.

(Note 2): BlackRock, Inc. was interested in a total of 436,647,392 H shares of the Company in accordance with the provisions of Part XV of the SFO. Of these shares, BlackRock Investment Management, LLC, BlackRock Financial Management, Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Advisors, LLC, BlackRock Japan Co., Ltd., BlackRock Asset Management Canada Limited, BlackRock Investment Management (Australia) Limited, BlackRock Asset Management North Asia Limited, BlackRock (Netherlands) B.V., BlackRock Advisors (UK) Limited, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock Asset Management Deutschland AG, BlackRock Fund Managers Limited, BlackRock Life Limited, BlackRock (Singapore) Limited, BlackRock Asset Management Schweiz AG and Aperio Group, LLC were interested in 3,201,000 H shares, 7,992,070 H shares, 91,902,736 H shares, 190,345,000 H shares, 268,000 H shares, 8,860,583 H shares, 1,766,000 H shares, 3,354,000 H shares, 15,876,451 H shares, 17,474,402 H shares, 6,958,196 H shares, 58,125,917 H shares, 639,000 H shares, 9,154,628 H shares, 466,000 H shares, 11,221,030 H shares, 684,432 H shares, 5,021,000 H shares, 101,000 H shares and 3,235,947 H shares, respectively. All of these entities are either controlled or indirectly controlled subsidiaries of BlackRock, Inc. Of these 436,647,392 H shares, 30,070 H shares were cash settled unlisted derivatives.

BlackRock, Inc. held by way of attribution a short position as defined under Part XV of the SFO in 5,692,000 H shares (0.08%). Of these 5,692,000 H shares, 4,794,000 H shares were cash settled unlisted derivatives.

(Note 3): Citigroup Inc. was interested in a total of 385,528,344 H shares in accordance with the provisions of Part XV of the SFO. Of these shares, Citibank, N.A., Citigroup First Investment Management Limited, Citigroup Global Markets Hong Kong Limited, Citigroup Global Markets Inc., Citigroup Global Markets Limited, Citibank (Switzerland) AG, Citibank Europe plc, Citicorp Trust Delaware, National Association and Citicorp Trust South Dakota were interested in 340,185,463 H shares, 7,704,905 H shares, 20,761,398 H shares, 9,251,402 H shares, 4,440,725 H shares, 1,318,294 H shares, 1,852,541 H shares, 6,113 H shares and 7,503 H shares, respectively. All of these entities are either controlled or indirectly controlled subsidiaries of Citigroup Inc.

Included in the 385,528,344 H shares, 309,767,365 H shares (4.16%) were interest in the lending pool, as defined under Section 5(4) of the Securities and Futures (Disclosure of Interests – Securities Borrowing and Lending) Rules. Of these 385,528,344 H shares, 3,017,000 H shares were physically settled listed derivatives, 17,377,665 H shares were physically settled unlisted derivatives and 2,372,007 H shares were cash settled unlisted derivatives.

Citigroup Inc. held a short position as defined under Part XV of the SFO in 42,456,155 H shares (0.57%). Of these 42,456,155 H shares, 10,585,000 H shares were physically settled listed derivatives, 23,305,442 H shares were physically settled unlisted derivatives and 8,565,713 H shares were cash settled unlisted derivatives.

Save as disclosed above, the Directors, Supervisors and the chief executive of the Company are not aware of any other party who, as at 30 June 2024, had an interest or short position in the shares and underlying shares of the Company which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Change in Shares of the Company Held by Directors, Supervisors and Senior Management

During the Reporting Period, there was no change in shares of the Company held by Directors, Supervisors and senior management.

Directors, Supervisors and Senior Management

As at the date of this report, Directors, Supervisors and senior management of the Company were as follows:

DIRECTORS	Executive Directors	Bai Tao (Chairman) Li Mingguang Liu Hui Ruan Qi	(appointed on 17 May 2024) (appointed on 17 May 2024)
	Non-executive Director Independent Directors	Wang Junhui Lam Chi Kuen Zhai Haitao Huang Yiping Chen Jie	
SUPERVISORS	Employee Representative Supervisors	Cao Weiqing (Chairman) Lai Jun Ye Yinglan Dong Haifeng	(appointed on 2 July 2024)
SENIOR MANAGEMENT	President	Li Mingguang	
	Vice President, Chief Investment Officer and acting Board Secretary	Liu Hui	(designated as the acting Board Secretary on 10 July 2024)
	Vice President, Chief Risk Officer, Chief Network Security Officer	Ruan Qi	
	Vice President Chief Compliance Officer, Person in Charge of Compliance	Bai Kai Xu Chongmiao	(appointed as the Chief Compliance Officer on 26 April 2024)
	Person in Charge of Audit	Hu Zhijun	
	Chief Actuary	Hou Jin	
	Person in Charge of Finance	Yuan Ying	(appointed on 10 July 2024)

During the Reporting Period and up to the date of this report, the change of Directors, Supervisors and senior management of the Company was as follows:

At the 2023 Annual General Meeting convened by the Company on 27 June 2024, Mr. Bai Tao, Mr. Li Mingguang, Ms. Liu Hui and Mr. Ruan Qi were elected as Executive Directors of the eighth session of the Board of Directors of the Company; Mr. Wang Junhui, Mr. Niu Kailong, Ms. Hu Jin and Mr. Hu Rong were elected as Non-executive Directors of the eighth session of the Board of Directors of the Company; and Mr. Lam Chi Kuen, Mr. Zhai Haitao, Ms. Chen Jie and Mr. Lu Feng were elected as Independent Directors of the eighth session of the Board of Directors of the Company.

At the first meeting of the eighth session of the Board of Directors convened by the Company on 27 June 2024, Mr. Bai Tao was elected as the Chairman of the eighth session of the Board of Directors of the Company and the composition of the specialised committees of the eighth session of the Board of Directors of the Company was confirmed.

The qualifications of Mr. Niu Kailong, Ms. Hu Jin, Mr. Hu Rong and Mr. Lu Feng as Directors are subject to the approval of the NFRA, and they will start to perform their duties in the specialised committees of the Board of Directors after their qualifications for serving as Directors are approved by the NFRA. Upon obtaining the approval from the NFRA on the qualifications of the above Directors, Mr. Wang Junhui will cease to serve as a member of each of the Risk Management and Consumer Rights Protection Committee and the Strategy and Assets and Liabilities Management Committee of the Company.

On 28 March 2024, Mr. Huang Yiping tendered his resignation as an Independent Director, the Chairman of the Risk Management and Consumer Rights Protection Committee, and a member of each of the Strategy and Assets and Liabilities Management Committee and the Connected Transactions Control Committee of the Company according to the relevant requirement due to his reappointment as a member of the Monetary Policy Committee of the People's Bank of China. As the resignation of Mr. Huang Yiping will result in the number of Independent Directors falling below the minimum number required by the relevant regulatory requirements and the Articles of the Association of the Company, Mr. Huang Yiping will continue to perform the relevant duties as an Independent Director, the Chairman and a member of the specialised Board committees until the qualification of Mr. Lu Feng as a Director is approved by the NFRA.

At the 2023 Annual General Meeting convened by the Company on 27 June 2024, Mr. Gu Haishan was elected as a Non-employee Representative Supervisor of the eighth session of the Board of Supervisors of the Company. At the twelfth extraordinary meeting of the third session of the employee representative meeting convened by the Company in April 2024, Mr. Cao Weiqing, Mr. Lai Jun, Ms. Ye Yinglan and Mr. Dong Haifeng were elected as Employee Representative Supervisors of the eighth session of the Board of Supervisors of the Company. Mr. Dong Haifeng has served as an Employee Representative Supervisor of the eighth session of the Board of Supervisors of the Company from 2 July 2024 upon approval by the NFRA. The qualification of Mr. Gu Haishan as a Supervisor is subject to the approval by the NFRA.

