NCI 新华保险

新華人壽保險股份有限公司

NEW CHINA LIFE INSURANCE COMPANY LTD.

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

(Stock Code: 01336)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors of New China Life Insurance Company Ltd. (the "**Company**") hereby announces the audited results of the Company and its subsidiaries for the year ended 31 December 2024. This announcement, containing the full text of the Annual Report 2024 of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") in relation to information to accompany preliminary announcements of annual results.

Both the Chinese and English versions of this results announcement are available on the websites of the Company (www.newchinalife.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The Company's Annual Report 2024 will also be published on the above-mentioned websites of the Company and the Hong Kong Stock Exchange in due course, and will be delivered to the holders of H shares of the Company who requested the corporate communications in printed form.

By Order of the Board
New China Life Insurance Company Ltd.
YANG Yucheng
Chairman

Beijing, China, 27 March 2025

As at the date of this announcement, the chairman and executive Director of the Company is YANG Yucheng; the executive Director is GONG Xingfeng; the non-executive Directors are HE Xingda, YANG Xue, HU Aimin and LI Qiqiang; and the independent non-executive Directors are MA Yiu Tim, LAI Guanrong, XU Xu and GUO Yongqing.

IMPORTANT INFORMATION

1 The board of directors, the board of supervisors and directors, supervisors and members of senior management of the Company guarantee the correctness, accuracy and completeness of the contents of this report, and that there is no false representation, misleading statement or material omission in this report, and are legally liable for this report jointly and severally.

2 The Annual Report 2024 of the Company was considered and approved at the 31st meeting of the eighth session of the Board on 27 March 2025, which 10 directors were required to attend and 10 of them attended in person.

3 The consolidated financial statements 2024 of the Company were audited by Deloitte Touche Tohmatsu in accordance with International Standards on Auditing, and Deloitte Touche Tohmatsu issued the standard unqualified audit report.

4 Mr. YANG Yucheng, the Chairman of the Company, Mr. GONG Xingfeng, the President, Chief Financial Officer (Financial Principal) of the Company, Mr. PAN Xing, the proposed Chief Actuary[1] of the Company and Mr. ZHANG Tao, the Head in charge of Accounting Department of the Company, guarantee the correctness, accuracy and completeness of financial statements in the Annual Report 2024.

5 The Company distributed 2024 interim cash dividend of RMB0.54 (inclusive of tax) per share to all shareholders, approximately RMB1,685 million in total. The Company plans to distribute 2024 final cash dividend of RMB1.99 (inclusive of tax) per share to all shareholders, approximately RMB6,208 million in total. The total dividend (including interim and proposed final dividend) for the year 2024 amounted to RMB7,893 million, representing approximately 30.1% of net profit attributable to shareholders of the Company as contained in the 2024 financial statements of the Company. The above final dividend distribution plan is subject to the approval of shareholders' general meeting.

6 The forward-looking statements such as future plans, development strategies in this report do not constitute substantive undertakings. Investors are advised to be cautious about investment risks.

7 There is no non-operating usage of funds by the controlling shareholder or its related parties of the Company.

8 There is no external guarantee provided by the Company which violates the decision-making procedures of the Company.

9 There is no more than half of directors of the Company who cannot guarantee the correctness, accuracy and completeness of this report.

10 The major risks of the Company include market risk, credit risk, insurance risk, operational risk, reputation risk, strategic risk, liquidity risk, etc. The Company has taken various measures to effectively manage and control all sorts of risks. Please refer to "Corporate Governance" of this report for details.

Note:

1. The 28th meeting of the eighth session of the Board agreed to appoint Mr. PAN Xing as the chief actuary of the Company, and his qualification is still subject to the ratification of regulatory authority.

DEFINITIONS

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

the Company, New China Life, NCI	The general term of New China Life Insurance Company Ltd., its subsidiaries and its consolidated structured entities
Asset Management Company	New China Asset Management Co., Ltd., a subsidiary of the Company
Asset Management Company (Hong Kong)	New China Asset Management (Hong Kong) Limited, a subsidiary of Asset Management Company
New China Pension	New China Pension Co., Ltd., a subsidiary of the Company
Xinhua Jiayue	Xinhua Jiayue Healthcare and Old-age Care Industry (Beijing) Co., Ltd., a subsidiary of the Company
Electronic Commerce	New China Electronic Commerce Co., Ltd., a subsidiary of the Company
Hefei Supporting Operation	New China Life Hefei Supporting Construction Operation Management Co., Ltd., a subsidiary of the Company
Foundation	New China Life Foundation
CIC	China Investment Corporation
Huijin	Central Huijin Investment Ltd.
China Baowu	China Baowu Steel Group Corporation Limited
Hwabao Investment	Hwabao Investment Co., Ltd.
NFRA	National Financial Regulatory Administration
CBIRC	Former China Banking and Insurance Regulatory Commission
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
SZSE	Shenzhen Stock Exchange
Hong Kong Stock Exchange, HKSE	The Stock Exchange of Hong Kong Limited
RMB	Renminbi
pt	Percentage point(s)

P.R.C., China	People's Republic of China, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan
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
P.R.C. GAAP	China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the P.R.C., and its application guide, interpretation and other related regulations issued thereafter
IFRS	International Financial Reporting Standards as promulgated by the International Accounting Standards Board
IFRS 4, old accounting standards for insurance contracts	International Financial Reporting Standards 4 – Insurance Contracts
IAS 39, old accounting standards for financial instruments	International Accounting Standards 39 – Financial Instruments: Recognition and Measurement
IFRS 17, new accounting standards for insurance contracts	International Financial Reporting Standards 17 – Insurance Contracts
IFRS 9, new accounting standards for financial instruments	International Financial Reporting Standards 9 – Financial Instruments
Articles of Association	Articles of Association of New China Life Insurance Company Ltd.
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
Corporate Governance Code	Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Board, Board of Directors	The board of directors of the Company
Board of Supervisors	The board of supervisors of the Company

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SECTION 1
CORPORATE INFORMATION

01

BASIC INFORMATION	
Legal Name in Chinese	新華人壽保險股份有限公司（「**新華保險**」）
Legal Name in English	NEW CHINA LIFE INSURANCE COMPANY LTD. (“**NCI**”)
Legal Representative	YANG Yucheng
Registered Office	No.16, East Hunan Road, Yanqing District, Beijing, P.R.C. (Zhongguancun Yanqing Park)
Historic Change of Registered Office	The Company changed its registered office from No.1, East Hunan Road, Yanqing District, Beijing, P.R.C. to current address in November 2019
Postal Code	102100
Place of Business	NCI Tower, A12 Jianguomenwai Avenue, Chaoyang District, Beijing, P.R.C.
Postal Code	100022
Place of Business in Hong Kong	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Website	http://www.newchinalife.com
Email	ir@newchinalife.com
Customer Service and Complaint Hotline	95567

CONTACT INFORMATION	
Board Secretary/Joint Company Secretary	LIU Zhiyong (Proposed appointment)[(1)]
Securities Representative	XU Xiu
Telephone	86-10-85213233
Fax	86-10-85213219
Email	ir@newchinalife.com
Address	NCI Tower, A12 Jianguomenwai Avenue, Chaoyang District, Beijing, P.R.C.
Joint Company Secretary	NG Sau Mei
Telephone	852-35898647
Fax	852-35898359
Email	Jojo.Ng@tmf-group.com
Address	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

Note:

1. The 27th meeting of the eighth session of the Board agreed to appoint Mr. LIU Zhiyong as the board secretary and joint company secretary of the Company, and his qualification as the board secretary of the Company is still subject to the ratification of regulatory authority.

INFORMATION DISCLOSURE AND PLACE FOR OBTAINING THE REPORT

Newspapers and Websites for Publishing Annual Report (A Share)	Economic Information Daily http://www.jjckb.cn/
Websites of Stock Exchange for Publishing Annual Report	http://www.sse.com.cn (A Share) http://www.hkexnews.hk (H Share)
Place Where Copies of Annual Report are Kept	Board of Directors Office of the Company

STOCK INFORMATION

Stock Type	Stock Exchange	Stock Name	Stock Code
A Share	The Shanghai Stock Exchange	新華保險	601336
H Share	The Stock Exchange of Hong Kong Limited	NCI	01336

OTHER RELEVANT INFORMATION

A Share Registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch
Address	No.188 South Yanggao Road, Pudong New Area, Shanghai, China
H Share Registrar	Computershare Hong Kong Investor Services Limited
Address	Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Domestic Auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Address	30/F, 222 East Yan'an Road, Huangpu District, Shanghai, China
Signing Certified Public Accountants	MA Qianlu and YANG Li
International Auditor	Deloitte Touche Tohmatsu
Address	35/F, One Pacific Place, 88 Queensway, Hong Kong SAR, China
Domestic Legal Advisor	Fangda Partners
Address	27/F, North Tower, Beijing Kerry Centre, 1 Guang Hua Road, Chaoyang District, Beijing, China
Hong Kong Legal Advisor	Clifford Chance LLP
Address	27/F, Jardine House, 1 Connaught Place, Central, Hong Kong

SECTION 2
BUSINESS OVERVIEW

Founded in September 1996, New China Life is a large and nationwide life insurance company with its headquarters in Beijing. New China Life has always been committed to forging China's leading financial service group with insurance business at its core, and provided customers with protection and wealth planning products and services that cover their whole life cycle. The Company has promoted the development of old-age care and healthcare industries and reinforced and optimized assets management business to greatly support the development of life insurance business.

New China Life has established nationwide marketing and service networks and offered life insurance products and services to 31.199 million individual customers and 78 thousand institutional customers, manages and deploys insurance funds through its subsidiaries, including Asset Management Company and Asset Management Company (Hong Kong). New China Life was simultaneously listed on the SSE and the HKSE in 2011.

PERFORMANCE OVERVIEW

Unit: RMB in millions

1,692,297
Total assets

96,240
Equity attributable to shareholders of the Company

1.99 RMB per share[1]
Final dividend

132,044
Total revenues

26,229
Net profit attributable to shareholders of the Company

258,448[2]
Embedded value

6,253[2]
Value of one year's new business

217.55%
Comprehensive solvency margin ratio

MAJOR OPERATING INDICATORS

Unit: RMB in millions

	2024/As of 31 December 2024	2023/As of 31 December 2023
Key Operating Indicators		
Gross written premiums	170,511	165,903
Number of total individual agents (in thousands)	136	155
Investment assets	1,629,361	1,345,475[3]
Total investment yield (%)	5.8	1.8
Net investment yield (%)	3.2	3.4
Comprehensive investment yield (%)	8.5	2.6
Value of one year's new business[2]	6,253	3,024
Embedded value[2]	258,448	250,510
Core solvency margin ratio (%)	124.07	157.01
Comprehensive solvency margin ratio (%)	217.55	278.43

Notes:

1. Subject to approval of shareholders' general meeting. Similarly hereinafter.

2. The Company prudently lowered the non-unit-linked insurance funds investment return assumption to 4.0% and the risk discount rate to 8.5% for the evaluation of embedded value for the year 2024.

3. Investment assets at 31 December 2023 were restated according to the new regulatory requirements. Similarly hereinafter.

HIGHLIGHTS

In 2024, the Company remained committed to the connotative and high-quality development, adhered to the "customer-centric" business philosophy, actively served the overall national development and advanced reforms and transformations across all areas of operation and management. The Company seized development opportunities, enriched a multi-level product and service system that covered the whole life cycle of customers. Priorities were given to expand, optimize and strengthen core life insurance business, deepen and broaden investment business, and build a new medical, health and old-age care service ecosystem. The internal strength for high-quality development continued to grow, and new breakthroughs were made in operational performance.

SERVING NATIONAL STRATEGIES

In 2024, the Company comprehensively enhanced the quality and efficiency of its services aligned with national strategies. A comprehensive mechanism was established to serve national strategies, and a three-level management framework consisting of "Promotion Committee – Working Group – Special Task Force" was also formulated. A holistic closed-loop management mechanism, including planning, tracking, supervision and evaluation, was set up. The *Guidelines for Strengthening Services for National Strategies* (《全面加強服務國家戰略工作的指導意見》) and the *Work Plan for Enhancing Service Capabilities for National Strategies* (《進一步提升服務國家戰略能力的工作方案》) were issued along with nine special task forces covering liabilities, investments, healthcare and old age care, and social security, etc.

By the end of 2024, the Company invested RMB1,088.8 billion to underpin the real economy and invested RMB483.3 billion to serve national strategic initiative. **In terms of inclusive finance,** the Company offered nearly 70 inclusive insurance products and underwrote 36 people-benefiting insurance projects. The Company coordinated over RMB61 million assistance funds and won the bid of two public welfare projects, namely"Dingliangzhu" (頂樑柱) and "Jiayou Baobei" (加油寶貝), initiated by China Foundation for Rural Development, benefiting specific groups in 110 counties across 12 provinces, which opened new pathways for promoting rural revitalization through the Company's core business. **In terms of pension finance**, the Company participated in the development of the second and third pillar of pension security. Around RMB33 billion enterprise annuity was under management by its affiliated pension insurance company, and the cumulative premiums from the third-pillar commercial pension insurance business exceeded RMB1.8 billion. **In terms of technology finance**, the investment in technology enterprises amounted to RMB61.79 billion, providing sum assured over RMB1 trillion for more than 13,000 advanced technology companies. **In terms of green finance**, the ESG framework was upgraded with green investment of RMB29.65 billion, offering sum assured over RMB290 billion for more than 7,000 green enterprises. **In terms of digital finance,** the Company accelerated its digital transformation and built a comprehensive intelligent service network that spanned the whole life-cycle of insurance policies, further strengthening information security and digital infrastructure. The Company also increased investment in fintech, and the investment in digital construction in 2024 increased by more than 10% compared with that of the previous year.

SHAREHOLDERS' RETURNS

The Company placed emphasis on shareholders' returns. In 2024, the Company distributed interim cash dividend of RMB0.54 (inclusive of tax) per share to all shareholders for the first time, totaling RMB1,685 million. The Company plans to distribute the 2024 final cash dividend of RMB1.99 (inclusive of tax) per share to all shareholders, totaling RMB6,208 million. In 2024, the total cash dividend (including interim and proposed final dividend) amounted to RMB7,893 million, representing an increase of 197.6% compared with that of last year.

LIFE INSURANCE

In 2024, business structure and quality of the Company's life insurance continued to be optimized. Business volume and value achieved all-around improvements. The Company achieved gross written premiums ("**GWP**") of RMB170,511 million with annual growth rate of 2.8%. The value of one year's new business realized RMB6,253 million, up by 106.8% year on year. The new business value ("**NBV**") margin was 14.6% based on first year premiums, increasing by 7.9 percentage points compared with NBV margin 6.7%(1) of 2023. The net profit attributable to shareholders of the Company totaled RMB26,229 million, increasing by 201.1% year on year and reaching a record high.

INVESTMENT BUSINESS

In 2024, the Company was dedicated to the mission of being a mainstay in bolstering the real economy and a ballast stone for maintaining financial stability. The Company fully leveraged the strengths of insurance funds as "patient capital, long-term capital and strategic capital" and optimized asset allocation and enhanced investment management. The Company conducted accurate research and judgement and adapted to market dynamics, and moderately increased investment in public equity and bond assets, proactively allocated to long-term holdings as anchor assets and achieved robust investment returns. As of 31 December 2024, the Company's investment assets reached RMB1,629,361 million. The total investment yield of the Company was 5.8% and the comprehensive investment yield 8.5%.

The Company, in collaboration with industry peers, co-established the industry's first private securities investment fund of RMB50 billion. The fund mainly invested in high-quality listed companies in the secondary market, which not only helped the Company strengthen asset-liability management and address the "duration mismatch caused by short-term allocation of long-term capital", but also vigorously supported the long-term and stable development of the capital market, achieving significant economic and social benefits.

In 2024, the Company adhered to supporting national industrial upgrading and new quality productive forces in equity investments. The Company made investments in sectors such as integrated circuits, hard technology and medical care, and successively declared equity holding of high-quality listed companies like Shanghai Pharmaceuticals Holding Co., Ltd and China National Medicines Corporation Ltd., which laid a solid foundation for future transitions to long-term equity investments, stabilizing long-term investment returns and serving the real economy.