At the first meeting of the eighth session of the Board of Supervisors convened by the Company on 18 July 2024, Mr. Cao Weiqing was elected as the Chairman of the eighth session of the Board of Supervisors of the Company.

As elected by the First Extraordinary General Meeting 2023 of the Company and upon approval by the NFRA, Ms. Liu Hui and Mr. Ruan Qi have served as Executive Directors of the seventh session of the Board of Directors of the Company from 17 May 2024. With effect from the same day, Ms. Liu Hui has served as a member of the Strategy and Assets and Liabilities Management Committee of the seventh session of the Board of Directors of the Company and Mr. Ruan Qi has served as a member of the Risk Management and Consumer Rights Protection Committee of the seventh session of the Board of Directors of the Company.

As considered and approved by the thirty-sixth meeting of the seventh session of the Board of Directors of the Company and upon approval by the NFRA, Ms. Yuan Ying has served as the Person in Charge of Finance of the Company from 10 July 2024.

As considered and approved by the thirty-seventh meeting of the seventh session of the Board of Directors of the Company, Mr. Xu Chongmiao has served as the Chief Compliance Officer of the Company from 26 April 2024.

As considered and approved by the second meeting of the eighth session of the Board of Directors of the Company, the Board of Directors has designated Ms. Liu Hui to serve as the acting Board Secretary from 10 July 2024.

Due to the expiration of her term of office, Ms. Zhuo Meijuan retired as a Non-executive Director and a member of the Risk Management and Consumer Rights Protection Committee of the seventh session of the Board of Directors of the Company upon conclusion of the 2023 Annual General Meeting.

Due to the expiration of his term of office, Mr. Niu Kailong retired as a Supervisor of the seventh session of the Board of Supervisors of the Company upon conclusion of the 2023 Annual General Meeting.

Due to the adjustment of work arrangements, Ms. Yang Hong ceased to be a Vice President of the Company from March 2024.

Due to the adjustment of work arrangements, Mr. Zhao Guodong ceased to be a Vice President of the Company from July 2024 and the Board Secretary of the Company from 10 July 2024.

Due to the adjustment of work arrangements, Ms. Hu Jin ceased to be the Person in Charge of Finance of the Company from March 2024.

Performance of Duties by Independent Directors

The Independent Directors of the Company diligently fulfilled their responsibilities and faithfully performed their duties, contributing to decision-making, oversight, checks and balances, and providing professional advisory services within the Board of Directors. By attending the 2023 Annual General Meeting, and meetings of the Board and the specialised Board committees, they examined and approved the Company's business development, its financial management and connected transactions. They actively participated in the work of specialised Board committees and provided professional advice in respect of major decisions of the Company. The Independent Directors seriously listened to the reports from relevant personnel in order to understand the daily operations and possible operational risks of the Company in a timely manner. They expressed their opinions and exercised their functions and powers at Board meetings, thus playing a vital role in the decision-making of the Board, and performing their duties as Independent Directors in an effective manner.

During the Reporting Period, no Independent Director of the Company had raised any objection against the proposals and matters considered by the Board of the Company.

Disclosure of Interests of Directors, Supervisors and the Chief Executive in the Shares of the Company

As at 30 June 2024, none of the Directors, Supervisors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or which had to be notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Compliance with the Code for Securities Transactions by Directors and Supervisors of the Company

The Board has established written guidelines on no less exacting terms than the Model Code for Directors and Supervisors of the Company in respect of their dealings in the securities of the Company. After making specific inquiries to all the Directors and Supervisors of the Company, they confirmed that they had complied with the Model Code and the Company's own guidelines during the Reporting Period.

BRANCHES AND EMPLOYEES OF THE COMPANY

As at the end of the Reporting Period, the Company had approximately 18,000 branches (including branches at the provincial or prefecture level, sub-branches, sales offices and sales & services offices).

As at the end of the Reporting Period, the Company and its major subsidiaries had 98,824 employees in total. There was no material change in the employee remuneration policy and training plan when compared with the information disclosed in the Company's Annual Report 2023.

OTHER INFORMATION

BASIC INFORMATION OF THE COMPANY

Registered name in Chinese	中國人壽保險股份有限公司(簡稱「中國人壽」)
Registered name in English	China Life Insurance Company Limited (“China Life”)
Legal representative	Bai Tao
Registered office address/ Current office address	16 Financial Street, Xicheng District, Beijing, P.R. China
Postal code	100033
Telephone	86-10-63633333
Investor relations hotline	86-10-63631241
Customer service hotline	95519
Fax	86-10-66575722
Website	www.e-chinalife.com
Email	ir@e-chinalife.com
Hong Kong office address	16/F, Tower A, China Life Centre, One Harbour Gate, 18 Hung Luen Road, Hung Hom, Kowloon, Hong Kong
Telephone	852-29192628

CONTACT INFORMATION

	Board Secretary	Securities Representative
Name	Liu Hui (acting Board Secretary)	Li Yinghui
Office address	16 Financial Street, Xicheng District, Beijing, P.R. China	16 Financial Street, Xicheng District, Beijing, P.R. China
Telephone	86-10-63631241	86-10-63631191
Fax	86-10-66575112	86-10-66575112
Email	ir@e-chinalife.com	liyh@e-chinalife.com
		* Ms. Li Yinghui, Securities Representative of the Company, is also the main contact person of the external Company Secretary engaged by the Company

INFORMATION DISCLOSURE AND PLACE FOR OBTAINING THE REPORT

Media and websites for the Company's A Share disclosure	Shanghai Securities News (www.cnstock.com) Securities Times (www.stcn.com) Securities Daily (www.zqrb.cn)
CSRC's designated website for the Company's interim report disclosure	www.sse.com.cn
The Company's H Share disclosure websites	HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk The Company's website at www.e-chinalife.com
The Company's interim report may be obtained at	China Life Plaza, 16 Financial Street, Xicheng District, Beijing, P.R. China

STOCK INFORMATION

Stock type	Exchanges on which the stocks are listed	Stock short name	Stock code
A Share	Shanghai Stock Exchange	China Life	601628
H Share	The Stock Exchange of Hong Kong Limited	China Life	2628

OTHER RELEVANT INFORMATION

H Share registrar and transfer office	Computershare Hong Kong Investors Services Limited	Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Domestic legal adviser	King & Wood Mallesons	
International legal adviser	Latham & Watkins LLP	
Auditors of the Company	Domestic auditor	Overseas auditor
	Ernst & Young Hua Ming LLP	Ernst & Young
	Address: Rooms 01-12, Level 17, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Avenue, Dongcheng District, Beijing, P.R. China	Address: 27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Name of the Signing Auditors: Gu Hong, Xia Xinran	Name of the Certified Auditor: Andy Ng

DEFINITIONS AND MATERIAL RISK ALERT

In this report, unless the context otherwise requires, the following expressions have the following meanings:

China Life, the Company⁶	China Life Insurance Company Limited and its subsidiaries
CLIC	China Life Insurance (Group) Company, the controlling shareholder of the Company
AMC	China Life Asset Management Company Limited, a non-wholly owned subsidiary of the Company
Pension Company	China Life Pension Company Limited, a non-wholly owned subsidiary of the Company
China Life AMP	China Life AMP Asset Management Company Limited, an indirect non-wholly owned subsidiary of the Company
CGB	China Guangfa Bank Co., Ltd., an associate of the Company
CLP&C	China Life Property and Casualty Insurance Company Limited, a non-wholly owned subsidiary of CLIC
CLI	China Life Investment Management Company Limited, a wholly-owned subsidiary of CLIC
China Life Capital	China Life Capital Investment Company Limited, an indirect wholly-owned subsidiary of CLIC
Ministry of Finance	Ministry of Finance of the People's Republic of China
NFRA	National Financial Regulatory Administration
CSRC	China Securities Regulatory Commission
HKSE	The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
Company Law	Company Law of the People's Republic of China
Insurance Law	Insurance Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Articles of Association	Articles of Association of China Life Insurance Company Limited
C-ROSS (Phase II) Regulation	Solvency Regulatory Rules II for Insurance Companies
SARMRA	Solvency Aligned Risk Management Requirements and Assessment
China or PRC	For the purpose of this report, "China" or "PRC" refers to the People's Republic of China, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region
ESG	Environment, Social and Governance
RMB	Renminbi Yuan

Material Risk Alert:

The risks faced by the Company primarily include risks relating to macro trends, insurance risk, market risk, credit risk, operational risk, strategic risk, reputational risk, liquidity risk, information safety risk, ESG risk and fraud risk, etc. The Company has adopted various measures to manage and control different risks effectively. The Company has stated in this report the details of its existing risks relating to macro trends and please refer to the "Future Prospect" in the section headed "Management Discussion and Analysis". For other risk analysis, please refer to the "Internal Control and Risk Management" in the section headed "Corporate Governance" of the Annual Report 2023 of the Company. During the Reporting Period, there was no material change in the other risks mentioned above.

⁶ Except for "the Company" referred to in the Financial Report.



FINANCIAL REPORT

Auditor's Independent Review Report

To the Board of Directors of China Life Insurance Company Limited

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

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements, set out on pages 52 to 88, which comprise the interim condensed consolidated statement of financial position of China Life Insurance Company Limited (the "Company") and its subsidiaries as at 30 June 2024 and the related interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on these interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards, or accept liability to, any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Ernst & Young

Certified Public Accountants

Hong Kong
29 August 2024

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

		Unaudited As at 30 June 2024	Audited As at 31 December 2023
	Notes	RMB million	RMB million
ASSETS			
Property, plant and equipment		53,648	53,710
Right-of-use assets		1,495	1,480
Investment properties		12,620	12,753
Investments in associates and joint ventures	6	274,851	258,760
Term deposits	7.1	459,220	413,255
Statutory deposits – restricted		6,607	6,520
Investment in debt instruments at amortised cost	7.2	191,099	211,349
Investment in debt instruments at fair value through other comprehensive income	7.3	3,007,118	2,744,169
Investment in equity instruments at fair value through other comprehensive income	7.4	159,564	138,005
Financial assets at fair value through profit or loss	7.5	1,862,698	1,705,375
Reinsurance contract assets		26,542	25,846
Other assets		32,866	37,318
Deferred tax assets	14	19,736	24,431
Financial assets purchased under agreements to resell		24,004	19,759
Accrued investment income		1,866	51
Cash and cash equivalents		88,704	149,305
Total assets		6,222,638	5,802,086

The notes on pages 58 to 88 form an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position (continued)

As at 30 June 2024

		Unaudited As at 30 June 2024	Audited As at 31 December 2023
	Notes	RMB million	RMB million
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	8	5,417,061	4,859,175
Reinsurance contract liabilities		265	188
Interest-bearing loans and other borrowings		12,657	12,857
Bonds payable		–	36,166
Other liabilities		149,928	126,750
Current tax liabilities		275	309
Premiums received in advance		2,865	48,878
Financial assets sold under agreements to repurchase		112,081	216,851
Financial liabilities at fair value through profit or loss		23,373	13,878
Total liabilities		5,718,505	5,315,052
Equity			
Share capital	18	28,265	28,265
Reserves		157,677	145,933
Retained earnings		307,892	302,895
Attributable to equity holders of the Company		493,834	477,093
Non-controlling interests		10,299	9,941
Total equity		504,133	487,034
Total liabilities and equity		6,222,638	5,802,086

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

Bai Tao

Director

Li Mingguang

Director

The notes on pages 58 to 88 form an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Notes	Unaudited For the six months ended 30 June	
		2024	2023
		RMB million	RMB million
Insurance revenue	9	106,622	91,941
Interest income	10	59,413	61,246
Investment income	11	56,736	23,606
Investment income from associates and joint ventures		6,311	5,664
Other income		5,153	3,867
Total revenues		234,235	186,324
Insurance service expenses	12	(83,822)	(64,846)
Allocation of reinsurance premiums paid		(3,221)	(2,961)
Less: Amounts recovered from reinsurers		2,352	1,913
Insurance finance income/(expenses) from insurance contracts issued		(91,735)	(73,793)
Less: Reinsurance finance income/(expenses) from reinsurance contracts held		336	312
Finance costs		(2,151)	(2,341)
Expected credit losses	13	(146)	797
Other expenses		(7,948)	(7,867)
Profit before income tax		47,900	37,538
Income tax	14	(8,856)	(664)
Net profit		39,044	36,874
Attributable to:			
– Equity holders of the Company		38,278	36,151
– Non-controlling interests		766	723
Basic and diluted earnings per share	15	RMB1.35	RMB1.28

The notes on pages 58 to 88 form an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income (continued)

For the six months ended 30 June 2024

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

The notes on pages 58 to 88 form an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Unaudited				
	Attributable to equity holders of the Company			Non-controlling interests	Total
	Share capital	Reserves	Retained earnings		
	RMB million				
As at 1 January 2023	28,265	159,784	278,074	8,958	475,081
Net profit	-	-	36,151	723	36,874
Other comprehensive income	-	(10,888)	-	45	(10,843)
Total comprehensive income	-	(10,888)	36,151	768	26,031
Transactions with shareholders					
Appropriation to reserves	-	3,979	(3,979)	-	-
Dividends declared	-	-	(13,850)	-	(13,850)
Dividends to non-controlling interests	-	-	-	(97)	(97)
Reserves to retained earnings	-	(4)	4	-	-
Others	-	399	-	-	399
Total transactions with shareholders	-	4,374	(17,825)	(97)	(13,548)
As at 30 June 2023	28,265	153,270	296,400	9,629	487,564
As at 31 December 2023	28,265	145,933	302,895	9,941	487,034
Appropriation to reserves (Note 2.3)	-	19,762	(19,762)	-	-
As at 1 January 2024	28,265	165,695	283,133	9,941	487,034
Net profit	-	-	38,278	766	39,044
Other comprehensive income	-	(9,386)	-	55	(9,331)
Total comprehensive income	-	(9,386)	38,278	821	29,713
Transactions with shareholders					
Appropriation to reserves	-	1,806	(1,806)	-	-
Dividends declared (Note 16)	-	-	(12,154)	-	(12,154)
Dividends to non-controlling interests	-	-	-	(463)	(463)
Reserves to retained earnings	-	(441)	441	-	-
Others	-	3	-	-	3
Total transactions with shareholders	-	1,368	(13,519)	(463)	(12,614)
As at 30 June 2024	28,265	157,677	307,892	10,299	504,133

The notes on pages 58 to 88 form an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

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

The notes on pages 58 to 88 form an integral part of the interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

1 ORGANISATION AND PRINCIPAL ACTIVITIES

China Life Insurance Company Limited (the “Company”) was established in the People’s Republic of China (“China” or the “PRC”) on 30 June 2003 as a joint stock company with limited liability as part of a group restructuring of China Life Insurance (Group) Company (“CLIC”, formerly China Life Insurance Company) and its subsidiaries. The Company and its subsidiaries are hereinafter collectively referred to as the “Group”. The Group’s principal activities are the underwriting of life, health, accident and other types of personal insurance business; reinsurance business for personal insurance; fund management business permitted by national laws and regulations or approved by the State Council of the People’s Republic of China, etc.

The Company is a joint stock company incorporated in the PRC with limited liability. The address of its registered office is 16 Financial Street, Xicheng District, Beijing, the PRC. The Company is listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

These unaudited interim condensed consolidated financial statements are presented in millions of Renminbi (“RMB million”) unless otherwise stated. The interim condensed consolidated financial statements have been approved and authorised for issue by the Board of Directors of the Company on 29 August 2024.

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated annual financial statements for the year ended 31 December 2023.

Except for the standards and amendments described below, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2023, as described in those financial statements.

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

Standards/Amendments	Content	Effective for annual periods beginning on or after
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to IAS 7, “Statement of Cash Flows” and IFRS 7, “Financial Instruments: Disclosures”	<i>Financing Arrangements of Supplier</i>	1 January 2024

The above amendments to the standards did not have any significant impact on the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

2 BASIS OF PREPARATION (continued)

2.2 New accounting standards and amendments that are issued but not yet effective and have not been early adopted by the Group for the financial year beginning on 1 January 2024

Standards/Amendments	Content	Effective for annual periods beginning on or after
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor or its Associate or Joint Venture</i>	No mandatory effective date yet determined but available for adoption
Amendments to IAS 21	<i>Lack of Exchangeability</i>	1 January 2025

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group is currently assessing the impact on the Group's consolidated financial statements.

2.3 Appropriation to reserves on 1 January 2024

Pursuant to the relevant PRC laws and regulations, the Company appropriated 10% of its net profit prepared in accordance with the Accounting Standards for Business Enterprises ("ASBE") to statutory reserve fund and the general reserve separately. In 2017, the Ministry of Finance of the PRC (referred to as the "MOF") issued the ASBE No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2017] No. 7), ASBE No. 23 – Transfer of Financial Assets (Caikuai [2017] No. 8), ASBE No. 24 – Hedge Accounting (Caikuai [2017] No. 9), and ASBE No. 37 – Presentation of Financial Instruments (Caikuai [2017] No. 14). In 2020, the MOF issued ASBE No. 25 – Insurance Contracts (Caikuai [2020] No. 20). The Company adopted these aforementioned accounting standards for its financial statements prepared in accordance with the ASBE from 1 January 2024. As a result, the Company adjusted the retained earnings and reappropriated the amount of the reserves based on the impact of application of the new accounting standards on 1 January 2024.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

4 FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks. The key financial risk is that proceeds from the sale of financial assets will not be sufficient to fund the obligations arising from the Group's insurance and investment contracts. The most important components of financial risk are market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023.

There have been no significant changes in the Group's risk management processes or in any risk management policies since 31 December 2023.

Fair value hierarchy

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

Other than Level 1 quoted prices, Level 2 fair value is based on valuation techniques using significant inputs, that are observable for the asset being measured, either directly or indirectly, for substantially the full term of the asset through corroboration with observable market data. Observable inputs used to measure the fair value of securities classified as Level 2 generally include quoted market prices for similar assets in active markets; quoted market prices in markets that are not active for identical or similar assets and other market observable inputs. This level includes the debt securities for which quotations are available from pricing service providers. Fair values provided by pricing services providers are subject to a number of validation procedures by management. These procedures include a review of the valuation models utilised and the results of these models, as well as the recalculation of prices obtained from pricing service providers at the end of each reporting period.

Under certain conditions, the Group may not receive a price quote from independent third-party valuation service providers. In this instance, the Group's valuation team may choose to apply an internally developed valuation method to the assets or liabilities being measured, determine the main inputs for valuation, and analyse the change of the valuation and report it to management. Key inputs involved in internal valuation services are not based on observable market data. They reflect assumptions made by management based on judgements and experiences. The assets or liabilities valued by this method are generally classified as Level 3.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

4 FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy (continued)

As at 30 June 2024, assets classified as Level 1 accounted for 35.65% of assets measured at fair value on a recurring basis. They primarily include securities that are traded in an active exchange market or interbank market and open-ended funds with public market price quotations. The Group considers a combination of certain factors to determine whether a market for a financial instrument is active, including the occurrence of trades within a specific period, the respective trading volume, and the degree to which the implied yields for debt securities for observed transactions differs from the Group's understanding of the current relevant market rates and information. Trading prices from the China interbank market are determined by both trading counterparties and can be observed publicly. The Group adopted the price of the debt securities traded on the China interbank market at the reporting date as their fair market value and classified the investments as Level 1. Open-ended funds also have active markets. Fund management companies publish the net asset values of these funds on their websites on each trade date. Investors subscribe for and redeem units of these funds in accordance with the funds' net asset value published by the fund management companies on each trade date. The Group adopted the unadjusted net asset value of the funds at the reporting date as their fair market value and classified the investments as Level 1.

As at 30 June 2024, assets classified as Level 2 accounted for 51.71% of assets measured at fair value on a recurring basis. Valuations of assets classified as Level 2 are generally obtained from third-party valuation service providers for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities are classified as Level 2 when they are valued at recent trading prices from the China interbank market or from valuation service providers.

As at 30 June 2024, assets classified as Level 3 accounted for 12.64% of assets measured at fair value on a recurring basis. They primarily include unlisted investments. Fair values are determined using valuation techniques, including discounted cash flow valuations and the comparable companies' approach. The determination of Level 3 is primarily based on the significance of certain unobservable inputs used for measurement of the assets' fair values.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

4 FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy (continued)

The following table presents the Group's quantitative disclosures of the fair value hierarchy for assets and liabilities measured at fair value as at 30 June 2024:

	Fair value measurement using			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	RMB million			
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Funds	272,746	921	–	273,667
Common stocks	399,522	8,073	–	407,595
Government bonds	485	2,607	–	3,092
Government agency bonds	392	15,278	–	15,670
Corporate bonds	8,874	202,311	45	211,230
Subordinated bonds	191,524	171,627	–	363,151
Others	60,084	88,667	439,542	588,293
Investment in equity instruments at fair value through other comprehensive income				
Common stocks	34,144	–	–	34,144
Preferred stocks	–	–	51,453	51,453
Others	32,470	6,683	34,814	73,967
Investment in debt instruments at fair value through other comprehensive income				
Government bonds	380,324	128,104	–	508,428
Government agency bonds	360,671	1,559,738	–	1,920,409
Corporate bonds	41,992	403,188	–	445,180
Subordinated bonds	8,636	12,617	–	21,253
Others	1,428	809	109,611	111,848
Total	1,793,292	2,600,623	635,465	5,029,380
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss	(23,373)	–	–	(23,373)
Total	(23,373)	–	–	(23,373)

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

4 FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy (continued)

The following table presents the changes in Level 3 assets and liabilities for the six months ended 30 June 2024:

	Investment in equity instruments at fair value through other comprehensive income	Investment in debt instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
	RMB million			
Opening balance	80,062	97,437	429,506	607,005
Purchases	4,000	15,900	11,342	31,242
Total gains/(losses) recorded in profit or loss	–	(202)	8,226	8,024
Total gains/(losses) recorded in other comprehensive income	2,205	2,116	–	4,321
Disposals or exercised	–	–	(4,205)	(4,205)
Settlement	–	(5,640)	(5,282)	(10,922)
Closing balance	86,267	109,611	439,587	635,465

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

4 FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy (continued)

The following table presents the Group's quantitative disclosures of the fair value hierarchy for assets and liabilities measured at fair value as at 31 December 2023:

	Fair value measurement using			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	RMB million			
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Funds	206,682	281	–	206,963
Common stocks	400,172	15,241	–	415,413
Government bonds	409	3,213	–	3,622
Government agency bonds	682	6,131	–	6,813
Corporate bonds	7,785	179,308	45	187,138
Subordinated bonds	114,391	201,044	–	315,435
Others	70,539	69,991	429,461	569,991
Investment in equity instruments at fair value through other comprehensive income				
Common stocks	14,273	514	–	14,787
Preferred stocks	–	–	50,445	50,445
Others	32,577	10,579	29,617	72,773
Investment in debt instruments at fair value through other comprehensive income				
Government bonds	250,592	244,238	–	494,830
Government agency bonds	184,458	1,533,140	–	1,717,598
Corporate bonds	9,452	399,469	–	408,921
Subordinated bonds	484	22,268	–	22,752
Others	–	2,631	97,437	100,068
Total	1,292,496	2,688,048	607,005	4,587,549
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
	(13,878)	–	–	(13,878)
Total	(13,878)	–	–	(13,878)

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

4 FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy (continued)

The following table presents the changes in Level 3 assets and liabilities for the six months ended 30 June 2023:

	Investment in equity instruments at fair value through other comprehensive income	Investment in debt instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
RMB million				
Opening balance	79,655	83,552	367,114	530,321
Purchases	–	6,190	42,160	48,350
Total gains/(losses) recorded in profit or loss	–	2,732	10,110	12,842
Total gains/(losses) recorded in other comprehensive income	1,840	(176)	–	1,664
Disposals or exercised	–	–	(762)	(762)
Settlement	–	(7,626)	(8,518)	(16,144)
Closing balance	81,495	84,672	410,104	576,271

For the assets and liabilities measured at fair value on a recurring basis, during the six months ended 30 June 2024, RMB80,993 million (for the six months ended 30 June 2023: RMB56,939 million) were transferred from Level 1 to Level 2 within the fair value hierarchy, whereas RMB369,983 million (for the six months ended 30 June 2023: RMB149,441 million) were transferred from Level 2 to Level 1.

For the six months ended 30 June 2024 and the six months ended 30 June 2023, there were no significant changes in the business or economic circumstances that affected the fair value of the Group's financial assets and liabilities.

As at 30 June 2024 and 31 December 2023, significant unobservable inputs such as discount rate and discounts for lack of marketability were used in the valuation of primary assets and liabilities at fair value classified as Level 3.

The table below presents information about the significant unobservable inputs used for primary financial instruments at fair value classified as Level 3 as at 30 June 2024 and 31 December 2023:

Valuation techniques	Significant unobservable inputs	Range	Relationships between fair value and unobservable inputs
Comparable companies' method	Discounts for lack of marketability	as at 30 June 2024: 13%-33% as at 31 December 2023: 15%-33%	The fair value is inversely related to the discounts for lack of marketability
Discounted cash flow method	Discount rate	as at 30 June 2024: 1.96%-13.60% as at 31 December 2023: 1.57%-16.70%	The fair value is inversely related to discount rate

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

5 SEGMENT INFORMATION

5.1 Operating segments

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

(i) Life insurance business (Life)

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

(ii) Health insurance business (Health)

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

(iii) Accident insurance business (Accident)

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

(iv) Other businesses (Others)

Other businesses relate primarily to income and cost of the agency business in respect of transactions with CLIC, etc., as described in Note 17, as well as income and expenses of subsidiaries, etc.

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

5.2 Allocation basis of income and expenses

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

5 SEGMENT INFORMATION (continued)

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

5 SEGMENT INFORMATION (continued)

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

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

Segment information	Adjustments		Consolidated statement of comprehensive income
	IFRS 9	IFRS 17	
Operating income: 553,595	(3,819)	(363,452)	Total revenues: 186,324
Net profit before income tax: 11,152	9,813	16,573	Profit before income tax: 37,538

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Joint Ventures		
Joy City Commercial Property Fund L.P.	5,111	5,414
Mapleleaf Century Limited	2,723	3,025
Others ⁽ⁱ⁾	56,848	46,042
Sub-total	64,682	54,481
Associates		
China Guangfa Bank Co., Ltd. ("CGB") ⁽ⁱⁱ⁾	108,533	104,645
China Life Property & Casualty Insurance Company Limited ("CLP&C")	15,078	14,721
COFCO Futures Company Limited ("COFCO Futures")	1,844	1,795
China Pipe Group Sichuan to East China Gas Pipeline Co., Ltd. ("Pipeline Company")	12,449	12,104
China United Network Communications Limited ("China Unicom")	23,660	23,052
Others ⁽ⁱ⁾	48,605	47,962
Sub-total	210,169	204,279
Total	274,851	258,760

(i) The Group invested in real estate, industrial logistics assets and other industries through these enterprises.

(ii) The 2023 final dividend of RMB0.804 in cash per 10 ordinary shares was approved and declared in the Annual General Meeting of CGB on 20 June 2024, and the Company's cash dividend receivable was RMB765 million.

There is no significant restriction for the Group to dispose of its associates and joint ventures.

The Group had no contingent liabilities with the associates and joint ventures as at 30 June 2024 and 31 December 2023. The Group had a capital contribution commitment of RMB27,313 million with associates and joint ventures as at 30 June 2024 (as at 31 December 2023: RMB13,638 million), which has been included in the capital commitments in Note 20(a).

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

7 FINANCIAL ASSETS

7.1 Term deposits

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Maturing:		
Within one year	151,454	174,513
After one year but within five years	298,291	238,951
Over five years	9,705	–
Sub-total	459,450	413,464
Impairment	(230)	(209)
Total	459,220	413,255

As at 30 June 2024, the Group's term deposits of RMB1,543 million were deposited in banks for risk reserves of enterprise annuity fund investments and risk reserves of personal endowment security management business, which are restricted to use (as at 31 December 2023: RMB1,506 million).

7.2 Investment in debt instruments at amortised cost

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Trust schemes	122,542	123,996
Debt investment plans	55,519	53,255
Others ⁽ⁱ⁾	13,583	34,448
Sub-total	191,644	211,699
Impairment	(545)	(350)
Total	191,099	211,349
By place of listing:		
Listed in Mainland, PRC	699	637
Listed in Hong Kong, PRC	115	132
Listed overseas	57	57
Unlisted ⁽ⁱⁱ⁾	190,228	210,523
Total	191,099	211,349

(i) Other investment in debt instruments at amortised cost mainly include large-denomination certificates of deposits, etc.