SERVICE ECOSYSTEM

In 2024, the Company practiced the "customer-centered" development strategy and accelerated the layout of its service ecosystem. Service brands such as "Xinhua Zun (新華尊)", "Xinhua An (新華安)", "Xinhua Rui (新華瑞)" and "Xinhua Yue (新華悦)" were rolled out in ten fields, including medical care, healthcare, old-age care, wealth management, legal, tax, commerce, education, leisure and culture services, delivering comprehensive solutions to customers' diversified needs and improving customers' experience.

The high-net-worth client service system "Xinhua Zun" (新華尊) addressed diverse needs across the whole-life cycle of customers and their families, including health management, intergenerational wealth inheritance, global business travel. Through top service resources, professional service team and convenient online platforms, the system helped customers enjoy a quality and comfortable lifestyle.

The home-based elderly care service system "Xinhua An" (新華安) focused on resolving problems faced by home-based elderly care. Through services such as safety monitoring, home modifications, convenience support and home visits, the system tackled issues like medical emergencies, mobility inconvenience and daily assistance, helping elderly customers achieve a secure and happy life.

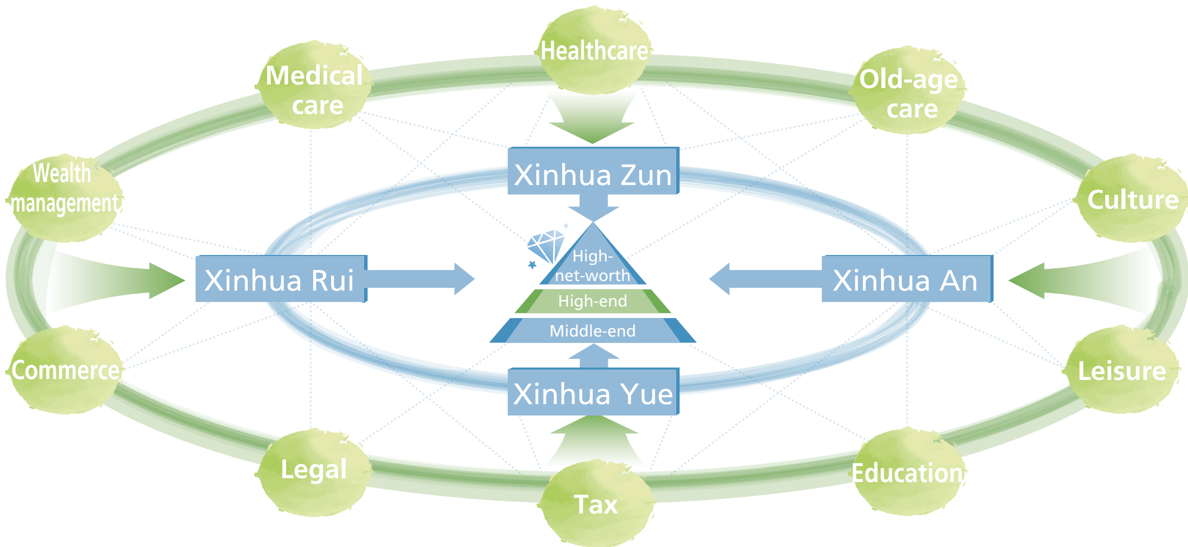
Note:

1. The value of one year's new business used to calculate NBV margin of 2023 based on first year premiums was RMB3,024 million. Similarly hereinafter.

The service system "Xinhua Rui" (新華瑞) offered inclusive and accessible services for the general public in terms of healthcare and old-age care, helping customers in pursuing a happy and fulfilling life.

The travel-based ecosystem "Xinhua Yue" (新華悦) includes three sub-brands Xinhua Zunyue (新華尊悦), Xinhua Jiayue (新華嘉悦) and Xinhua Yiyue (新華怡悦). By the end of 2024, 21 high-quality healthcare and old-age care communities were introduced across 16 cities. The Company completed its layout in east, west, north, south and central China and upgraded its qualification letter model. 11 quality travel-based projects were laid out in 10 cities to offer customers with diverse benefits.

Additionally, the Company integrated internal and external medical resources to provide customers with comprehensive health services including disease prevention, medical consultations and overseas medical care. The Company also established the NCI Rehabilitation Alliance (新華康復聯盟) through New China Life Rehabilitation Hospital to enhance the medical, health and old-age care services.



CLAIM SETTLEMENT

In 2024, a total of 4.8 million claim cases were settled with compensation amount of RMB15.2 billion. The average number of daily claims reached 13,100 with compensation amount of RMB41.55 million.

The Company relied on technology empowerment to create a smart and high-efficient claim settlement model. The average time from application to settlement was 0.43 day for small medical insurance claim under RMB5,000. The average time from application to settlement for individual insurance channel was 0.71 day, with 96.8% of individual claims submitted online. The direct claim settlement service rapidly expanded across the country. In 2024, the Company's claim data link service covered 672 hospitals across multiple regions. Its one-stop direct settlement service took root in various areas, enabling synchronized settlement among hospitals, national medical insurance and commercial insurance at the time of discharge. Customers only pay their share of expenses. "Zero-waiting claims" came true. The Company continued to deepen its "insurance + service" model, and built a claim service system that addressed customers' needs before, during and after medical treatment. The Company also provided advance payment for critical illnesses and medical expense and direct payment for special medicines to ease the burden of last-mile medical expense on its customers.

TEAM BUILDING

In 2024, the "XIN Generation" (XIN一代) initiative, the strategic team development program, was unveiled to drive the professionalization and career-oriented transformation of sales team, forging a high-caliber financial workforce and establishing a long-term and high-efficient marketing management system. The "XIN Generation" (XIN一代) initiative pioneered a transformative ecosystem for sales team development through innovative system framework, holistic cultivation system, better product portfolios, smarter digital service platforms, diverse campaigns and workplace, and was designed to explore new models for team transformation and development. In 2024, driven by the "XIN Generation" initiative, the individual insurance channel saw a sustained recovery in agent recruitment, and the number of IDA[(1)] members surged by 100% year on year.

BUSINESS QUALITY

In 2024, the Company deepened the "customer-centered" strategic transformation and optimized product structure. Meanwhile, service quality and customer loyalty enhanced and business quality improved significantly through the professional reform of agent team. 13-month persistency ratio of individual life insurance business was 95.7%, representing a year-on-year increase of 5.9 percentage points. 25-month persistency ratio of individual life insurance business was 86.2%, up by 7.8 percentage points year on year.

PRODUCTS

The Company adhered to the customer-centered product philosophy, gave full play to the advantages of its main responsibility and business around serving the national strategy. With the goal of "Best Products Come from NCI", the Company intensified the supply of diversified insurance products, improved the system of inclusive insurance, and continued to enrich the diversified product system that addressed customers' needs for birth, aging, illness, death and disability in their whole life cycle. As of the end of 2024, the Company maintained a product portfolio of 176 offerings available in the market.

TECHNOLOGY EMPOWERMENT

The Company remained steadfast in advancing digital transformation as a critical pathway to achieve high-quality development. The Company fully embraced the concept of digital finance, strengthened the integration and mutual promotion of advanced technologies such as large models, big data, artificial intelligence and cloud computing with operation and management, continued to innovate and iterate digital application scenarios, which created a digital insurance value chain with unique NCI characteristics. In 2024, the Company undertook several innovative practices in the fields of digital services and digital risk control, making digital technology deeply integrate into scenarios.

In terms of digital service, the "Digital Agent" model was unveiled to offer functions including product explanation, product recommendation, online reservation and intelligent consultation, providing customers with more complete digital services. The Company continued to improve the smart customer service cluster represented by AI-powered customer service "Zhiduoxin" (智多新), the convenient service cloud platform "Suixintong" (隨信通) and the next-generation "Smart Teller Machine" (智慧櫃員機). The Company relied on NCI e-Family (新華E家) application and took the lead in the industry to execute the DeepSeek model.

In terms of digital risk control, through three major projects, namely the intelligent underwriting risk control model, early warning and monitoring on claim fraud risk, and commercial insurance premium control platform, the Company mined and analyzed data on underwriting, agents, claim settlement and medical treatment in multiple dimensions, so as to accurately identify hidden irregularities, frauds and risks. The Company also optimized the risk monitoring model and indicators for suspicious business, so as to enhance the effectiveness of monitoring and early warning for risk control and management.

Note:

1. The criteria for IDA (International Dragon Award) membership refers to the agent whose aggregate first year commission ("**FYC**") is equal to or greater than RMB150,000 and who has issued 36 primary long-term insurance policies or more in the year.

ANALYSIS OF CORE COMPETITIVENESS

PROMINENT BRAND VALUE

The Company adheres to the people-centered value orientation, serves national strategies, underpins the real economy, ensures people's wellbeing, and earnestly fulfills its social responsibilities, thereby acting as an economic "shock absorber" and social "stabilizer". In 2024, the Company partnered with the Chinese Athletics Association to provide professional insurance support for large-scale marathon events in multiple cities. The Company sponsored several high-speed trains nationwide, creating a mobile business card for New China Life. Several public activities on business reform and development, service ecosystem construction were carried out to spread the Company's voices. All of these enhanced the brand image and reputation of "New China Life: Protection Through Time" (新華保險，保得長久). The Company has been listed in the "World's Top 50 Most Valuable Insurance Brands" for ten consecutive years, in the "Fortune China 500" for thirteen consecutive years, and in the "Top 500 Asian Brands" for eighteen consecutive years. In 2024, the Company received Insurer Financial Strength Rating (IFSR) at "A2" from Moody's and Insurer Financial Strength (IFS) Rating at "A" from Fitch.

ENHANCED DEVELOPMENT MOMENTUM

The Company has fully upgraded its development management philosophy and built a learning-oriented and service-empowering organization to further stimulate organizational vitality and innate motivation. The Company has deepened and solidified professional, market-oriented and systematic reforms, advanced a series of reforms in product, marketing, service, resource management, human resources, organizational structure and technology empowerment. Through reform and transformation, the Company has strengthened the foundation for operation and management, accelerated the cultivation of future-oriented competitiveness, and enhanced development momentum and capability.

SOLID MAIN BUSINESS

Adhering to the essence of life insurance and long-termism, the Company has made efforts to cultivate market demands, continuously enhanced product competitiveness, optimized the service ecosystem of healthcare and old-age care, and constantly optimized distribution channels to build a professional, specialized and performance-oriented sales team. The Company has provided customers with full life-cycle products and services through a nationwide network of institutions and service networks, establishing a solid and extensive customer base. In 2024, the Company has achieved GWP of RMB170.5 billion, with total assets of RMB1.69 trillion, maintaining stable and positive overall operations.

SUPPORTIVE INDUSTRIAL COLLABORATION

The Company improved the synchronized development model of "insurance +service+investment". With Asset Management Company as the main body, the Company has an integrated wealth management platform with total assets under management nearly RMB2 trillion. The investment remains prudent and forms excellent synergy with liabilities. The Company has built a service ecosystem of healthcare and old-age care collaboration and unveiled service brands including "Xinhua Zun", "Xinhua An" and "Xinhua Yue", to improve the home-based, institutional-based and travel-based old-age care system, and basically introduced high-quality cooperative communities in east, west, south, north and central China, which greatly supported the growth of insurance business.

PROFESSIONAL AND EFFICIENT MANAGEMENT

The Company possesses a management team with rich operation and management experience and keen market insight, and a high-quality and professional talent team with underwriting, claims, actuarial and risk management skills. The Company has a flexible, united, pragmatic and efficient decision-making system and strong execution capabilities. The Company continuously improves the "internal training and external recruitment" mechanism for talent development, equipped professional talents in various fields, enhanced the cultivation of cadre and talent teams, and provided a broader development platform for talents, which created a new high ground for gathering outstanding talents.

CORPORATE CULTURE LEADERSHIP

The Company has fully launched a corporate culture project in the new era, summarized the Company's 29-year excellent cultural genes, inherited and promoted the market-oriented genes of pioneering and fighting, integrated the financial culture with Chinese characteristics, and been deeply rooted in the sentiment of serving the nation and the people through finance and insurance. Over nearly a year, through in-depth research and interviews with more than 20,000 employees, the Company has upgraded the spirit of "NCI Iron Army" to "NCI Professional Iron Army" and constructed a NCI cultural system in the new era. The Company has formed the NCI spirit of "professional iron army, pursuit of excellence, benevolence and virtue, inheritance and innovation", with a broader and deeper cultural core and a stronger and more far-reaching cultural power.

HONORS AND AWARDS

Assessment Institution	Honors & Awards
• Forbes	• Ranking 644 in World's Top 2000 Public Companies in 2024
• Fortune Plus App	• Ranking 262 in Fortune China 500 in 2024
• Moody's Ratings	• Insurer Financial Strength Rating (IFSR) at "A2" Basic Credit Assessment (BCA) Rating at "A3"
• Fitch Ratings	• Insurer Financial Strength (IFS) Rating at "A" (Strong)
• World Brand Lab	• Ranking 83 in China's 500 Most Valuable Brands in 2024 • Ranking 233 in Top 500 Asian Brands in 2024
• Brand Finance	• Ranking 34 in World's 100 Most Valuable Insurance Brands in 2024 • Ranking 84 in China's 500 Most Valuable Brands in 2024
• China Enterprise Confederation, China Enterprise Directors Association	• Ranking 339 in China's Top 500 Enterprises in 2024
• National Business Daily	• Outstanding Life Insurance Company in 2024
• Xinhua Net	• Outstanding Brand for Pension Finance in Financial Institutions in 2024
• Daily Money	• High-quality Development Enterprise in China's Insurance Industry in 2024
• China Investment Network	• Excellent Claim Service Insurance Company in 2024
• The Economic Observer	• Excellent Claim Settlement Model in Insurance Industry in 2024
• China Times	• Excellent Information Disclosure Company
• China Banking and Insurance News	• Annual Social Welfare Project of Financial Brand
• "Financial Digitalization" Magazine by the People's Bank of China	• Fintech Application Innovation Award, Financial Products and Services Innovation Award
• Office of the Ministry of Industry and Information Technology and other 13 departments	• Cyber Security Technology Application Model in 2024
• China Academy of Information and Communication Technology	• Best Social Responsible Model for Fintech Innovative Application in 2024
• China Banking and Insurance News	• Best Risk Prevention and Control Model and Digitalized Operation Model in China's Insurance Industry in 2024

SECTION 3
STATEMENT

Dear shareholders,

The year 2024 has witnessed New China Life forged ahead to solidify its foundation and advance reforms with unwavering determination. Advancing and rowing with bravery and perseverance along the path of financial development with Chinese characteristics, the Company achieved all-around improvements in product competitiveness, team development, service ecosystem, investment strength and brand building. Through concrete actions and tangible achievements, the Company delivered fruitful and remarkable results to investors who had always supported NCI, customers who had placed enduring trust in NCI, and to dedicated employees who had grown alongside NCI. In 2024, the Company achieved GWP of RMB170.5 billion, total assets of RMB1.69 trillion and net profit attributable to shareholders of the Company of RMB26,229 million. All these three indicators reached record highs. The value of one year's new business was RMB6,253 million, representing a year-on-year increase of 106.8%. The comprehensive investment yield was 8.5%, representing a significant increase of 5.9 percentage points compared with last year. The comprehensive solvency margin ratio stood at 217.55% and the core solvency margin ratio at 124.07%, both maintaining at an excellent level within the industry.

With intensified and dedicated efforts, the Company strived to promote social and economic development through finance to serve the nation and the people. Staying true to the original mission of insurance, the Company made overall plans to promote the development of “five target areas”, namely technology finance, green finance, inclusive finance, pension finance and digital finance, from a higher position and with greater resolve. A comprehensive and systematic mechanism was established to serve national strategies, and a three-level management framework was also formulated. The implementation system, including planning, tracking, supervision and assessment, was further improved. For the first time, the Company developed a list of over 170 products with the attribute of serving national strategies, and won the bid of two national-level public welfare projects benefiting 110 counties in 12 provinces, helping solve rural people’s urgent problems with multiple protection. By the end of year 2024, the Company invested over RMB1 trillion to underpin the real economy, and invested approximately RMB483.3 billion to serve national strategic initiatives. More than RMB61 million funds were coordinated and allocated for rural revitalization, nearly triple the total amount of 2023, showcasing greater commitment and action in serving national development strategies.

Pressing ahead with a customer-centric strategic transformation, the Company provided customers with comprehensive and multi-dimensional insurance services. The Company proactively developed a product portfolio that spanned the entire life cycle of customers. Several competitive products were launched last year and won the recognition from both the market and customers. Focusing on sales team development from the strategic level, the Company unveiled the “XIN Generation” (XIN一代) initiative for team development and the Whole Life-cycle Planner (“**WLP**”) cultivation system to establish a long-term and stable career development platform for sales partners. The sales team achieved significant growth in per capita productivity and income. The service ecosystem was also built to improve the coordinated development model of “insurance + service + investment”. Service brands such as Xinhua Zun (新華尊), Xinhua An (新華安), Xinhua Rui (新華瑞), and Xinhua Yue (新華悦) were rolled out alongside service offerings covering ten major fields including medical care, healthcare, old-age care, wealth management, legal, tax, commerce, eduction, leisure and culture services. The ecosystem integrating “institution-based + home-based + travel-based old-age care” was initially established with 21 high-quality communities introduced in 16 cities nationwide. Such efforts actively contributed to the silver economy. High priority was given to strengthen grassroots institutions and the “Strong Foundation Initiative” was implemented to improve and strengthen over 1,700 subordinated institutions from talent team, remuneration, institutional layout, personnel training, workplace environment and branding to bolster their development momentum.

Comprehensive efforts were made to improve investment management and leverage the strengths of long-term capital, patient capital and high-energy level strategic capital. The foundation for investment management was further solidified, investment research system and professional talent team were reinforced, asset-liability management intensified, and the internal strength of investment management enhanced. Closely following national trends, the Company, as a steadfast value-oriented investor, moderately increased investment in public equity and bond assets, boosted long-term equity holdings as anchor assets, extended the duration of investment assets, and stabilized long-term investment returns. In response to the call for medium- and long-term capital to enter the market, the Company, joining hands with other institutions, set up the industry's first private investment fund of RMB50 billion, injecting long-term and stable funds into the capital market. Additionally, the Company also co-established the Zhijixin Fund (智集芯基金) with relevant institutions, invested Zhongke Chuangxing Hard Technology Fund (中科創星硬科技基金) and declared equity holding of high-quality listed companies, bolstering the development of new quality productive forces with practical actions.

The Company fortified its foundation with reforms, gathered cohesion through culture, improved governance with system, and laid a solid foundation for steady and sound development. Adhering to professional, market-oriented and systematic reforms, the Company made deep transformation into a learning-oriented and service-empowering organization, and continued to enhance its internal development momentum and motivate the talent team. Drawing strength from the financial culture with Chinese characteristics, the Company inherited and innovated NCI's culture, infusing it with contemporary relevance to forge the NCI culture breeding professional iron army spirit, pursuit of excellence, benevolence and virtue, inheritance and innovation. System building has been strengthened in marketing support, operational service, finance and budget, compliance and risk control, etc. The new basic law was introduced to optimize resource allocation and cost control mechanism for distribution channels. And the comprehensive risk management system was advanced to consolidate the foundation for steady and sustainable development of the Company, and ensure no major risks or systematic risks arise.

The great progress and development of NCI during the past year were inseparable from the care of all sectors of society, the support of shareholders, the trust of customers, and the dedicated efforts of all NCI employees. The Company hereby expressed its sincere gratitude for your trust and support. In order to enhance investors' sense of gain, the Company distributed an interim dividend of RMB1,685 million for the first time in 2024. The total dividend (including interim and proposed final dividend) for the year amounted to approximately RMB7,893 million, representing 30.1% of net profit attributable to shareholders of the Company. Moving forward, the Company will remain steadfast in sharing the operating results with investors and strive to reward your support with robust business performance.

Looking ahead, the prospects of Chinese economy remain promising, with high-quality development demonstrating strong vitality and momentum. The year 2025 marks the first year of the comprehensive implementation of Guidelines to Enhance Regulation, High-quality Development and Risk Prevention of the Insurance Sector (新國十條), creating vast space for the industry's growth. **On the liability side**, with the stable development, transformation and upgrading of China's economy, as well as the arrival of the silver economy, insurance products have the deterministic advantages of transcending cycles, can meet people's comprehensive needs across the whole-life cycle, including health management, pension security and wealth management. **On the asset side**, a series of policies supporting medium- and long-term capital investment has been implemented, creating a favorable and flexible policy space for insurance companies to develop a long-term and robust assets allocation plan across cycle. It is conducive to insurance funds to give full play to the advantages of long-term, patient, and high-energy level strategic capital, so that medium- and long-term insurance funds can not only preserve and increase their value, help the stable and healthy operation of the capital market, but also support China's economic transformation and industrial upgrading. The Company must seize the valuable opportunities in the future, elevate its strategic positioning, broaden its vision, and proactively integrate itself into China's overall development. Capitalizing on the favorable policies of supporting medium- and long-term capital investment, the vigorous development of commercial annuity insurance, floating-benefits products transformation, and the promotion of old-age care services, the Company will seek breakthroughs for the synergistic growth of insurance, investment and service, and fully unleash its development potential to boost its high-level and high-quality development.

In the new year, New China Life will be hardworking and down-to-earth. Focusing on the core objective of enhancing market competitiveness, the Company will advance reform and transformation with greater resolve and decisive action, strive to elevate its development capabilities and contribute to the building of a strong financial power.

In the new year, the Company will further practice the "big insurance philosophy" and enhance its capacity to serve national development. With a big picture in mind, the Company will develop a broad market, build strong institutions, perform large functions and make sound investments, and integrate its development into the national and regional economic and social development. The Company will play the functions of patient capital and high-energy level strategic capital, and fully participate in the silver economy. The supply of old-age finance and service will be broadened and more investment will be added in the old-age care industry. The service ecosystem will also be improved to enhance service quality and efficiency for customers, and drive the development of upstream and downstream industrial chains, becoming a bridge and pivot connecting the real economy.

In the new year, the Company will establish a new concept of modern marketing and deepen the customer-centric strategic transformation. The multi-dimensional and multi-tiered product supply system will be improved to deliver more inclusive, affordable and diversified insurance products for the public. Professional service capabilities of sales team will be enhanced to create a professional, career-oriented development path with high stability. The Company will practice the customer-centric cultural value, maintain reverence for every penny of the premium, and commit itself to safeguarding people's aspirations for a better life.

In the new year, the Company will act as both a participant and builder of the ecosystem, and operate its business with an ecological and holistic view. The ecosystem for medical care, healthcare and old-age care service will be improved to enrich and upgrade services in ten major fields, and a distinctive and competitive service system will be set up to meet customers' diversified needs for healthcare, old-age care, medical care, wealth management, legal, tax, commerce, education, leisure and culture services. The Company will refine the wealth management service ecosystem and promote the main business of wealth management to become an integrated financial service provider and meet people's needs for wealth planning, management and inheritance.

In the new year, the Company will reinforce and optimize the investment sector to build industry-leading investment management. Efforts will be made to strengthen capabilities of investment research, trading, collaboration, risk control and digitalization to consolidate and enhance the core competitiveness on the asset side. Closely following national development strategies, the Company will continue to optimize assets allocation structure, promote industrial collaboration and effectively support the development of the capital market and real economy.

In the new year, the Company will comprehensively implement an innovation-driven development strategy and advance innovation across all areas of operation and management. The system and mechanism innovation will be deepened, and coordinated efforts will be made in multiple dimensions including system innovation, management optimization, organizational upgrading, product pricing, service innovation, talent cultivation, and risk prevention and control, etc. The Company will promote the application of large models and new technologies such as DeepSeek, embed innovative concepts, awareness and capabilities into the workflows. The new model that integrates new technologies with the operation and management of insurance company will be explored to revitalize growth momentum through innovation, and enhance sustainable development capabilities.

Starlight does not question night travelers, and time does not fail diligent strivers. In 2025, the Company will unswervingly advance along the path of financial development with Chinese characteristics, shoulder the responsibility and mission of serving the nation and the people through finance. With ambitious aspirations and dedicated actions, the Company will leverage high-quality Party building to steer high-quality development, strive to build a financial service group with insurance business at its core, and pursue higher-level, higher-quality, and higher-energy growth to help build a strong financial power and contribute to Chinese path to modernization.

YANG Yucheng
Chairman
27 March 2025

SECTION 4

MANAGEMENT DISCUSSION AND ANALYSIS

I. FINANCIAL ANALYSIS

(I) Major accounting data and financial indicators

Unit: RMB in millions

Key accounting data	2024	2023	Change	2022[1]	2021[1]	2020[1]
Total revenues	**132,044**	72,254	82.7%	209,481	220,027	203,858
Profit before income tax	**28,141**	5,515	410.3%	6,507	15,670	15,491
Net profit attributable to shareholders of the Company	**26,229**	8,712	201.1%	9,822	14,947	14,294
Net cash flows from operating activities	**96,290**	91,548	5.2%	89,385	73,853	67,179

	As at 31 December 2024	As at 31 December 2023	Change	As at 31 December 2022[(1)]	As at 31 December 2021[(1)]	As at 31 December 2020[(1)]
Total assets	**1,692,297**	1,403,257	20.6%	1,255,044	1,127,721	1,004,376
Total liabilities	**1,596,028**	1,298,165	22.9%	1,152,139	1,019,207	902,696
Equity attributable to shareholders of the Company	**96,240**	105,067	-8.4%	102,884	108,497	101,667

Note:

1. The data of 2022, 2021 and 2020 in the above table is under IFRS 4 and IAS 39, similarly hereinafter.

Key financial indicators	2024	2023	Change	2022	2021	2020
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	**8.41**	2.79	201.4%	3.15	4.79	4.58
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	**8.41**	2.79	201.4%	3.15	4.79	4.58
Weighted average return on equity attributable to shareholders of the Company	**25.88%**	7.94%	17.94pt	9.29%	14.22%	15.36%
Weighted average net cash flows from operating activities per share (RMB)	**30.86**	29.34	5.2%	28.65	23.67	21.53

	As at 31 December 2024	As at 31 December 2023	Change	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Net assets per share attributable to shareholders of the Company (RMB)	**30.85**	33.68	-8.4%	32.98	34.77	32.59

(II) Other key financial and regulatory indicators

Unit: RMB in millions

Indicators	2024/As at 31 December 2024	2023/As at 31 December 2023	Change	2022/As at 31 December 2022[1]	2021/As at 31 December 2021	2020/As at 31 December 2020
Reinsurance contracts assets	**10,812**	9,802	10.3%	10,590	–[3]	–
Insurance contract liabilities	**1,366,090**	1,146,497	19.2%	1,013,191	–	–
Insurance revenue	**47,812**	48,045	-0.5%	56,878	–	–
Insurance service expenses	**(31,575)**	(33,252)	-5.0%	(33,789)	–	–
Net expenses from reinsurance contracts held	**(335)**	(767)	-56.3%	706	–	–
Finance expenses from insurance contracts issued	**(61,185)**	(26,800)	128.3%	(43,129)	–	–
Finance income from reinsurance contracts held	**338**	261	29.5%	220	–	–
Surrender rate[2]	**1.9%**	1.9%	0.0pt	1.8%	2.0%	1.5%

Notes:

1. The data of 2022 in the above table is restated according to the requirements of IFRS 17. The transition date of IFRS 17 was 1 January 2022.

2. Surrender rate = surrenders/(balance of life insurance and long-term health insurance contract liabilities at the beginning of the period + premium income of long-term insurance contracts). The indicator is calculated on the basis of IFRS 4.

3. "–" represents N/A.

(III) The reasons of the change of main financial indicators

Unit: RMB in millions

Indicators	2024/As at 31 December 2024	2023/As at 31 December 2023	Change	Main reason(s) for change
Total assets	**1,692,297**	1,403,257	20.6%	Growth of insurance business and the continuous growth of investment assets
Total liabilities	**1,596,028**	1,298,165	22.9%	Growth of insurance contract liabilities
Equity in total	**96,269**	105,092	-8.4%	Increase of finance expenses from insurance contracts issued included in other comprehensive income
Net profit attributable to shareholders of the Company	**26,229**	8,712	201.1%	Affected by the booming capital market, the investment performance in 2024 increased year-on-year

(IV) The discrepancy between the P.R.C. GAAP and the IFRS

There is no difference between the consolidated net profit of the Company for the year 2024 and the consolidated equity of the Company as at 31 December 2024 as stated in the financial statements prepared in accordance with the IFRS and the P.R.C. GAAP.

(V) The items and reasons for the change beyond 30% in the consolidated financial statements

Unit: RMB in millions

Balance sheet	As at 31 December 2024	As at 31 December 2023	Change	Main reason(s) for change
Investment in associates and joint ventures	**30,245**	5,174	484.6%	Increase of investment in joint venture
Debt investments at fair value through other comprehensive income	**470,366**	347,262	35.4%	Increase of investment in government bonds
Equity investments designated at fair value through other comprehensive income	**30,640**	5,370	470.6%	Increase of investments in stocks
Deferred tax assets	**19,678**	10,709	83.8%	Increase in deductible temporary differences
Other assets	**9,658**	14,385	-32.9%	Decrease of investment clearing account receivables
Cash and cash equivalents	**38,432**	21,788	76.4%	Allocation of investment assets and the requirement of liquidity management
Borrowings	**30,384**	20,262	50.0%	Issuance of capital supplementary bonds
Financial liabilities at fair value through profit or loss	**8,549**	3,592	138.0%	Increase in payables to third party investors of controlled structured entities classified as equity investment
Financial assets sold under agreements to repurchase	**171,588**	106,987	60.4%	Allocation of investment assets and the requirement of liquidity management
Reserves	**(15,056)**	9,823	N/A	Increase of finance expenses from insurance contracts issued included in other comprehensive income

Unit: RMB in millions

Income statement	2024	2023	Change	Main reason(s) for change
Other investment income	**51,215**	(9,260)	N/A	The fair value fluctuations of financial assets at fair value through profit or loss, the dividend income from investment assets, and the realized gain trading investment assets increased year-on-year
Net expenses from reinsurance contracts held	**(335)**	(767)	-56.3%	Mainly due to the recognized amounts of the allocation of ceded premiums vary in different years
Finance expenses from insurance contracts issued	**(61,185)**	(26,800)	128.3%	Increase in the amount of investment income of the underlying items of insurance contracts measured with variable fee model
Net impairment losses on financial assets	**(3,415)**	(307)	1,012.4%	Increase in expected credit losses on debt investment assets
Share of profits and losses of associates and joint ventures	**528**	(639)	N/A	Increase in investment income from joint ventures
Net impairment losses on other assets	**(1,190)**	–	N/A	Recognition of impairment losses on investment in associates and joint ventures
Other finance costs	**(3,166)**	(2,086)	51.8%	Increase of interest expense of financial assets sold under agreements to repurchase
Profit before income tax	**28,141**	5,515	410.3%	Increase of investment performance
Income tax expense	**(1,908)**	3,201	N/A	Increase of profit before income tax
Net profit for the year attributable to owners of the Company	**26,229**	8,712	201.1%	Increase of investment performance
Total other comprehensive income for the year, net of tax	**(30,710)**	(14,575)	110.7%	Increase of finance expenses from insurance contracts issued included in other comprehensive income

II. BUSINESS ANALYSIS

(I) Trend of Insurance Industry

In 2024, China's economy maintained stable progress. The new quality productive forces developed steadily, reform and opening-up were deepened, high-quality development solidly advanced, and market demands gradually recovered. All of these were favorable to the development of insurance business. However, the external environment remained complex and severe with more adverse impacts. Demands in insurance market remained relatively weak, and the asset side continued to face pressure. The release of the Guidelines to Enhance Regulation, High-quality Development and Risk Prevention of the Insurance Sector (新國十條) in September 2024 by the State Council provided a new top-level design and made systematic deployment for the development of China's insurance industry. Regulatory authorities have always upheld a principle of "strict and vigorous regulation with well-defined rules", fostering the standardized growth of life insurance industry. With a clearer and firmer orientation toward high-quality development, the life insurance industry achieved a sound growth as a whole.

(II) Insurance Business

In 2024, the Company adhered to the general principle of pursuing progress while ensuring stability, and proactively seized favorable opportunities for business development. The Company, insisting on value-oriented development strategy, focused on the growth of regular premium business, strengthened the construction of high-performing team, advanced product transformation toward diversified and longer-term structures, and strictly controlled business quality. Efforts were also made to deepen the integration of wealth management, old-age care and healthcare ecosystem with life insurance business to promote the rapid growth of core business.

Business volume

In 2024, the Company realized GWP of RMB170,511 million with year-on-year growth rate of 2.8%. First year regular premiums from long-term insurance business totaled RMB27,220 million, increasing by 15.6% year on year. Regular premiums with payment periods of ten years or more totaled RMB3,443 million, increasing by 19.2% year on year. Renewal premiums amounted to RMB127,925 million with annual growth rate of 5.5%.