(ii) Unlisted investments mainly include non-publicly traded trust schemes and debt investment plans, etc.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

7 FINANCIAL ASSETS (continued)

7.2 Investment in debt instruments at amortised cost (continued)

	As at 30 June 2024			
	Level 1	Level 2	Level 3	Total
Fair value hierarchy	RMB million			
Trust schemes	–	–	123,917	123,917
Debt investment plans	–	–	56,971	56,971
Others	823	1,983	11,109	13,915
Total	823	1,983	191,997	194,803

	As at 30 June 2024
Contractual maturity schedule	RMB million
Maturing:	
Within one year	43,045
After one year but within five years	82,232
After five years but within ten years	64,247
Over ten years	1,575
Total	191,099

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Fair value hierarchy	RMB million			
Trust schemes	–	–	128,994	128,994
Debt investment plans	–	–	55,494	55,494
Others	178	2,437	32,276	34,891
Total	178	2,437	216,764	219,379

	As at 31 December 2023
Contractual maturity schedule	RMB million
Maturing:	
Within one year	44,921
After one year but within five years	92,002
After five years but within ten years	67,097
Over ten years	7,329
Total	211,349

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

7 FINANCIAL ASSETS (continued)

7.3 Investment in debt instruments at fair value through other comprehensive income

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Government bonds	508,428	494,830
Government agency bonds	1,920,409	1,717,598
Corporate bonds	445,180	408,921
Subordinated bonds	21,253	22,752
Others ⁽ⁱ⁾	111,848	100,068
Total	3,007,118	2,744,169
By place of listing:		
Listed in Mainland, PRC	419,047	395,189
Listed in Hong Kong, PRC	47	58
Listed overseas	165	179
Unlisted ⁽ⁱⁱ⁾	2,587,859	2,348,743
Total	3,007,118	2,744,169
Contractual maturity schedule		
Maturing:		
Within one year	179,387	172,999
After one year but within five years	479,023	398,475
After five years but within ten years	223,755	207,198
Over ten years	2,124,953	1,965,497
Total	3,007,118	2,744,169
Impairment	(1,321)	(1,432)

(i) Other investment in debt instruments at fair value through other comprehensive income mainly include trust schemes and debt investment plans, etc.

(ii) Unlisted investments include bonds traded on the China interbank market, unlisted trust schemes and debt investment plans, etc.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

7 FINANCIAL ASSETS (continued)

7.4 Investment in equity instruments at fair value through other comprehensive income

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Common stocks	34,144	14,787
Preferred stocks	51,453	50,445
Others ⁽ⁱ⁾	73,967	72,773
Total	159,564	138,005
By place of listing:		
Listed in Mainland, PRC	63,549	56,962
Listed in Hong Kong, PRC	23,669	8,891
Unlisted ⁽ⁱ⁾	72,346	72,152
Total	159,564	138,005

(i) Other investments in equity instruments at fair value through other comprehensive income and unlisted investments mainly include perpetual bonds, etc.

For the six months ended 30 June 2024, the Group disposed of investment in equity instruments at fair value through other comprehensive income amounting to RMB6,794 million, and the net cumulative gains of RMB541 million on disposal were transferred from other comprehensive income to retained earnings.

The dividends income of investment in equity instruments at fair value through other comprehensive income recognised during the period is described in Note 11.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

7 FINANCIAL ASSETS (continued)

7.5 Financial assets at fair value through profit or loss

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Government bonds	3,092	3,622
Government agency bonds	15,670	6,813
Corporate bonds	211,230	187,138
Subordinated bonds	363,151	315,435
Funds	273,667	206,963
Common stocks	407,595	415,413
Others ⁽ⁱ⁾	588,293	569,991
Total	1,862,698	1,705,375
By place of listing:		
Listed in Mainland, PRC	542,710	472,522
Listed in Hong Kong, PRC	35,331	41,877
Listed overseas	22,230	10,230
Unlisted ⁽ⁱⁱ⁾	1,262,427	1,180,746
Total	1,862,698	1,705,375

(i) Other investments under financial assets at fair value through profit or loss mainly include trust schemes, perpetual bonds, private equity funds and unlisted equities, etc.

(ii) Unlisted investments mainly include bonds traded on the China interbank market, unlisted trust schemes, perpetual bonds, private equity funds and unlisted equities, etc.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

8 INSURANCE CONTRACTS

8.1 Significant actuarial assumptions

(i) Estimates of future cash flows

All of the future cash flows within the boundary of each group of contracts are included in the measurement of each group of insurance contracts.

The Group estimates cash flows which are expected in the future and the timing and probability that they will occur based on the information available at the reporting date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the probability-weighted mean of a range of scenarios that reflect the full range of possible outcomes.

The Group adjusts the estimates of future cash flows to reflect the time value of money.

Assumptions used to develop estimates about future cash flows are reassessed by the Group at the reporting date, based on the current available information.

Significant actuarial assumptions used are discussed below:

Discount rates

Based on the information available at the reporting date, the Group applies the bottom-up approach in determining the discount rate for future cash flows of the insurance contracts by adjusting tax premium and liquidity premium based on the risk-free yield curve. The assumed spot discount rates are as follows:

	Discount rate assumptions
As at 30 June 2024	2.03%~4.80%
As at 31 December 2023	2.57%~4.80%
As at 30 June 2023	2.36%~4.80%

Mortality/Morbidity

The mortality and morbidity assumptions are based on the Group's historical mortality and morbidity experience. The assumed mortality rates and morbidity rates vary with the gender and age of the insured and contract type.

The Group bases its mortality assumptions on the China Life Insurance Mortality Table (2010-2013), adjusted where appropriate to reflect the Group's historical mortality experience. The Group bases its morbidity assumptions on analysis of historical experience and expectations of future developments. The assumptions of mortality and morbidity rates are affected by factors such as infectious diseases, natural disasters, accidents, lifestyles, medical treatment, and social conditions, and hence subject to uncertainty.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

8 INSURANCE CONTRACTS (continued)

8.1 Significant actuarial assumptions (continued)

(i) Estimates of future cash flows (continued)

Lapse rates

The lapse rates are affected by certain factors, such as future macro-economy, availability of financial substitutions, and market competition, which bring uncertainty to these assumptions. The lapse rates are determined with reference to creditable past experience, current conditions, future expectations and other information.

Expense assumptions

Expense assumptions are based on the information available at the reporting date with the consideration of previous expense studies and future trends. Expense assumptions are affected by certain factors such as future inflation and market competition which bring uncertainty to these assumptions.

Policy dividend assumption

The policy dividend assumption is an uncertainty and is affected by factors such as the expected investment returns, the Group's dividend policy, and the reasonable expectations of policyholders. The Group is obliged to pay 70% or a higher percentage as agreed in the insurance policy of the cumulative distributable income to the participating insurance policyholders.

(ii) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is calculated at the Group level and then allocated down to each group of contracts in accordance with their risk profiles. The Group determines risk adjustment for non-financial risk based on the confidence interval method and at a 75% confidence level.