New business value

The Company prudently lowered the non-unit-linked insurance funds investment return assumption to 4.0% and the risk discount rate to 8.5% for the evaluation of embedded value for the year 2024.The value of one year's new business realized RMB6,253 million, up by 106.8% year on year. The new business value margin reached 14.6% in 2024 based on first year premiums, increasing by 7.9 percentage points compared with NBV margin 6.7% of 2023.

Business structure

In 2024, the business structure of the Company continued to be optimized. First year regular premiums from long-term insurance business accounted for 70.1% of first year premiums from long-term insurance business, representing an increase of 12.6 percentage points over the corresponding period of last year. Regular premiums with payment periods of ten years or more accounted for 12.6% of first year regular premiums from long-term insurance business, with a slight improvement year on year. Renewal premiums accounted for 75.0% of GWP, maintaining a "solid contributor" to GWP. First year premiums from long-term traditional and participating insurance businesses in aggregate accounted for 96.5% of first year premiums from long-term insurance business, with their share remaining stable.

Business quality

In 2024, the Company deepened the "customer-centered" strategic transformation and optimized product structure. Meanwhile, the "XIN Generation" (XIN一代) initiative was implemented to advance the professional reform of agent team. Service quality and customer loyalty enhanced and business quality improved significantly. 13-month persistency ratio of individual life insurance business was 95.7%, representing a year-on-year increase of 5.9 percentage points. 25-month persistency ratio of individual life insurance business was 86.2%, up by 7.8 percentage points year on year. The surrender rate was 1.9% in 2024 remaining basically flat compared with the same period of last year.

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023	Change
GWP	**170,511**	165,903	2.8%
First year premiums from long-term insurance business	**38,811**	40,900	-5.1%
Regular premiums	**27,220**	23,538	15.6%
Regular premiums with payment periods of ten years or more	**3,443**	2,888	19.2%
Single premiums	**11,591**	17,362	-33.2%
Renewal premiums	**127,925**	121,270	5.5%
Premiums from short-term insurance business	**3,775**	3,733	1.1%

Notes:

1. Numbers may not be additive due to rounding. Similarly hereinafter.

2. The GWP and premiums mentioned above are calculated pursuant to IFRS 4. Similarly hereinafter.

1. *Analysis by distribution channels*

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023	Change
Individual insurance channel			
First year premiums from long-term insurance business	**13,718**	11,707	17.2%
Regular premiums	**13,235**	11,058	19.7%
Single premiums	**483**	649	-25.6%
Renewal premiums	**101,071**	102,469	-1.4%
Premiums from short-term insurance business	**1,181**	1,400	-15.6%
Total	**115,970**	115,576	0.3%
Bancassurance channel			
First year premiums from long-term insurance business	**24,905**	29,073	-14.3%
Regular premiums	**13,873**	12,437	11.5%
Single premiums	**11,032**	16,636	-33.7%
Renewal premiums	**26,755**	18,736	42.8%
Premiums from short-term insurance business	**14**	15	-6.7%
Total	**51,674**	47,824	8.1%
Group insurance			
First year premiums from long-term insurance business	**188**	120	56.7%
Renewal premiums	**99**	65	52.3%
Premiums from short-term insurance business	**2,580**	2,318	11.3%
Total	**2,867**	2,503	14.5%
GWP	**170,511**	165,903	2.8%

(1) Individual life insurance business

① *Individual insurance channel*

For the individual insurance channel, the Company focused on value growth and adhered to the transformation strategy of "diversified, long-term and high-value" growth. Prioritizing high-performing agents and recruiting potential agents, the Company improved the performance-based honor system, and accelerated the transformation and development of sales team with the implementation of the "XIN Generation" (XIN一代) initiative. The Company also enhanced customer services, and strengthened ecosystem synergy to empower marketing capabilities. The Company comprehensively elevated its operation and management, pursued compliance management and achieved steady growth in core business.

The "XIN Generation" (XIN一代) initiative is a holistic, systematic and leapfrogging transformation that evolving from vision to implementation. **In terms of system upgrading**, the Company adhered to long-termism in team building and prioritized management, high-performing agent and strong leadership. The basic law and supporting systems continued to be optimized. The "XIN Generation" honor system will be unveiled in 2025 to broaden the pathway to recruit and cultivate agents and drive the vertical growth of high-performing agents. **In terms of model innovation**, pilot subordinated institutions have taken the lead in completing trial runs of the "XIN Process"for recruiting agents and implementing the skill-integrated "Consultative Recruitment Curriculum". Supporting systems and policies have been improved to explore replicable development model. **In terms of team cultivation**, the Company launched the "Whole Life-cycle Planner (**WLP**)" training system, structured around three core modules, including career development, professional certification and professional skills. The system equips WLP with interdisciplinary expertise and knowledge to address the insurance protection and financial needs of customers and their families across their whole life cycle, delivering personalized services including personal security, healthcare, old-age care, wealth management and children's education. **In terms of platform empowerment**, the Company has built a digital recruitment platform that empowers all agent recruitment and management process – from front-end talent assessment to back-end activity volume management. The system is complemented by a series of ecosystem resources spanning medical care, healthcare, old-age care, wealth management, legal, tax, commerce, education, leisure and culture services, offering all-round support for team development.

In 2024, individual insurance channel realized premiums of RMB115,970 million with annual growth rate of 0.3%. The first year regular premiums from long-term insurance business amounted to RMB13,235 million, representing an increase of 19.7% year on year. The agent headcounts in individual insurance channel totaled 136,400. The monthly average number of high-performing agents(1) reached 15,500, increasing by 4% year on year. The monthly average high-performing rate(2) was 10.9%, up by 2.3 percentage points year on year. The monthly average number of agents with FYC over RMB10,000(1) totaled 3,500, representing an increase of 28% year on year. The monthly average number of agents with FYC over RMB10,000(2) accounted for 2.5% of monthly average agent headcounts, up by 0.9 percentage point year on year. The monthly average comprehensive productivity per capita(3) was RMB8,100, representing an increase of 41% year on year.

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Notes:

1. Monthly average number of high-performing agents = (∑ number of high-performing agents in a month)/the number of months in the reporting period. The calculation formulas for monthly average number of agents with FYC over RMB10,000 is the same, where monthly number of high-performing agents (agents with FYC over RMB10,000) refers to the number of agents who have issued one insurance policy or more (including card-type short-term accident insurance policy) which are not cancelled by policy holders in a month and whose FYC in the month is equal to or greater than RMB3,000 (RMB10,000).

2. Monthly average high-performing rate = monthly average number of high-performing agents/monthly average number of agents * 100%. The calculation formulas for the proportion of monthly average agents with FYC over RMB10,000 is the same, where monthly average number of agents = {∑ [(number of agents at start of the month + number of agents at end of the month)/2]}/the number of months in the reporting period.

3. Monthly average comprehensive productivity per capita = monthly average first year regular premiums/monthly average number of agents.

② *Bancassurance channel*

For bancassurance channel, the Company strictly observed the regulation on aligning fee experience with registered assumptions, promoted business development and optimized business structures with greater resolve, and proactively built a new ecosystem for banking and insurance cooperation. The Company enriched product supply, focused on regular premium business, enhanced value contribution and achieved increases in both premium income and value margin. The Company implemented a differentiated and customized strategy for each bank, optimized layouts, expanded cooperation, and deepened network operations. Business volume with important bank partners achieved significant growth. The Company strengthened the development of high-performing team and intensified efforts to support and empower business, and team productivity improved significantly.

In 2024, bancassurance channel realized premiums of RMB51,674 million, increasing by 8.1% year on year. First year regular premiums from long-term insurance business reached a historical high of RMB13,873 million, representing an increase of 11.5% year on year. Renewal premiums totaled RMB26,755 million, up by 42.8% year on year.

(2) Group insurance business

The group insurance further optimized the top-level design, advanced the reform and transformation to promote the healthy development of business. Meanwhile, the Company worked hard to meet the requirements of developing "five target areas", namely technology finance, green finance, inclusive finance, pension finance and digital finance, continued to strengthen underwriting for customers in key national strategy areas such as technological innovation, green development and inclusive finance. The Company provided protection for enterprise customers in key national strategy areas with the sum assured over RMB3 trillion. The Company continued to promote policy-oriented insurance business and helped build a multi-level medical security system and expanded its coverage. The Company participated in 36 people-benefiting insurance projects in 18 provinces and municipalities, which offered richer medical security for insured people.

In 2024, group insurance realized premiums of RMB2,867 million, representing a year-on-year increase of 14.5%. First year premiums from long-term insurance business amounted to RMB188 million with annual growth rate of 56.7%. The Company realized premiums of RMB949 million from policy-oriented health insurance[(1)], representing an increase of 29.3% year-on-year, covering 19.31 million customers.

Note:

1. Premiums from policy-oriented health insurance do not include entrusted fund business.

2. *Analysis by types of insurance products*

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023	Change
GWP	**170,511**	165,903	2.8%
Traditional insurance	**88,887**	80,836	10.0%
First year premiums from long-term insurance business	**36,530**	39,230	-6.9%
Renewal premiums	**52,259**	41,505	25.9%
Premiums from short-term insurance business	**98**	101	-3.0%
Participating insurance[1]	**28,278**	29,696	-4.8%
First year premiums from long-term insurance business	**918**	9	10,100.0%
Renewal premiums	**27,360**	29,687	-7.8%
Premiums from short-term insurance business	–	–	–
Health insurance	**52,527**	54,396	-3.4%
First year premiums from long-term insurance business	**1,363**	1,661	-17.9%
Renewal premiums	**48,245**	50,021	-3.6%
Premiums from short-term insurance business	**2,919**	2,714	7.6%
Accident insurance	**758**	918	-17.4%
First year premiums from long-term insurance business	–	–	–
Renewal premiums	–	–	–
Premiums from short-term insurance business	**758**	918	-17.4%
Universal insurance[1]	**61**	57	7.0%
First year premiums from long-term insurance business	–	–	–
Renewal premiums	**61**	57	7.0%
Premiums from short-term insurance business	–	–	–

Note:

1. Participating health insurance is included in the participating insurance. Universal health insurance is included in the universal insurance.

In 2024, due to the changes in the economic environment, consumption demands and distribution channel development, etc, first year premiums from long-term traditional insurance and health insurance decreased compared with last year. Meanwhile, the Company seized development opportunities, optimized product offerings and accelerated development path. First year premiums from long-term participating insurance rose significantly compared with last year.

3. *Analysis by branches*

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023	Change
GWP	**170,511**	165,903	2.8%
Shandong Branch	**16,546**	15,881	4.2%
Henan Branch	**11,665**	11,663	0.0%
Beijing Branch	**11,410**	11,600	-1.6%
Zhejiang Branch	**10,662**	9,877	7.9%
Guangdong Branch	**9,420**	8,917	5.6%
Shaanxi Branch	**8,868**	8,514	4.2%
Hubei Branch	**8,088**	7,973	1.4%
Jiangsu Branch	**7,954**	7,446	6.8%
Inner Mongolia Branch	**6,456**	6,658	-3.0%
Hunan Branch	**6,234**	6,216	0.3%
Other Branches	**73,208**	71,158	2.9%

In 2024, about 57.1% of GWP of the Company were derived from ten branches in populous areas or developed regions such as Shandong, Henan and Beijing.

4. *Insurance products*

(1) Product highlights

In 2024, the Company launched 58 new products and provided customers with comprehensive insurance protection including illness, old-age care, accident, medical care and wealth management. **In terms of healthcare**, the Company upgraded core product series such as Multiple Protection (多倍保) and Health Guard (健康無憂) to meet personalized and differentiated needs of customers. The Company also innovated products design and launched Jinfumantang (金福滿堂) combination plan and Zhiying Edition of Kangjian Jishun (康健吉順智贏版). **In terms of wealth management**, the Company enriched fund planning products with various insurance periods to adapt to market changes, strengthened asset-liability synergy, and introduced floating-benefits products. **In terms of pension plan**, the Company responded to population aging and enriched product supply such as exclusive commercial pension insurance and individual pension insurance, supporting the construction of a multi-level and multi-pillar pension insurance system. **In terms of inclusive system**, the Company provided personalized insurance protection for new business forms, new citizens, and middle aged and elderly people, and enhanced product supply in key areas such as rural revitalization and special groups of the elderly and children, thereby helping ensure and improve people's livelihoods.

(2) The top 5 insurance products in terms of premium income

Unit: RMB in millions

Rank	Product	Original premium income for the year 2024	Main distribution channel	Surrender value
1	Rongzunshijia whole life insurance 榮尊世家終身壽險	10,626	Bancassurance channel	143
2	Rongxinshijia whole life insurance 榮欣世家終身壽險	8,483	Bancassurance channel	47
3	Rongyaoxinxiang celebration edition whole life insurance 榮耀鑫享慶典版終身壽險	7,357	Individual insurance channel	15
4	Xinrongyao whole life insurance 鑫榮耀終身壽險	7,233	Individual insurance channel	38
5	Ronghuashijia whole life insurance 榮華世家終身壽險	6,038	Bancassurance channel	415

Rank	Product	First year premiums for the year 2024
1	Rongxinshijia whole life insurance 榮欣世家終身壽險	7,734
2	Rongyaoxinxiang celebration edition whole life insurance 榮耀鑫享慶典版終身壽險	6,961
3	Rongyaoxinxiang winner edition whole life insurance 榮耀鑫享贏家版終身壽險	5,022
4	Wenliduo endowment insurance 穩利多兩全保險	4,661
5	Rongshengshijia whole life insurance 榮盛世家終身壽險	3,166

5. *Top five customers*

During the reporting period, the premium income of top five customers accounted for about 0.58% of GWP of the Company, and there was no related party of the Company. In view of the Company's business nature, the Company has no suppliers directly related to its business.

6. *Business quality*

For the 12 months ended 31 December	2024	2023	Change
Persistency ratio of individual life insurance business			
13-month persistency ratio(1)	**95.7%**	89.8%	5.9pt
25-month persistency ratio(2)	**86.2%**	78.4%	7.8pt

Notes:

1. 13-month persistency ratio = premiums under in-force regular premium life insurance policies 13 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.

2. 25-month persistency ratio = premiums under in-force regular premium life insurance policies 25 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.

7. *Analysis of insurance revenue and insurance service expenses*

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023	Change
Insurance revenue			
Contracts measured with premium allocation approach	**3,686**	3,887	-5.2%
Contracts not measured with premium allocation approach	**44,126**	44,158	-0.1%
Total	**47,812**	48,045	-0.5%
Insurance service expenses			
Contracts measured with premium allocation approach	**(4,390)**	(4,334)	1.3%
Contracts not measured with premium allocation approach	**(27,185)**	(28,918)	-6.0%
Total	**(31,575)**	(33,252)	-5.0%
Insurance service result of insurance contracts issued	**16,237**	14,793	9.8%

In 2024, insurance service result of insurance contracts issued increased by 9.8% compared with last year, of which, the insurance revenue decreased by 0.5% compared with last year. The insurance service expenses decreased by 5.0% compared with last year.

8. *Analysis on insurance contract liabilities*

Unit: RMB in millions

Component	As at 31 December 2024	As at 31 December 2023	Change
Liabilities for remaining coverage	1,351,634	1,132,990	19.3%
Liabilities for incurred claims	14,456	13,507	7.0%
Insurance contract liabilities in total	1,366,090	1,146,497	19.2%
Insurance contracts not measured with premium allocation approach	1,363,507	1,144,021	19.2%
Insurance contracts measured with general model	707,113	532,445	32.8%
Insurance contracts measured with variable fee approach	656,394	611,576	7.3%
Insurance contracts measured with premium allocation approach	2,583	2,476	4.3%
Insurance contract liabilities in total	1,366,090	1,146,497	19.2%
Including: Contractual service margin for issued insurance contracts	175,867	169,004	4.1%

For the 12 months ended 31 December	2024	2023	Change
Contractual service margin for insurance contracts issued on initial recognition in the period	10,997	6,167	78.3%

In 2024, insurance contract liabilities increased by 19.2% compared with the end of the previous year, of which liabilities for remaining coverage increased by 19.3% compared with the end of last year, insurance contracts measured with general model increased by 32.8% compared with the end of the previous year.

9. Analysis on reinsurance contract assets

Unit: RMB in millions

Component	As at 31 December 2024	As at 31 December 2023	Change
Reinsurance contract for remaining coverage	9,643	8,805	9.5%
Reinsurance contract for incurred claims	1,169	997	17.3%
Reinsurance contract assets	10,812	9,802	10.3%
Contracts not measured with premium allocation approach	10,727	9,706	10.5%
Contracts measured with premium allocation approach	85	96	-11.5%
Reinsurance contract assets	10,812	9,802	10.3%

In 2024, reinsurance contract assets increased by 10.3% compared with the end of the previous year.

(III) Asset management business

In 2024, the Company was firmly optimistic about China's economic development, and leveraged the strengths of long-term, patient and strategic capital to actively underpin the real economy and advanced the "five target areas". The asset management business has followed the fundamental principle of value-oriented and long-term investment. In terms of asset allocation, the Company has taken fixed-income assets with long duration and stable cash flow as the ballast stone to meet the requirements of asset-liability matching, supplemented by balanced equity assets to improve long-term investment returns.

In terms of fixed-income assets, the interest rates represented by 10-year treasury bonds continued to decline. High-yield assets were still scarce. The Company, on the one hand, effectively undertook large-scale assets allocation and alleviated relevant pressures through investment in long-duration interest rate bonds, and appropriately extended assets duration to narrow the duration gap between assets and liabilities. On the other hand, the Company actively looked for high-quality projects and took measures to effectively prevent credit risks.

In terms of equity investment, the Company has always adhered to a steady and prudent approach, and fully leveraged the advantages of insurance funds as patient capital to shift toward equity investments designated at fair value through other comprehensive income, such as high-dividend assets for holding purpose. Meanwhile, the Company seized phased and structural opportunities and adopted effective measures to mitigate downside market risks. The equity investments designated at fair value through other comprehensive income increased from RMB5,370 million at the beginning of the year to RMB30,640 million as of the end of 2024, with growth rate of 470.6%.

In 2024, the comprehensive investment yield of investment portfolio was 8.5%, the total investment yield 5.8%, and the net investment yield 3.2%.

1. *Investment portfolio*

Unit: RMB in millions

As at 31 December	2024 Amount	2024 Proportion	2023 Amount	2023 Proportion	Amount change
Investment assets	**1,629,361**	**100%**	1,345,475	100%	21.1%
Classified by investment type					
Cash and cash equivalents	**38,432**	**2.4%**	21,788	1.6%	76.4%
Term deposits	**282,458**	**17.3%**	255,984	19.0%	10.3%
Financial investments					
Bonds	**849,493**	**52.1%**	673,656	50.1%	26.1%
Equity investment plans	**20,174**	**1.2%**	12,139	0.9%	66.2%
Debt investment plans[1]	**18,563**	**1.1%**	39,174	2.9%	-52.6%
Trust products	**17,912**	**1.1%**	40,765	3.0%	-56.1%
Stocks[2]	**180,795**	**11.1%**	106,211	7.9%	70.2%
Funds	**126,324**	**7.7%**	84,632	6.3%	49.3%
Other financial investments[3]	**48,564**	**3.0%**	89,442	6.7%	-45.7%
Investments in associates and joint ventures	**30,245**	**1.9%**	5,174	0.4%	484.6%
Investment properties	**9,055**	**0.6%**	9,383	0.7%	-3.5%
Other investment assets[4]	**7,346**	**0.5%**	7,127	0.5%	3.1%
Classified by accounting methods					
Financial assets at fair value through profit or loss	**485,928**	**29.8%**	380,239	28.3%	27.8%
Financial assets at fair value through other comprehensive income[5]	**501,006**	**30.7%**	352,632	26.2%	42.1%
Financial assets measured at amortized cost[6]	**603,127**	**37.0%**	598,047	44.4%	0.8%
Investments in associates and joint ventures	**30,245**	**1.9%**	5,174	0.4%	484.6%
Investment properties	**9,055**	**0.6%**	9,383	0.7%	-3.5%

Notes:

1. Debt investment plans mainly consist of infrastructure and real estate funding projects.

2. Stocks include common stocks and preferred stocks.

3. Other financial investments include asset management plans, private equity, unlisted equity investments, perpetual bonds, certificates of deposit, etc.

4. Other investment assets mainly include statutory deposits, financial assets purchased under agreements to resell, dividend receivables and interest receivables, etc.

5. Financial assets at fair value through other comprehensive income are debt investments at fair value through other comprehensive income and equity investments designated at fair value through other comprehensive income.

6. Financial assets measured at amortized cost are debt investments at amortized cost, term deposits, cash and cash equivalents, etc.

2. *Investment income*

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023[6]	Change
Interest income from cash and cash equivalents	280	276	1.4%
Interest income from term deposits	8,747	8,504	2.9%
Interest and dividend income from financial investments	35,802	32,635	9.7%
Rental income from investment properties	321	413	-22.3%
Interest income from other investment assets[1]	133	213	-37.6%
Net investment income[2]	45,283	42,041	7.7%
Realized gains/(losses) on investment assets	2,733	(12,496)	N/A
Fair value gains/(losses) on investment assets	35,718	(5,935)	N/A
Impairment losses on investment assets	(4,575)	(307)	1,390.2%
Share of results of associates and joint ventures under equity method	528	(639)	N/A
Total investment income[3]	79,687	22,664	251.6%
Other comprehensive income	35,274	9,951	254.5%
Comprehensive investment income[4]	114,961	32,615	252.5%
Net investment yield[5]	3.2%	3.4%	-0.2pt
Total investment yield[5]	5.8%	1.8%	4.0pt
Comprehensive investment yield[5]	8.5%	2.6%	5.9pt

Notes:

1. Interest income from other investment assets includes interest income from statutory deposits and financial assets purchased under agreements to resell, etc.

2. Net investment income includes interest and dividend income from cash and cash equivalents, term deposits, financial investments and rental income from investment properties.

3. Total investment income = net investment income + realized (losses)/gains on investment assets + unrealized gains/(losses) on investment assets + impairment losses on investment assets + share of results of associates and joint ventures under equity method.

4. Comprehensive investment income = total investment income + net fair value of other debt investments at fair value through other comprehensive income and other equity investments designated at fair value through other comprehensive income for the reporting period.

5. Investment yield = (investment income – interest expenses of financial assets sold under agreements to repurchase)/(monthly average investment assets – monthly average financial assets sold under agreements to repurchase – monthly average interest receivables).

6. Investment income for 2023 were restated according to the new regulatory requirements.

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Average investment yield for the previous three years

For Years 2022-2024	Average
Net investment yield	3.7%
Total investment yield	4.0%
Comprehensive investment yield	4.3%

3. *Investment in non-standard assets*

Most of the underlying assets of non-standard assets that the Company holds are loans in institutional financing of non-banking sectors, infrastructure financing, commercial real estate financing and consumption credit financing. The enterprises involved are industrial giants, including large financial institutions, central enterprises and important state-owned enterprises in the first and second tier cities. As at 31 December 2024, the non-standard assets amounted to RMB95,128 million, decreasing by RMB61,820 million compared with the end of last year, accounting for 5.8% of total investment assets, decreasing by 5.9 percentage points compared with the end of last year. The non-standard assets of the Company had good credit enhancement measures. Apart from financing entities which are exempted from credit enhancement requirements by regulatory authorities, most of non-standard assets are taken the following credit enhancement measures, such as mortgage and pledge, joint guarantee, repurchase agreement, and management of funds, ensuring that the non-standard assets are with high quality and low risk.

(1) Ratings

Excluding non-fixed income financial products and portfolio products issued by insurance asset management companies not requiring external ratings, the existing non-standard assets of the Company with AAA ratings accounted for 99.9% of total non-standard assets as at 31 December 2024. The overall credit risk was limited.

(2) Investment portfolio

Unit: RMB in millions

As at 31 December 2024	Amount	Proportion	Proportion change compared with the end of last year	Amount change compared with the end of last year
Non-standard financial assets				
– Equity investment plans	**20,174**	21.3%	13.6pt	8,035
– Trust products	**17,912**	18.8%	-7.2pt	(22,853)
– Debt investment plans	**18,563**	19.5%	-5.5pt	(20,611)
– Asset management plans	**15,302**	16.1%	-7.5pt	(21,805)
– Private equity investments	**14,065**	14.8%	6.3pt	750
– Unlisted equity investments	**7,359**	7.7%	2.8pt	(289)
– Others[1]	**1,753**	1.8%	-2.5pt	(5,047)
Total	**95,128**	100.0%		(61,820)

Note:

1. Others include asset-backed securities, etc.

(3) Major management institutions

Unit: RMB in millions

As at 31 December 2024 Top 5 management institutions of financial products	Paid amount	Proportion
New China Asset Management Co., Ltd.	46,641	49.0%
Taikang Asset Management Co., Ltd.	8,753	9.2%
CICC Capital Management Co., Ltd.	8,192	8.6%
Zhongrong International Trust Co., Ltd.	5,524	5.8%
China Insurance Investment Co., Ltd.	4,421	4.7%
Total	73,531	77.3%

(IV) Analysis on profit sources

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023	Change
Insurance service result and others	12,467	11,476	8.6%
Including: Insurance revenue	47,812	48,045	-0.5%
Insurance service expenses	(31,575)	(33,252)	-5.0%
Investment performance	15,674	(5,961)	N/A
Including: Total net investment income[(1)]	76,521	20,578	271.9%
Net insurance finance expenses for insurance contracts issued[(2)]	(60,847)	(26,539)	129.3%
Profit before income tax	28,141	5,515	410.3%
Income tax	(1,908)	3,201	N/A
Net profit	26,233	8,716	201.0%

Notes:

1. Total net investment income = total investment income – other finance costs.

2. Net insurance finance expenses for insurance contracts issued include finance expenses from insurance contracts issued and finance income from reinsurance contracts held.

III. ANALYSIS BY COMPONENT

(I) Solvency

New China Life Insurance Company Ltd. calculated and disclosed core capital, actual capital, minimum capital, core solvency margin ratio and comprehensive solvency margin ratio according to the Solvency Regulatory Rules II for Insurance Companies and other requirements. Solvency margin ratios of a domestic insurance company in the P.R.C. must meet the prescribed thresholds.

Unit: RMB in millions

	As at 31 December 2024	As at 31 December 2023	Reason(s) of change
Core capital	**156,883**	145,069	Movements in discount rate and fair value of financial assets and growth in insurance business
Actual capital	**275,089**	257,252	The reasons mentioned above and the issuance of capital supplementary bonds of RMB10,000 million by the Company
Minimum capital	**126,447**	92,393	Growth and structural changes in insurance and investment businesses
Core solvency margin ratio[1]	**124.07%**	157.01%	
Comprehensive solvency margin ratio[1]	**217.55%**	278.43%	

Note:

1. Core solvency margin ratio = core capital/minimum capital, comprehensive solvency margin ratio = actual capital/minimum capital.

(II) Liquidity

1. Gearing ratio

	As at 31 December 2024	As at 31 December 2023
Gearing ratio[1]	**94.3%**	92.5%

Note:

1. Gearing ratio = total liabilities/total assets.

2. *Consolidated statement of cash flows*

Unit: RMB in millions

For the 12 months ended 31 December	2024	2023	Change
Net cash flows from operating activities	**96,290**	91,548	5.2%
Net cash flows from investing activities	**(141,771)**	(156,649)	-9.5%
Net cash flows from financing activities	**62,029**	69,286	-10.5%

The net cash inflows from operating activities in 2024 increased by 5.2% compared with last year due to the increase of cash received from insurance premiums.

The net cash outflows from investing activities in 2024 decreased by 9.5% compared with last year due to the increase of cash received from disinvestments.

The net cash inflows from financing activities in 2024 decreased by 10.5% compared with last year because capital injected into structured entities by non-controlling interests decreased this year.

3. *Source and use of liquidity*

The principal cash inflows of the Company comprise insurance premiums, proceeds from disposals and maturity of investment assets and investment income. The liquidity risks with respect to these cash inflows primarily arise from surrenders of policyholders and contract holders, defaults by debtors, fluctuation of interest rate and other market fluctuations. The Company closely monitors and controls these risks.

The cash and bank deposits of the Company provided liquidity resources to satisfy the requirements of cash outflows. Substantially all of the Company's term deposits were available for utilization subject to interest losses. As of the end of the reporting period, cash and cash equivalents amounted to RMB38,432 million and term deposits amounted to RMB282,458 million. Moreover, the investment portfolio also provided liquidity resources to satisfy the requirements of unexpected cash outflows. As of the end of the reporting period, the book value of financial assets such as bonds, stocks and funds reached RMB1,156,612 million.

The principal cash outflows of the Company comprise paying for liabilities associated with various life insurance, annuity insurance, accident insurance and health insurance products, operating expenses, income taxes and dividends declared and payable to shareholders. Cash outflows arising from insurance activities primarily relate to benefit payments of insurance products, as well as payments for policy surrenders and policy loans.

The sources of liquidity are sufficient to meet the Company's current cash requirements.

(III) Insurance security fund

For the basis and amount provided for the insurance security fund, please refer to Note 30 to Consolidated Financial Statements of this report.

(IV) Reinsurance business

The Company's reinsurance business currently includes business ceded through quota share, surplus and catastrophe reinsurance contracts. The current reinsurance contracts cover almost all products with risks and obligations. The Company reasonably determines the retention limit and reinsurance ratio based on relevant regulations, its business development and risk management. The Company carefully selects reinsurers to ensure the safety of reinsurance business and obtains high-quality protection and services. The selection criteria for reinsurers include factors such as financial strength, credit rating, price, technical strength, consistency of underwriting and claim policies, and services on the premise of meeting regulatory requirements. Reinsurers of the Company mainly include Swiss Reinsurance Company Ltd. Beijing Branch, China Life Reinsurance Company Ltd., General Reinsurance AG Shanghai Branch, SCOR SE Beijing Branch, and Munich Reinsurance Company Beijing Branch, etc.

IV. FUTURE PROSPECTS

(I) Trend of Insurance Industry

China's long-term economic outlook remained positive with sustained release of market resilience and potential. The foundation for high-quality development is solidified. All of these create favorable conditions for the positive development of insurance industry. The Guidelines to Enhance Regulation, High-quality Development and Risk Prevention of the Insurance Sector (新國十條) explicitly outline three core missions including "strict regulation, risk prevention and high-quality development", and require the insurance sector to give full play to the functions and roles as economic shock absorber and social stabilizer, economic safety net, social security net and disaster prevention net, thus pointing out the direction for the high-quality development of insurance sector in the new era. Insurance company will keep abreast of the times and establish a "big insurance philosophy", thoroughly implement the "five target areas" in finance, focus on their main responsibilities and businesses, deepen reform and development, and enhance full life-cycle service capabilities. By integrating the mission to underpin the real economy, ensure people's wellbeing and serve technological innovation throughout their financial practices, insurance company will inject new momentum into building China into a financial power and advancing Chinese modernization.

(II) Development Strategy

The Company will take the supply-side structural reform as its main focus, seize development opportunities in healthcare, old-age care and wealth management for residents in the new era, and strive to improve the "customer-centric" development system. Efforts will be made to enhance core capabilities in insurance supply, service empowerment and investment management, prioritize strategic initiatives such as regional development, talent development, distribution channels, customer management and technology empowerment. The Company will promote innovation-driven development in all fields, including product, service, system and organization innovation. The Company will strengthen asset-liability synergy and better balance development with security. On the path toward Chinese modernization, the Company is committed to making its main insurance business larger, better and stronger, and fulfilling its role in ensuring the people's wellbeing and serving the real economy.

(III) Business Plan

In 2025, the Company will actively implement the new development philosophy, and adhere to the general principle of "seeking progress while maintaining stability". The Company will adhere to the customer-centric development philosophy to advance professional, market-oriented and systematic reforms. The Company will stick to the value-oriented concept, promote business transformation and industrial collaboration, balance development with security, focus on innovative reforms as well as risk prevention and control in key areas, improve the efficiency of resource allocation, and optimize guarantee support so as to secure results in the high-quality development.

(IV) Possible Risks and Measures to be Taken

1. *Possible risks*

   In 2025, the current social and economic development continues to be positive. However, the international environment is still complex and severe and the complexity of the internal and external environment still exists. The social and economic environment, demographic structure and customer needs have undergone great changes in recent years, the industry is still in deep adjustment and transformation, and risk prevention and control in key areas still need continuous attention.