8.2 Insurance contract liabilities

(i) The analysis of liability for remaining coverage and liability for incurred claims of insurance contracts

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Insurance contract liabilities		
Liabilities for remaining coverage	5,350,952	4,797,067
Including: Excluding loss component	5,307,649	4,765,365
Loss component	43,303	31,702
Liabilities for incurred claims	66,109	62,108
Total	5,417,061	4,859,175

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

8 INSURANCE CONTRACTS (continued)

8.2 Insurance contract liabilities (continued)

(ii) The analysis of measurement of insurance contract components

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Contracts not measured using the premium allocation approach		
Present value of future cash flows	4,565,574	4,019,340
Risk adjustment for non-financial risk	38,925	36,928
Contractual service margin	774,009	769,137
Sub-total	5,378,508	4,825,405
Contracts measured using the premium allocation approach	38,553	33,770
Total	5,417,061	4,859,175

9 INSURANCE REVENUE

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

10 INTEREST INCOME

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

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

11 INVESTMENT INCOME

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

12 INSURANCE SERVICE EXPENSES

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

13 EXPECTED CREDIT LOSSES

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

14 TAXATION

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

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

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

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

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

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

14 TAXATION (continued)

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

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

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

15 EARNINGS PER SHARE

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

16 DIVIDENDS

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

Pursuant to a resolution passed at the meeting of the Board of Directors on 29 August 2024, an interim dividend of RMB0.20 (inclusive of tax) per ordinary share totalling approximately RMB5,653 million for the six months ended 30 June 2024 was proposed for shareholders' approval at the forthcoming General Meeting. The interim dividend has not been recorded in the consolidated financial statements for the six months ended 30 June 2024.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

17 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The table below presents the names of significant related parties and their relationship with the Company as at 30 June 2024:

Significant related parties	Relationship with the Company
CLIC	Immediate and ultimate holding company
China Life Asset Management Company Limited ("AMC")	A subsidiary of the Company
China Life Pension Company Limited ("Pension Company")	A subsidiary of the Company
China Life (Suzhou) Pension and Retirement Investment Company Limited	A subsidiary of the Company
Golden Phoenix Tree Limited ("Golden Phoenix Company")	A subsidiary of the Company
Shanghai Rui Chong Investment Co., Limited ("Rui Chong Company")	A subsidiary of the Company
New Aldgate Limited	A subsidiary of the Company
Glorious Fortune Forever Limited	A subsidiary of the Company
CL Hotel Investor, L.P.	A subsidiary of the Company
Golden Bamboo Limited	A subsidiary of the Company
Sunny Bamboo Limited	A subsidiary of the Company
Fortune Bamboo Limited	A subsidiary of the Company
China Life (Beijing) Health Management Co., Limited	A subsidiary of the Company
Ningbo Meishan Bonded Port Area Guo Yang Guo Sheng Investment Partnership (Limited Partnership)	A subsidiary of the Company
Ningbo Meishan Bonded Port Area Bai Ning Investment Partnership (Limited Partnership)	A subsidiary of the Company
Shanghai Yuan Shu Yuan Pin Investment Management Partnership (Limited Partnership) ("Yuan Shu Yuan Pin")	A subsidiary of the Company
Shanghai Yuan Shu Yuan Jiu Investment Management Partnership (Limited Partnership) ("Yuan Shu Yuan Jiu")	A subsidiary of the Company
Shanghai Wansheng Industry Partnership (Limited Partnership) ("Shanghai Wansheng")	A subsidiary of the Company
Wuhu Yuanxiang Tianfu Investment Management Partnership (Limited Partnership)	A subsidiary of the Company
Wuhu Yuanxiang Tianyi Investment Management Partnership (Limited Partnership)	A subsidiary of the Company
CBRE Global Investors U.S. Investment I, LLC	A subsidiary of the Company
China Life Guang De (Tianjin) Equity Investment Fund Partnership (Limited Partnership) ("CL Guang De")	A subsidiary of the Company
Beijing China Life Pension Industry Investment Fund (Limited Partnership) ("Pension Industry Fund")	A subsidiary of the Company
China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership)	A subsidiary of the Company
China Life Nianfeng Insurance Agency Co., Ltd.	A subsidiary of the Company
China Life Franklin Asset Management Company Limited ("AMC HK")	An indirect subsidiary of the Company
China Life AMP Asset Management Co., Ltd.	An indirect subsidiary of the Company
King Phoenix Tree Limited	An indirect subsidiary of the Company
China Life Wealth Management Company Limited	An indirect subsidiary of the Company
China Century Core Fund Limited	An indirect subsidiary of the Company
China Life Franklin (Shenzhen) Equity Investment Fund Management Co., Limited	An indirect subsidiary of the Company

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related parties (continued)

The table below presents the names of significant related parties and their relationship with the Company as at 30 June 2024 (continued):

Significant related parties	Relationship with the Company
New Fortune Wisdom Limited	An indirect subsidiary of the Company
New Capital Wisdom Limited	An indirect subsidiary of the Company
Wisdom Forever Limited Partnership	An indirect subsidiary of the Company
Dalian Hope Building Company Ltd.	An indirect subsidiary of the Company
Xi'an Shengyi Jingsheng Real Estate Co., Ltd.	An indirect subsidiary of the Company
Xing Wan (Tianjin) Enterprise Management Partnership (Limited Partnership) ⁽ⁱ⁾	An indirect subsidiary of the Company
China Life (Tianjin) Pension and Retirement Investment Company Limited	An indirect subsidiary of the Company
China Life (Hangzhou) Hotel Co., Ltd.	An indirect subsidiary of the Company
China Life Jiayuan (Xiamen) Health Management Co., Ltd.	An indirect subsidiary of the Company
China Life (Qingdao) Health Management Co., Ltd. ("CL Qingdao")	An indirect subsidiary of the Company
China Life Qinhuangdao Health and Elderly Care Service Co., Ltd.	An indirect subsidiary of the Company
Zhuhai Xinwan Real Estate Co., Ltd.	An indirect subsidiary of the Company
China Life (Shenzhen)Health and Elderly Care Service Co., Ltd. ("CL Shenzhen Company") ⁽ⁱⁱ⁾	An indirect subsidiary of the Company
China Life (Beijing)Health and Elderly Care Service Co., Ltd. ("CL Beijing Company") ⁽ⁱⁱ⁾	An indirect subsidiary of the Company
China Life (Hangzhou)Health and Elderly Care Service Co., Ltd. ("CL Hangzhou Company") ⁽ⁱⁱ⁾	An indirect subsidiary of the Company
Sino-Ocean Group Holding Limited ("Sino-Ocean")	An associate of the Company
CGB	An associate of the Company
CLP&C	An associate of the Company
COFCO Futures	An associate of the Company
Pipeline Company	An associate of the Company
China Unicom	An associate of the Company
Joy City Commercial Property Fund L.P.	A joint venture of a subsidiary of the Company
Mapleleaf Century Limited	A joint venture of a subsidiary of the Company
China Life Insurance (Overseas) Company Limited ("CL Overseas")	Under common control of CLIC
China Life Investment Management Company Limited ("CLI")	Under common control of CLIC
China Life Healthcare Investment Company Limited ("CLHI")	Under common control of CLIC
China Life Insurance (Group) Enterprise Annuity Fund ("EAP")	A pension fund jointly set up by the Company and others

(i) In May 2024, China Life Xing Wan (Tianjin) Enterprise Management Partnership (Limited Partnership) was renamed as Xing Wan (Tianjin) Enterprise Management Partnership (Limited Partnership).