2. *Measures to be taken*

   The Company will, in accordance with the requirements and standards of regulatory authorities, optimize comprehensive risk management system, further consolidate the foundation for risk management, and improve tools, mechanisms and systems for risk management to ensure the effective operation of the system.

SECTION 5
EMBEDDED VALUE

INDEPENDENT ACTUARY'S REPORT ON REVIEW OF EMBEDDED VALUE INFORMATION

To the Directors of New China Life Insurance Company Ltd.,

We have reviewed embedded value results ("EV Results") of New China Life Insurance Company Ltd. ("NCI" or "the company") as of 31 Dec 2024. Our review about EV results includes: embedded value and the value of one year's new business as of 31 Dec 2024, sensitivity analysis, and the analysis of change of the embedded value.

The methodology NCI used to calculate the embedded value and the value of one year's new business complies to "CAA Standards of Actuarial Practice: Appraisal of Embedded Value" ("Appraisal of Embedded Value") issued by the China Association of Actuaries ("CAA") in November 2016. As independent actuaries, it is our responsibility to review the EV results according to the review process as confirmed in the Letter of Engagement and to evaluate whether the methodology and assumptions used for calculating EV results are consistent with the requirement of Appraisal of Embedded Value and market information.

Scope of work

Our scope of work covered:

- A review of whether methodology and assumptions used for calculating the embedded value and the value of one year's new business as of 31 Dec 2024 are consistent with the requirement of Appraisal of Embedded Value and market information;

- A review of the embedded value and the value of one year's new business as of 31 Dec 2024;

- A review of the sensitivity tests of the value of in-force business and value of one year's new business as of 31 Dec 2024; and

- A review of the analysis of change of the embedded value from 31 Dec 2023 to 31 Dec 2024.

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

The calculation of embedded value relies greatly on predictions and assumptions, which include many economic/noneconomic assumptions and assumptions on financial position that company has no control of. Therefore, the actual experience and results may differ from prediction.

Opinion

Based on the scope of work and data reliance, we have concluded that:

- Based on our review, the embedded value methodology and assumptions used by NCI are consistent with the requirements of the "Appraisal of Embedded Value" and available market information.

- The embedded value results of all significant aspects are consistent with the methodology and assumptions shown in the Embedded Value section of 2024 annual report.

We confirm that the results shown in the Embedded Value section of 2024 annual report are consistent with those reviewed by us.

This report has been prepared pursuant to an engagement contract between PricewaterhouseCoopers Consulting (Shenzhen) Ltd., Beijing Branch and New China Life Insurance Company Ltd. This report is solely for the purpose set forth in the first and second paragraphs of this report and is for the use of board of directors of NCI only and is not to be used for any other purpose or to be distributed to any other parties. We expressly disclaim any liability or duty to any other party for the contents of this report and howsoever arising in connection with it.

Our work does not constitute an audit or other assurance engagement in accordance with applicable professional standards. Accordingly, we provide no audit opinion, attestation or other form of assurance with respect to our work or the information upon which our work was based.

Grace Jiang, FSA
Ben Cheng, FIA

PricewaterhouseCoopers Consultants (Shenzhen) Ltd., Beijing Branch
27 March 2025

1. BACKGROUND

In order to provide investors with an additional tool to understand our economic value and business results, we have prepared the Company's Embedded Value as of 31 Dec 2024 and have disclosed the relevant information in this section.

Embedded Value (EV) is an actuarially determined estimate of the economic value of the life insurance business of an insurance company based on a series of assumptions about future experience. But it does not incorporate the contribution of economic value from future new business. Value of New Business (VNB) represents an actuarially determined estimate of the economic value arising from new life insurance business issued during a certain period of time. Hence, the embedded value method can provide an alternative measure of the value and profitability of a life insurance company.

The reporting of embedded value and value of new business provides useful information to investors in two respects. First, Value of In-Force business (VIF) represents the total amount of after-tax shareholder distributable profits in present value terms, which can be expected to emerge over time, based on the assumptions used. Second, Value of New Business provides a metric to measure the value created for investors from new business activities and hence the potential growth of the company. However, the information on embedded value and value of new business should not be viewed as a substitute of financial measures under other relevant financial bases. Investors should not make investment decisions based solely on embedded value and value of new business information.

As standards for the disclosure of embedded value continue to develop internationally and in the PRC, the form and content of our presentation of embedded value may change. Hence, differences in definition, methodology, assumptions, accounting basis and disclosures may cause inconsistency when the results of different companies are compared. Also, embedded value calculations involve substantial technical complexity and estimates of value can vary materially as key assumptions are changed.

In November 2016, China Association of Actuaries (CAA) issued CAA [2016] No. 36 "CAA Standards of Actuarial Practice: Appraisal of Embedded Value" (hereafter referred to as "Appraisal of Embedded Value" standard). The embedded value and value of new business in this section are prepared by us in accordance with the "Appraisal of Embedded Value" standard. PricewaterhouseCoopers Consultants(Shenzhen) Ltd. performed a review of our embedded value. The review statement from PricewaterhouseCoopers Consultants(Shenzhen) Ltd is contained in the "Independent Actuary's Report on Review of Embedded Value Information" section.

2. DEFINITIONS OF EMBEDDED VALUE

Embedded value is the sum of the adjusted net worth and the value of in-force business allowing for the cost of required capital held by the company.

"Adjusted Net Worth" (ANW) 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" is the discounted value of the projected stream of future after-tax shareholder distributable profits for existing in-force business at the valuation date. The "value of one year's new business" is the discounted value of the projected stream of future after-tax shareholder distributable profits for sales in the 12 months immediately preceding the valuation date. Shareholder distributable profits are determined based on policy liabilities, required capital in excess of policy liabilities, and minimum capital requirement quantification standards prescribed by the National Administration of Financial Regulation ("former CBIRC").

The value of in-force business and the value of one year's new business have been determined using a traditional deterministic discounted cash flow methodology. This methodology is consistent with the "Appraisal of Embedded Value" standard and is also commonly-used in determining EVs of life insurance companies in China at the current time. This methodology makes implicit allowance for all sources of risks, including the cost of investment guarantees and policyholder options, asset/liability mismatch risk, credit risk, the deviation of the actual experience from the projected and the economic cost of capital, through the use of a risk-adjusted discount rate.

3. KEY ASSUMPTIONS

In determining the value of in-force business and the value of one year's new business as of 31 Dec 2024, we have assumed that the Company continues to operate as a going concern under the current economic and regulatory environment, and the relevant regulations for determining policy liabilities and required capital remain unchanged. The operational assumptions are mainly based on the results of experience analyses of the Company, together with reference to the overall experience of the Chinese life insurance industry, as well as with regard to expected future operating experience. As such, these assumptions represent our best estimates of the future based on information currently available at the valuation date.

(1) Risk Discount Rate

The risk discount rate used to calculate the value of in-force business and value of one year's new business is 8.5% p.a.

(2) Investment Returns

For non-investment-linked insurance funds, the future annual investment return is assumed to be 4.0%. For investment-linked funds, the future annual investment return is assumed to be 6.0%. These assumptions are based on the current capital market conditions, the Company's current and expected future asset allocations and investment returns for major asset classes.

(3) Mortality

Mortality assumptions have been developed based on the Company's past mortality experience, expectations of current and future experience. Mortality assumptions are expressed as a percentage of the standard industry mortality tables: "China Life Tables (2010 to 2013)".

(4) Morbidity

Morbidity assumptions have been developed based on the Company's past morbidity experience, expectations of current and future experience, and taking into consideration future morbidity deterioration trend. Morbidity assumptions are expressed as a percentage of "China Life Insurance Experienced Critical Illness Table (2020)".

(5) Invalidation Rate and Surrender Rate

Assumptions have been developed based on the Company's experience of invalidation and lapse, expectations of current and future experience, and overall knowledge of the Chinese life insurance market. Assumptions vary by product type and premium payment mode.

(6) Expenses

Unit cost assumptions have been developed based on the Company's past actual expense experience, expectations of current and future experience. Future inflation of 2.0% p.a. has been assumed in respect of per policy expenses.

(7) Commission and Handling Fees

The assumed level of commission and commission override, as well as handling fees, have been set based on the levels currently being paid.

(8) Policyholder Bonuses and Dividends

The assumptions regarding policyholder dividends have been derived in accordance with our current policyholder bonus and dividend policy, whereby 70% of surplus arising from participating business is paid to policyholders.

(9) Tax

Tax has been assumed to be payable at 25% p.a. of profits with allowance for the exemption of certain investment income, including Chinese government bonds, and dividend income from equities and equity investment funds. In addition, taxes and surcharges for short-term health and accident business are based on related tax regulation.

(10) Cost of Required Capital

It is assumed that the requirements under Solvency II Phase I is applied throughout the course of projection and 100% of the minimum capital requirement prescribed by the National Administration of Financial Regulation ("former CBIRC") is to be held by the Company in the calculation of the value of in-force business and the value of one year's new business.

(11) Other Assumptions

The current methods for calculating surrender values are in line with the requirements of National Administration of Financial Regulation ("former CBIRC") and have been assumed unaltered throughout the course of projection.

Our current reinsurance arrangements have been assumed to remain unaltered.

4. EMBEDDED VALUE RESULTS

The table below shows our embedded value and value of one year's new business as of 31 Dec 2024 and their corresponding results as of prior valuation date.

Embedded Value Unit: RMB in millions

Valuation Date	31 Dec 2024	31 Dec 2023
Adjusted Net Worth	**189,233**	162,783
Value of In-Force Business Before Cost of Required Capital Held	**104,223**	116,257
Cost of Required Capital Held	**(35,008)**	(28,529)
Value of In-Force Business After Cost of Required Capital Held	**69,215**	87,727
Embedded Value	**258,448**	250,510

Notes:

1. The impact of major reinsurance contracts has been reflected in the embedded value.

2. Numbers may not be additive due to rounding.

Value of One Year's New Business Unit: RMB in millions

Valuation Date	31 Dec 2024	31 Dec 2023
Value of One Year's New Business Before Cost of Required Capital Held	8,468	5,892
Cost of Required Capital Held	(2,215)	(2,868)
Value of One Year's New Business After Cost of Required Capital Held	6,253	3,024

Notes:

1. The first year premiums used to calculate the value of one year's new business as of 31 Dec 2024 and 31 Dec 2023 were RMB42,683 million and RMB44,941 million respectively.

2. The impact of major reinsurance contracts has been reflected in the value of one year's new business.

3. Numbers may not be additive due to rounding.

Value of One Year's New Business by Channel Unit: RMB in millions

Valuation Date	31 Dec 2024	31 Dec 2023
Individual insurance channel	4,025	2,934
Bancassurance channel	2,509	407
Group insurance channel	(281)	(318)
Total	6,253	3,024

Notes:

1. The first year premiums used to calculate the value of one year's new business as of 31 Dec 2024 and 31 Dec 2023 were RMB42,683 million and RMB44,941 million respectively.

2. The impact of major reinsurance contracts has been reflected in the value of one year's new business.

3. Numbers may not be additive due to rounding.

5. ANALYSIS OF CHANGE

The analysis of change in Embedded Value from 31 December 2023 to 31 December 2024 is shown below.

Unit: RMB in millions

Analysis of Change in EV from 31 December 2023 to 31 December 2024

1.	**EV at the beginning of period**	**250,510**
2.	Impact of Value of New Business	6,253
3.	Expected Return	16,514
4.	Operating Experience Variances	4,674
5.	Economic Experience Variances	20,357
6.	Operating Assumption Changes	(2,220)
7.	Economic Assumption Changes	(35,458)
8.	Capital Injection/Shareholder Dividend Payment	(4,336)
9.	Others	211
10.	Value Change Other Than Life Insurance Business	1,945
11.	**EV at the end of period**	**258,448**

Note: Numbers may not be additive due to rounding.

Items 2 to 10 are explained below:

2. Value of new business as measured at the point of issuing.

3. Expected return on adjusted net worth and value of in-force business during the relevant period.

4. Reflects the difference between the actual operating experience in the period (including mortality, morbidity, discontinuance rates, expenses, taxes and etc.) and the assumed at the beginning of the period.

5. Reflects the difference between actual and expected investment returns and market value adjustment in the period, etc.

6. Reflects the change in operating assumptions between valuation dates.

7. Reflects the change in economic assumptions between valuation dates.

8. Capital injection and other dividend payment to shareholders.

9. Other miscellaneous items.

10. Value change other than those arising from the life insurance business.

6. SENSITIVITY TESTS

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

Unit: RMB in millions

VIF and Value of One Year's New Business Sensitivity Results as of 31 Dec 2024	VIF after Cost of Required Capital Held	Value of One Year's New Business after Cost of Required Capital Held
Scenarios		
Base Scenario	**69,215**	**6,253**
Risk Discount Rate at 9.0%	64,101	5,881
Risk Discount Rate at 8.0%	74,751	6,660
Investment Return 50bps higher	104,023	9,310
Investment Return 50bps lower	34,273	3,182
Expenses 10% higher (110% of Base)	67,081	5,364
Expenses 10% lower (90% of Base)	71,349	7,141
Discontinuance Rates 10% higher (110% of Base)	70,802	6,033
Discontinuance Rates 10% lower (90% of Base)	67,497	6,488
Mortality 10% higher (110% of Base)	68,341	6,160
Mortality 10% lower (90% of Base)	70,093	6,348
Morbidity and Loss Ratio 10% higher (110% of Base)	63,490	5,918
Morbidity and Loss Ratio 10% lower (90% of Base)	74,987	6,587
Profit Sharing between Participating Policyholders and Shareholders is assumed to be 75%/25% instead of 70%/30%	65,424	6,249

SECTION 6

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

I. CURRENT DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

As of the date of the disclosure of this report, details of current directors, supervisors and members of senior management of the Company are set out below:

Unit: RMB10,000

Name	Position	Gender	Date of birth	Term of office	Remuneration received from the Company	Payment for various benefits, social security, housing provident fund, enterprise annuity, etc from the Company	Total remuneration (tax included) received from the Company during the reporting period	Whether receiving remuneration from related parties during the reporting period
YANG Yucheng	Chairman Executive Director	Male	June 1971	Since December 2023	165.55	32.95	198.50	No
GONG Xingfeng[(1)]	Executive Director President Chief Financial Officer (Financial Principal)	Male	October 1970	Since December 2024	126.00	27.71	153.71	No
HE Xingda[(2)]	Non-Executive Director	Male	September 1979	Since October 2021	–	–	–	Yes
YANG Xue	Non-Executive Director	Female	June 1974	Since October 2021	–	–	–	Yes
HU Aimin	Non-Executive Director	Male	December 1973	Since June 2016	–	–	–	Yes
LI Qiqiang	Non-Executive Director	Male	November 1971	Since August 2019	–	–	–	Yes
MA Yiu Tim	Independent Non-Executive Director	Male	October 1954	Since December 2019	27.00	–	27.00	No
LAI Guanrong	Independent Non-Executive Director	Male	December 1962	Since December 2022	27.00	–	27.00	No
XU Xu	Independent Non-Executive Director	Female	September 1978	Since December 2022	32.00	–	32.00	No
GUO Yongqing	Independent Non-Executive Director	Male	October 1974	Since December 2022	32.00	–	32.00	No
LIU Debin	Shareholder Representative Supervisor Chairman of the Board of Supervisors	Male	August 1967	Since June 2021	–	–	–	Yes
YU Jiannan	Shareholder Representative Supervisor	Male	March 1973	Since February 2018	–	–	–	Yes
LIU Chongsong	Employee Representative Supervisor	Male	October 1965	Since August 2019	213.96	44.12	258.08	No
WANG Zhongzhu	Employee Representative Supervisor	Male	October 1967	Since March 2016	74.32	32.21	106.53	No
QIN Hongbo	Vice President	Male	August 1975	Since November 2021	126.00	27.56	153.56	No
WANG Lianwen	Vice President	Male	April 1968	Since December 2022	126.00	31.55	157.55	No
LI Wenfeng[(3)]	Assistant President	Male	October 1981	Since February 2024	96.26	23.44	119.70	No
LIU Chen[(4)]	Assistant President	Female	August 1974	Since March 2024	88.31	34.90	123.21	No
LIU Zhiyong[(4)(5)]	Assistant President Board Secretary (Proposed appointment)	Male	March 1972	Since March 2024	85.88	31.02	116.91	No

Notes:

1. On 6 November 2024, the Second Extraordinary General Meeting of 2024 of the Company considered and approved the *Proposal on the Election of Mr. GONG Xingfeng as the Executive Director of the Eighth Session of the Board*. On 30 September 2024, the 25th meeting of the eighth session of the Board agreed to nominate Mr.GONG Xingfeng as a candidate for executive director of the eighth session of the Board and appoint Mr. GONG Xingfeng as the President of the Company. The 21st meeting of the eighth session of the Board held on 24 May 2024 agreed to appoint Mr. GONG Xingfeng as chief financial officer (financial principal) of the Company. In December 2024, Mr. GONG Xingfeng resigned from his positions as the chief actuary, the board secretary and joint company secretary of the Company due to work adjustment. In December 2024, the NFRA ratified the qualifications of Mr. GONG Xingfeng as a director, the president and the financial principal of the Company. Mr. GONG Xingfeng has confirmed that he has obtained the legal advice referred to in Rule 3.09D of the *Hong Kong Listing Rules* on 10 December 2024 and understood his obligation as the director of the Company under the *Hong Kong Listing Rules*.

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2. Mr. HE Xingda tendered his resignation from positions as a non-executive director, chairman of Investment Committee of the Board, member of Audit and Related Party Transaction Control Committee and Risk Management and Consumer Rights Protection Committee of the Board due to work related reasons in February 2025. As the resignation of Mr. HE Xingda would result in the number of the Board members of the Company falling below the requirements of the relevant laws and regulations and the *Articles of Association*. Mr. HE Xingda would maintain his directorship and respective responsibilities in the Board committees, until the qualification of newly-appointed director would be approved by the regulatory authority and the number of the Board members met the requirements of the relevant laws and regulations and the *Articles of Association*.

3. On 22 December 2023, the 13th meeting of the eighth session of the Board agreed to appoint Mr. LI Wenfeng as the assistant president of the Company. In February 2024, the NFRA ratified the qualification of Mr. LI Wenfeng as the assistant president of the Company.

4. On 25 January 2024, the 15th meeting of the eighth session of the Board agreed to appoint Ms. LIU Chen and Mr. LIU Zhiyong as assistant presidents of the Company. In March 2024, the NFRA ratified the qualifications of Ms. LIU Chen and Mr. LIU Zhiyong as assistant presidents of the Company.

5. On 9 December 2024, the 27th meeting of the eighth session of the Board agreed to appoint Mr. LIU Zhiyong as the board secretary and joint company secretary of the Company. His qualification as board secretary is still subject to the ratification of regulatory authority.

6. The remuneration of directors, supervisors and members of senior management of the Company shall be calculated for their relevant term of office during the reporting period. Total remuneration before income tax includes basic salaries, bonuses, allowances, subsidies, employee benefits and insurance premiums, provident funds, annuities and other forms of remuneration received from the Company. Similarly hereinafter.

7. The performance bonus for the employee representative supervisors and members of senior management in 2024 has not yet been finalized. Relevant details will be separately disclosed later.

II. RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The resigned directors, supervisors and members of senior management of the Company as of the date of the disclosure of this report are as follows:

Unit: RMB10,000

Name	Position	Gender	Date of birth	Term of office	Reason for change	Remuneration received from the Company	Payment for various benefits, social security, housing provident fund, enterprise annuity, etc from the Company	Total remuneration (tax included) received from the Company during the reporting period	Whether receiving remuneration from related parties during the reporting period
ZHANG Hong	Executive Director	Male	September 1964	From June 2021 to September 2024	Resignation due to his age	121.80	22.24	144.04	No
	President			From April 2023 to September 2024					
	Chief Risk Officer			From May 2024 to September 2024					
YANG Yi	Non-Executive Director	Male	February 1973	From July 2018 to December 2024	Resignation due to work related reasons	–	–	–	Yes
YANG Zheng	Vice President	Male	May 1970	From December 2016 to March 2024	Resignation due to work adjustment	25.61	6.00	31.61	No
	Chief Financial Officer (Financial Principal)			From February 2017 to March 2024					

III. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Biographies of Directors

As of the date of the disclosure of this report, the biographies of current directors of the Company are as follows:

Mr. YANG Yucheng, Chinese

Mr. YANG Yucheng has been the executive director and chairman of the Company since December 2023 and the secretary of the Party Committee of the Company since August 2023. From May 2019 to August 2023, Mr. Yang served as the deputy secretary of the Party Committee of Shenwan Hongyuan Group Co., Ltd. (a company listed on the SZSE, stock code: 000166; the HKSE, stock code: 06806) and Shenwan Hongyuan Securities Co., Ltd., and the executive director and general manager of Shenwan Hongyuan Securities Co., Ltd. From December 2014 to May 2019, Mr. Yang served as a member of the Party Committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd., and the chairman of the board of supervisors of Shenwan Hongyuan Group Co. Ltd. From May 2008 to December 2014, Mr. Yang successively served as a member of the Party Committee, the secretary of the commission for discipline inspection, the deputy general manager and the chairman of the board of supervisors of Hongyuan Securities Co., Ltd. Before that, Mr. Yang served as principal staff member of the State-owned Assets Administration Bureau, assistant to the special inspector of the State Council, full-time supervisor of the board of supervisors in state-owned enterprises under Work Committee of Central Enterprises of the Communist Party of China (中共中央企業工作委員會), director of the comprehensive affairs department of China Netcom Corporation Limited (中國網絡通信有限公司), office head and assistant president of China Economic and Technology Investment and Guaranty Co., Ltd. (中國經濟技術投資擔保有限公司), etc. Mr. Yang obtained his master's degree in economics from the Renmin University of China in 2000.

Mr. GONG Xingfeng, Chinese

Mr. GONG Xingfeng has been an executive director, the president and the financial principal of the Company since December 2024. Mr. Gong has successively served as an assistant to general manager of actuarial department, deputy general manager of underwriting and claim settlement department, general manager of customer service department, chief actuary officer, an assistant president, vice president, chief actuary and the board secretary since he joined the Company in January 1999. He also worked as the head of investment business and the chairman of the board of supervisors of Asset Management Company, the director and the chief actuary of New China Pension. Prior to joining the Company, Mr. Gong once worked in People's Bank of China and China Insurance Regulatory Commission. Mr. Gong holds a senior economist title. He is a Fellow (FCAA) of China Association of Actuaries (CAA) and a Fellow of the Chartered Institute of Management Accountants (FCMA) of the Chartered Institute of Management Accountants (CIMA). He is currently serving as an executive member of China Association of Actuaries. Mr. Gong received his master's degree in economics from Central University of Finance and Economics in 1996 and obtained his MBA degree from China Europe International Business School in 2011.

Mr. HE Xingda, Chinese

Mr. HE Xingda has been the non-executive director of the Company since October 2021 and a director of the Asset Management Company since November 2023. Mr. He is currently working as managing director in Huijin. Mr. He joined Huijin in July 2005, and successively worked as deputy senior manager of banking department and senior manager of banking management department I of Huijin, senior manager and head of asset management group I of Central Huijin Asset Management Company (the "**Huijin Asset Management**"), senior manager and head of asset management division of capital operation department of Huijin/Huijin Asset Management. Mr. He obtained his master's degree in accounting from Tsinghua University in 2005.

Ms. YANG Xue, Chinese

Ms. YANG Xue has been a non-executive director of the Company since October 2021 and a director of New China Pension since October 2023. Ms. Yang is currently working as managing director in Huijin. Ms. Yang joined CIC in December 2010, and successively worked as deputy senior manager, senior manager and the head of training and development team of human resources department, senior manager of organization department of the Party Committee/human resources department, director of training and development division/Party School Office in CIC. Before that, Ms. Yang worked in Societe Generale (China) Limited, BP (China) Investment Company Limited, etc. Ms. Yang obtained her master's degree in business administration from Fordham University in 2010. Ms. Yang possesses the human resources management qualification (Level 1).

Mr. HU Aimin, Chinese

Mr. HU Aimin has been a non-executive director of the Company since June 2016. Mr. Hu is currently the chairman of the board of directors and secretary of the Party Committee of Hwabao Investment, the chairman of Hwabao Futures Co., Ltd. (formerly known as "Sinosteel Futures Co., Ltd."), director of Hwabao Securities Co., Ltd., Chinese Capital Ride Equity Investment and Management Co., Limited, Shanghai and China Bohai Bank Co., Ltd. (a company listed on the HKSE, stock code: 09668), as well as supervisor of Xinjiang Tianshan Iron & Steel Co., Ltd. (新疆天山鋼鐵聯合有限公司). Before that, Mr. Hu once served as the director of Hwabao Trust Co., Ltd. and Baowu Group Zhongnan Iron & Steel Co., Ltd. (寶武集團中南鋼鐵有限公司), the general manager of Industrial Financial Development Center of China Baowu, the secretary of the Party Committee of Shanghai Baosteel Packaging Co., Ltd., general manager of investment management department in Industrial Financial Development Center of China Baowu, deputy general manager of capital operation department of Hwabao Investment (capital operation department of Baosteel Group), a senior manager of asset management department in Baosteel Group. Mr. Hu obtained his bachelor's degree in economics from Jiangxi University of Finance and Economics in 1995.

Mr. LI Qiqiang, Chinese

Mr. LI Qiqiang has been a non-executive director of the Company since August 2019. Mr. Li is currently the chairman of board of directors and secretary of the Party Committee of Hwabao Trust Co., Ltd. Mr. Li is also the director of Siyuanhe Private Equity Fund Management Co., Ltd. Before that, Mr. Li was the head of financial department of Baoshan Iron & Steel Co., Ltd., the chief accountant of Baosteel Group Xinjiang Bayi Iron & Steel Co., Ltd. (寶鋼集團新疆八一鋼鐵有限公司), general manager of financial department of Baosteel Group Corporation, general manager of financial department of China Baowu, general manager of Industrial Financial Development Center and secretary of the Party Committee of industrial financial working committee in China Baowu, director and general manager of Hwabao Investment, assistant to general manager of China Baowu, director of Baosteel Group Finance Co., Ltd., director of China Pacific Insurance (Group) Co., Ltd. (a company listed on the SSE, stock code: 601601; the HKSE, stock code: 02601), director of Hwabao Metallurgical Asset Management Co., Ltd. and chairman of board of directors of Hwabao Duding (Shanghai) Financial Leasing Co., Ltd. Mr. Li obtained his master's degree in professional accounting from Chinese University of Hong Kong in 2005 and holds the title of senior accountant.

Mr. MA Yiu Tim, Chinese (Hong Kong Permanent Resident)

Mr. MA Yiu Tim has been an independent non-executive director of the Company since December 2019. Mr. Ma is a barrister at Liberty Chambers and a consultant of ETR Law Firm (Dongguan) (廣信君達(東莞)律師事務所) as a practicing lawyer in Guangdong-Hong Kong-Macao Greater Bay Area. Mr. Ma started his legal career as Crown Counsel in 1985 and he obtained the license for practicing lawyer in Guangdong-Hong Kong-Macao Greater Bay Area in 2023. He served as assistant legal adviser of the Legislative Council of Hong Kong. He also served as Counsel to the Legislative of Hong Kong from February 1996 to June 2015. Mr. Ma was admitted to the State Bar of California. He is also a senior fellow of The Hong Kong Institute of Directors, HKMAAL Accredited General Mediator, a mediator in Guangdong-Hong Kong-Macao Greater Bay Area, a senior fellow of Hong Kong Institute of Arbitrators and a senior fellow of the Chartered Institute of Arbitrators, an arbitrator of China International Economic and Trade Arbitration Commission, an arbitrator of Shenzhen Court of International Arbitration, and an arbitrator of Dongguan Arbitration Commission and Hainan International Arbitration Court. Mr. Ma graduated from University of London with a master's degree in law in 1988. He also obtained a PhD in law from Peking University in 2005. Mr. Ma was appointed as Justice of the Peace in 1998 and was awarded the Silver Bauhinia Star by the Chief Executive of Hong Kong Special Administrative Region in 2015.

Mr. LAI Guanrong, Chinese

Mr. LAI Guanrong has been an independent non-executive director of the Company since December 2022. Mr. Lai is also an independent non-executive director of Chinasoft International Limited (a company listed on the HKSE, stock code: 00354), CSC Financial Co., Ltd. (a company listed on the SSE and HKSE, stock codes: 601066 and 06066, respectively) and independent director of Dongxing Securities Co., Ltd. (a company listed on the SSE, stock code: 601198). Mr. Lai had been a director of China Sciences Group (Holding) Co., Ltd. (中科實業集團(控股)有限公司), the chief economist and member of investment committee of Shenzhen CMAF Management Co., Ltd (深圳市遠致富海投資管理有限公司), the chairman of the board of supervisors of Beijing Zhongguancun Science City Construction Holding Co., Ltd., the vice chairman of ABC Life Insurance Co., Ltd., the president of Jiahe Life Insurance Co., Ltd., the general manager of Fujian Minqiao Trust Investment Co., Ltd., the president of Huafu Securities Co., Ltd. and the deputy executive general manager (in charge of work) of Minfa Securities Co., Ltd. (now renamed as Dongxing Securities Co., Ltd.), etc. Mr. Lai obtained his doctor's degree in economics from Xiamen University in 2001 and holds a senior economist title.

Ms. XU Xu, Chinese

Ms. XU Xu has been an independent non-executive director of the Company since December 2022. Ms. Xu is currently the head of the department of risk management and insurance and professor of Beijing Technology and Business University, the executive vice president of Institute of Pension Finance (中國養老金融研究院) of Beijing Technology and Business University and the deputy dean of China Insurance Research Institute. She is also the head of academic committee of The Insurance Institute of Beijing, and an industry consultant and expert in the government procurement projects for Beijing Government Procurement Center. Ms. Xu obtained her doctor's degree in economics from Renmin University of China in 2006.

Mr. GUO Yongqing, Chinese

Mr. GUO Yongqing has been an independent non-executive director of the Company since December 2022. Mr. Guo is currently a professor of Shanghai National Accounting Institute. Mr. Guo also serves as an independent director of Shanghai Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600021), and J-Yuan Trust Co., Ltd. (a company listed on the SSE, stock code: 600816) and Fosun Tourism Group, and a director of Bank of Jiaxing Co., Ltd., etc. Mr. Guo was an independent non-executive director of Shanghai Haohai Biological Technology Co., Ltd. (a company listed on the SSE, stock code: 688366), Yango Group Co., Ltd. (a company listed on the SZSE, stock code: 000671), Tianjin Capital Environmental Protection Group Company Limited (a company listed on the SSE and HKSE, stock codes: 600874 and 01065, respectively) and Chongqing Porton Pharmacy Science & Technology Co., Ltd. (a company listed on the SZSE, stock code: 300363), etc. Mr. Guo holds the certified public accountant (CPA) qualification and obtained his doctor's degree in accounting theory from Shanghai University of Finance and Economics in 2002.

(II) Biographies of Supervisors

As of the date of the disclosure of this report, the biographies of current supervisors of the Company are as follows:

Mr. LIU Debin, Chinese

Mr. LIU Debin has been a shareholder representative supervisor and chairman of the board of supervisors of the Company since June 2021. Mr. Liu is currently a member of the Party Committee and chief accountant of Sinosteel Group Corporation Limited, a member of standing committee of the Party Committee and chief accountant of Sinosteel Corporation Limited (中國中鋼股份有限公司) ("**Sinosteel Corporation**"). Mr. Liu has worked in Sinosteel Group Corporation ("**Sinosteel Group**") and its subsidiaries since January 1995. He served successively as the deputy general manager of assets and finance department of Sinosteel Group, deputy general manager of assets and finance department of Sinosteel Corporation, general manager of assets and finance department of Sinosteel Group, and deputy chief accountant of Sinosteel Corporation, a member of the Party Committee of Sinosteel Group, a member of standing committee of the Party Committee and chief accountant of Sinosteel Corporation. He once served as the chairman of board of directors of Sinosteel Futures Co., Ltd. and the secretary of the Party Committee and executive director of Sinosteel Deyuan Holding Company Limited (中鋼德遠控股有限公司), and the secretary of the Party Committee and executive director of Sinosteel Trade Holding Company Limited (中鋼國貿控股有限公司). Prior to that, Mr. Liu worked in The Third Construction Co., Ltd. of China Construction First Group (中建一局三公司) and China Metallurgical Import & Export Corporation (中國冶金進出口總公司). Mr. Liu received his master's degree in business administration from University of Science and Technology Beijing in 2008 and holds the title of senior accountant.