(ii) These subsidiaries were newly established in the six months ended 30 June 2024.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related parties (continued)

The table below presents the names of significant related parties and their relationship with the Company as at 30 June 2024 (continued):

Significant related parties	Relationship with the Company
Shan Guo Tou • Jing Tou Corporate Trust Loan Collective Funds Trust Scheme	A directly held consolidated structured entity of the Company
China Life – China Hua Neng Debt-to-Equity Swap Investment Scheme	A directly held consolidated structured entity of the Company
Kun Lun Trust – China Metallurgical No.1 Collective Fund	A directly held consolidated structured entity of the Company
Jiao Yin Guo Xin • CL China Aluminium Co., Ltd. Supply-side Reform Collective Fund Trust Scheme	A directly held consolidated structured entity of the Company
Chongqing Trust Fund • Guo Rong No.4 Collective Fund Trust Scheme	A directly held consolidated structured entity of the Company
Jiang Su Trust – Xin Bao Sheng No.144 (Jing Tou) Collective Fund Trust Scheme	A directly held consolidated structured entity of the Company
Guang Da • Hui Ying No. 8 Collective Fund Trust Scheme	A directly held consolidated structured entity of the Company
Bai Rui Heng Yi No.817 Collective Fund Trust Scheme (Zhong Guo Guo Xin)	A directly held consolidated structured entity of the Company
China Life – Yunnan State-owned Enterprise Reform and Development Equity Investment Scheme (Phase I)	A directly held consolidated structured entity of the Company
China Life – Hu Fa No.1 Group Equity Investment Scheme	A directly held consolidated structured entity of the Company
CL AMC – Yuan Liu No.1 Insurance Asset Management Product	A directly held consolidated structured entity of the Company
CL AMC – Yuan Liu No.2 Insurance Asset Management Product	A directly held consolidated structured entity of the Company
CL AMC – Yuan Liu No.3 Insurance Asset Management Product	A directly held consolidated structured entity of the Company
Jiao Yin Guo Xin – Jing Tou Corporate Collective Funds Trust Scheme	A directly held consolidated structured entity of the Company
Zhong Hang Trust Fund • Tian Qi [2020] No.372 China Eastern Airlines Equity Instrument	A directly held consolidated structured entity of the Company
China Life Investment – China Eastern Airlines Group Equity Investment Scheme	A directly held consolidated structured entity of the Company
Zhong Hang Trust Fund • Tian Qi 21A155 Perpetual Bonds Equity Instrument Investment Collective Fund Trust Scheme	A directly held consolidated structured entity of the Company

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with significant related parties

	For the six months ended 30 June	
	2024	2023
	RMB million	RMB million
Transactions with CLIC and its subsidiaries		
CLIC		
Distribution of dividends from the Company and AMC to CLIC	8,712	9,484
Policy management fee from CLIC	232	232
Asset management fee from CLIC	61	66
CLP&C		
Agency fee from CLP&C	840	780
Dividends from CLP&C	167	80
Rental and service fee from CLP&C	53	46
Asset management fee from CLP&C	20	22
CLI		
Payment of asset management fee to CLI	239	275
CLHI		
Payment of operation management service fee to CLHI	20	37
CL Overseas		
Asset management fee from CL Overseas	47	48
Transactions with associates and joint ventures		
CGB		
Dividends from CGB (Note 6)	765	742
Interest on deposits from CGB	666	1,313
Commission expenses charged by CGB	89	218
Insurance premiums	87	–
Rental fee from CGB	79	78
Other associates and joint ventures		
Dividends from other associates and joint ventures	1,326	1,118
Transactions with EAP		
Contribution to EAP	485	616

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with significant related parties (continued)

	For the six months ended 30 June	
	2024	2023
	RMB million	RMB million
Transactions between subsidiaries and the Company		
Payment of asset management fee		
Payment to AMC	1,785	1,603
Dividends from subsidiaries		
Dividends from AMC	589	–
Dividends from Pension Company	171	248
Rental received		
Rental from Pension Company	39	38
Capital increase in subsidiaries		
Capital contribution to Pension Industry Fund	1,251	1,380
Capital contribution to CL Guang de	201	–
Transactions between the consolidated structured entities and the Company		
Distribution of profits from the consolidated structured entities to the Company	9,831	8,686

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Amounts due from/to significant related parties

The following table summarises the balances due from and to significant related parties. The balances of the Group are all unsecured. The balances of the Group are non-interest-bearing and have no fixed repayment dates except for deposits with CGB, wealth management products and other securities of CGB, and corporate bonds issued by Sino-Ocean.

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Amounts due from and to related parties of the Group		
Amount due from CLIC	339	549
Amount due from CL Overseas	157	109
Amount due from CLP&C	266	335
Amount due to CLP&C	(69)	(68)
Amount due to CLI	(598)	(483)
Amount deposited with CGB	27,196	43,707
Wealth management products and other securities of CGB	9,679	8,059
Amount due to CGB	(76)	(74)
Corporate bonds of Sino-Ocean	225	234
Amounts due from and to subsidiaries of the Company		
Amount due from CL Hotel Investor, L.P.	6,280	6,241
Amount due to AMC	(1,905)	(1,771)
Amount due from Pension Company	40	36
Amount due to Pension Company	(46)	(73)

(d) Key management personnel compensation

	For the six months ended 30 June	
	2024	2023
	RMB million	RMB million
Salaries and other benefits	8	10

The total compensation package for the Company's key management personnel has not yet been finalised in accordance with regulations of the relevant PRC authorities. The compensation listed above is the tentative payment.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(e) Transactions with state-owned enterprises

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

As at 30 June 2024, most of the bank deposits of the Group were with state-owned banks; the issuers of corporate bonds and subordinated bonds held by the Group were mainly state-owned enterprises. For the six months ended 30 June 2024, a large portion of group insurance business of the Group were with state-owned enterprises; the majority of bancassurance commission charges were paid to state-owned banks and postal offices; and the majority of the reinsurance agreements of the Group were entered into with state-owned reinsurance companies.

18 SHARE CAPITAL

	As at 30 June 2024		As at 31 December 2023	
	No. of shares	RMB million	No. of shares	RMB million
Registered, authorised, issued and fully paid				
Ordinary shares of RMB1 each	28,264,705,000	28,265	28,264,705,000	28,265

As at 30 June 2024, the Company's share capital is as follows:

	As at 30 June 2024	
	No. of shares	RMB million
Owned by CLIC ⁽ⁱ⁾	19,323,530,000	19,324
Owned by other equity holders	8,941,175,000	8,941
Including: Domestic listed	1,500,000,000	1,500
Overseas listed ⁽ⁱⁱ⁾	7,441,175,000	7,441
Total	28,264,705,000	28,265

(i) All shares owned by CLIC are domestic listed shares.

(ii) Overseas listed shares are traded on the Stock Exchange of Hong Kong Limited.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2024

19 PROVISIONS AND CONTINGENT LIABILITIES

The following is a summary of the significant contingent liabilities:

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Pending lawsuits	643	583

The Group is involved in certain lawsuits arising from the ordinary course of business. In order to accurately disclose the contingent liabilities for pending lawsuits, the Group analyses all pending lawsuits on a case by case basis at the end of each interim and annual reporting periods. A provision will only be recognised if management determines, based on third-party legal advice, that the Group has present obligations and the settlement of which is expected to result an outflow of the Group's resources embodying economic benefits, and the amount of such obligations could be reasonably estimated. Otherwise, pending lawsuits for which the amount of the liabilities can be estimated reliably are disclosed as contingent liabilities. As at 30 June 2024 and 31 December 2023, the Group had other contingent liabilities but disclosure of such was not practical because the amounts of liabilities could not be reliably estimated and were not material in aggregate.

20 COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments relating to property development projects and investments:

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Contracted, but not provided for		
Investments	100,931	86,590
Property, plant and equipment	1,639	1,466
Total	102,570	88,056

(b) Operating lease commitments – as lessor

The future minimum rentals receivable under non-cancellable operating leases are as follows:

	As at 30 June 2024	As at 31 December 2023
	RMB million	RMB million
Not later than one year	852	914
Later than one year but not later than five years	1,244	1,413
Later than five years	217	198
Total	2,313	2,525



In case of any discrepancy between the Chinese version and the English version of this report, the Chinese version shall prevail; in case of any discrepancy between the printed version and the website version of this report, the website version shall prevail.



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