Mr. YU Jiannan, Chinese

Mr. YU Jiannan has been a shareholder representative supervisor of the Company since February 2018. Mr. Yu is currently the director of general affairs department and managing director of CIC. Before that, Mr. Yu had been the senior manager, deputy director of human resources department and the deputy director of organization department of the Party Committee of CIC. Mr. Yu successively worked as the deputy senior manager and senior manager of human resources department in China Cinda Asset Management Co., Ltd. from May 2001 to September 2007, and was on secondment as vice head of Ledu County, Qinghai Province from November 2005 to January 2007. From July 1996 to May 2001, he worked at Guangzhou branch and Guangdong branch of China Construction Bank. Mr. Yu obtained his bachelor's degree in economics from Guangdong College of Commerce in 1996.

Mr. LIU Chongsong, Chinese

Mr. LIU Chongsong has been an employee representative supervisor of the Company since August 2019. Mr. Liu has been the general manager of eastern region of marketing center of individual insurance channel of the Company since December 2019, general manager (director level) of Shandong branch since June 2017, and general manager of Shandong branch of the Company since March 2013. Mr. Liu served as assistant to general manager of Qingdao branch, deputy general manager of Shandong branch, general manager of Qingdao branch and general manager of Shanxi branch of the Company. Before that, Mr. Liu worked in Dongying sub-branch of Qingdao branch of Ping An Insurance Company of China, Ltd. and Qingdao Chemical College. Mr. Liu obtained his bachelor's degree in physics from Fudan University, Shanghai in 1986 and his EMBA degree from Peking University in 2012.

Mr. WANG Zhongzhu, Chinese

Mr. WANG Zhongzhu has been an employee representative supervisor of the Company since March 2016. Mr. Wang is currently the deputy secretary of the Party Committee, secretary of commission for discipline inspection of New China Pension and a supervisor of Hefei Supporting Operation. Mr. Wang had been the general manager of discipline inspection and supervision office (director of the commission for discipline inspection office) of the Company. He had once worked as supervisor of New China Pension, Xinhua Jiayue (formerly Xinhua Village Seniors Service (Beijing) Co., Ltd.), and Electronic Commerce. Mr. Wang served as deputy director (in charge of work) of the inspection office of the Company from April 2010 to January 2011. Before that, Mr. Wang worked in Central Disciplinary Inspection of the Communist Party of China. Mr. Wang received his bachelor's degree of economics in investment and economic management from Zhongnan University of Economics and Law in 1988.

(III) Members of Senior Management

As of the date of the disclosure of this report, the biographies of current senior management of the Company are as follows:

Mr. GONG Xingfeng, please refer to the biographies of current directors in this section.

Mr. QIN Hongbo, Chinese

Mr. QIN Hongbo has been a vice president of the Company since November 2021. He has been the director and chairman of the board of directors of Asset Management Company since November 2024, and the secretary of the Party Committee of Asset Management Company since May 2024. Mr. Qin joined the Company in September 2021. He served as chief risk officer of the Company from September 2022 to May 2024. Mr. Qin once served as the general manager of development and reform department, employee representative supervisor, director of the board of directors office, general manager of strategy and development department, chief strategy officer and spokesman of China Reinsurance (Group) Corporation. He once worked as the supervisor, director and deputy general manager of China Continent Property & Casualty Insurance Company Ltd., director of China Life Reinsurance Company Ltd. and China Reinsurance (Hong Kong) Company Limited. Mr. Qin obtained his PhD in economics from University of International Business and Economics in 2011 and holds a senior economist title.

Mr. WANG Lianwen, Chinese

Mr. WANG Lianwen has been a vice president of the Company since December 2022. Mr. Wang had been an assistant president of the Company from February 2017 to December 2022 and the general manager of Zhejiang branch of the Company from September 2019 to July 2022. Since joining the Company in May 2010, Mr. Wang had successively served as the legal person business director of the Company, the director and regional general manager of Northwest China and the general manager of Shaanxi branch, an assistant president of the Company, deputy general manager of New China Pension and temporary responsible person of Zhejiang branch of the Company. Mr. Wang holds professional intermediate accountant and economist titles. He received his PhD in economics from Fudan University in 2004.

Mr. LI Wenfeng, Chinese

Mr. LI Wenfeng has been an assistant president of the Company since February 2024, the secretary of the Party Committee of New China Pension since March 2024 and the chairman of New China Pension since July 2024. Mr. Li was designated as the director of China Reinsurance (Group) Corporation (a company listed on the HKSE, stock code: 01508) by Huijin from August 2023 to May 2024. From February 2019 to December 2023, Mr. Li served as deputy senior manager of the securities management department/insurance management department, head and senior manager of the office of directly-managing enterprises/the third division of equity management department II of Huijin, during which he was on secondment as a deputy director of Chaoyang Park Management Committee (Chaoyang District Science and Technology and Information Bureau) in Zhongguancun Science and Technology Park (中關村科技園區朝陽園管委會(朝陽區科技和信息化局)). From September 2009 to February 2019, Mr. Li served as manager of the board of supervisors office/internal audit department, and deputy senior manager of the office/board of directors office/Party Committee office of CIC. Mr. Li worked in Jinan Audit Office of National Audit Office (審計署濟南特派辦) and Information Postal Audit Bureau of National Audit Office (審計署信息郵政審計局). Mr. Li obtained his master's degree in economics from Dongbei University of Finance & Economics in 2008 and is an auditor.

Ms. LIU Chen, Chinese

Ms. LIU Chen has been an assistant president of the Company since March 2024 and the general manager of renewal business department. Ms. Liu once served as director of the Company, the general manager of customer service department, premium department and customer service department/consumer rights protection department. Ms. Liu obtained her master's degree in economics from the Central University of Finance and Economics in 1999, obtained her EMBA degree from Tsinghua University in 2012 and holds an economist title.

Mr. LIU Zhiyong, Chinese

Mr. LIU Zhiyong has been an assistant president of the Company since March 2024. Mr. Liu is currently the head of the Party Organization Committee of the Company and vice president of NCI Research and Training Institute. Mr. Liu once served as senior manager of the human resources department and the head of the research and planning team of CIC, the designated supervisor of the securities management department/insurance management department of Huijin and general manager of the human resources department of the Company. Mr. Liu once worked in PICC Property and Casualty Company Limited. Mr. Liu obtained his PhD in management from Renmin University of China in 2017 and holds an economist title.

IV. OTHER POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As of the date of the disclosure of this report, major positions of directors, supervisors and members of senior management of the Company in corporate shareholders and other entities are as follows:

(I) Positions in corporate shareholders

Name	Corporate shareholders	Position	Term
HE Xingda	Huijin	Managing Director	Since August 2021
YANG Xue	Huijin	Managing Director	Since August 2021
YU Jiannan	CIC	Director of General Affairs Department	Since March 2022
		Managing Director	Since July 2014

(II) Major positions in other entities

Name	Other entities	Position	Term
YANG Yucheng	China Securities Internet System Co., Ltd.	Director	Since June 2020
HU Aimin	Hwabao Investment Co., Ltd.	Chairman of the Board of Directors	Since December 2019
	Hwabao Futures Co., Ltd.	Chairman of the Board of Directors	Since March 2024
	Chinese Capital Ride Equity Investment and Management Co., Limited, Shanghai	Director	Since January 2016
	China Bohai Bank Co., Ltd.	Director	Since September 2018
	Hwabao Securities Co., Ltd.	Director	Since December 2019
	Xinjiang Tianshan Iron & Steel Co., Ltd.	Supervisor	Since March 2020
LI Qiqiang	Hwabao Trust Co., Ltd.	Chairman of the Board of Directors	Since August 2020
	Siyuanhe Private Equity Fund Management Co., Ltd.	Director	Since September 2018
LAI Guanrong	Chinasoft International Limited	Independent Non-executive Director	Since June 2015
	CSC Financial Co., Ltd.	Independent Non-executive Director	Since May 2021
	Dongxing Securities Co., Ltd.	Independent Director	Since December 2021

Name	Other entities	Position	Term
GUO Yongqing	Shanghai Electric Power Co., Ltd.	Independent Director	Since June 2021
	Sanxiang Impression Co., Ltd.	Director	Since June 2021
	J-Yuan Trust Co., Ltd.	Independent Director	Since September 2022
	Bank of Jiaxing Co., Ltd.	Director	Since March 2023
	Fosun Tourism Group	Independent Director	Since December 2024
LIU Debin	Sinosteel Corporation Limited	Chief Accountant	Since December 2014
	Sinosteel Group Corporation Limited	Chief Accountant	Since August 2019

V. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In accordance with the market-oriented and international principles, the remuneration of directors, supervisors and senior management of the Company is determined based on the factors such as the Company's operating results and performance evaluation with reference to the remuneration in the market. The remuneration of directors and supervisors is approved by shareholders' general meeting, while the remuneration of senior management is approved by the Board meeting.

During the reporting period, the aggregate amount of pre-tax remuneration that directors, supervisors and senior management received from the Company was RMB16.814 million. For detailed remuneration of each individual, please refer to relevant part in this section.

The Nomination and Remuneration Committee under the Board is in charge of performance evaluation of senior management of the Company. The annual performance evaluation plan is determined in accordance with the medium- and long-term development strategy and annual operation plan of the Company and implemented upon consideration and approval by the Board. The annual performance bonus is linked to operating results of the Company and individual evaluation results of senior management. The Company has established a position-based and performance-oriented remuneration incentive system with reference to the market benchmark. The remuneration of senior management comprises basic remuneration, performance bonus, welfare and allowances, etc. The Company has implemented a deferred payment system and recourse and deduction system of senior management performance bonus with the payment term of three years according to the regulatory requirements.

During the reporting period, the Company had no equity-based incentive plan or any other long-term incentive plans.

VI. SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Shareholding of the Company's A shares by directors, supervisors and senior management

No directors, supervisors or members of senior management of the Company currently in office or resigned during the reporting period held any of the Company's A shares directly or indirectly.

(II) Interests and short positions of directors, supervisors and chief executives in shares under Hong Kong laws and regulations

Please refer to Section 10 "Changes in Share Capital and Shareholders' Profile" of this report.

VII. PUNISHMENT BY SECURITY REGULATORY AUTHORITY IN THE PREVIOUS THREE YEARS

Neither the current nor resigned directors, supervisors or members of senior management of the Company during the reporting period were subject to the punishment by security regulatory authority in the previous three years.

VIII. EMPLOYEES

As of 31 December 2024, there were a total of 28,675 employees who entered into employment contracts with the Company (life insurance headquarters, 35 branches and major subsidiaries[1]).

(I) Expertise

Expertise	Number	Proportion
Management	1,824	6.4%
Professional personnel	4,622	16.1%
Marketing and marketing management	16,461	57.4%
Of which: contractual field sales personnel	6,289	21.9%
Other	5,768	20.1%
Total	28,675	100%

Note:

1. Major subsidiaries refer to subsidiaries whose 50% or more of the shares are being held by the Company. Similarly hereinafter.

(II) Education background

Education background	Number	Proportion
Master's degree and above	2,011	7.0%
Bachelor's degree	20,835	72.7%
Lower than bachelor's degree	5,829	20.3%
Total	28,675	100%

(III) Gender (including senior management)

Gender	Number	Proportion
Male	10,296	35.9%
Female	18,379	64.1%
Total	28,675	100%

The Company believed it achieved gender diversity in its workforce during the reporting period. The Company will continue to recruit employees and conduct annual review to maintain gender diversity in its workforce.

(IV) Remuneration policy and training plan for employees

In accordance with business nature and talent competition in the market, the Company provided employees with competitive remuneration and bonus with reference to the level of its counterparts in the industry. Insisting on the remuneration philosophy of paying according to the ability, position and performance, the Company encourages employees to steadily achieve and exceed the ability required by the positions by upgrading their competency level, thereby gaining corresponding remuneration. As required by the P.R.C. government, the Company provides employees with various social securities and housing provident fund. At the same time, the Company established a variety of benefit plans for its employees, including enterprise annuity fund to meet the diverse needs of employees.

In 2024, the Company proactively promoted the construction of a learning-oriented organization to improve its market competitiveness. Various training programs including political competence, leadership, professional ability, general ability improvement were carried out for cadres and employees to cultivate a professional, specialized and high-quality financial workforce. A total of 22,000 internal staff participated in the compulsory and optional courses designed to enhance their job competencies, achieving 100% coverage across the Company. The compulsory training hours per capita exceeded 90 hours. The Company focused on Whole Life-cycle Planner (WLP) training system and brand building in agent training with a total of 1.19 million times of learning throughout the year. The average learning time per capita exceeded 44 hours.

In 2025, to serve national strategies, prevent and resolve financial risks and promote high-quality development, the Company will continue to strengthen the construction of a learning-oriented organization, providing talent support for the Company's high-quality development. With the whole life-cycle insurance protection and financial needs of customers and their families as the center, the Company will focus on the professional transformation in agent training, and reinforce the WLP training system and brand building, as a way to enhance their diversified marketing and service capabilities.

(V) The number of resigned and retired employees with expenses borne by the Company

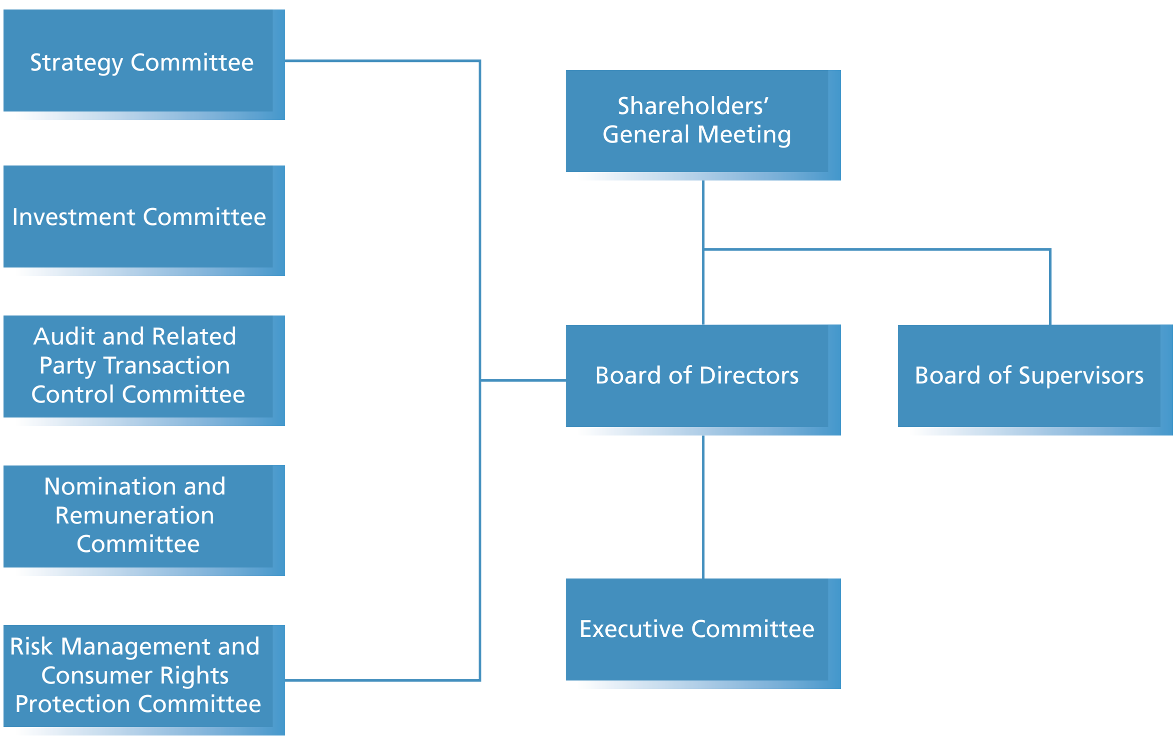
There were no resigned and retired employees with expenses borne by the Company.

SECTION 7
CORPORATE GOVERNANCE

I. CORPORATE GOVERNANCE

In strict compliance with the *Company Law, Insurance Law, Securities Law, Corporate Governance Code* and other applicable laws and administrative regulations as well as requirements of domestic and overseas regulatory authorities on corporate governance, the Company has established and improved the corporate governance system consisting of shareholders' general meeting, the Board of Directors, the Board of Supervisors and senior management, and formed an operation mechanism under which the corporate authorities, decision-making, supervisory and executive organs supported and coordinated with each other with appropriate checks and balances. During the reporting period, through various system guarantees and measures, the Company continued to promote corporate governance, improve corporate governance structure and enhance decision-making process.

Corporate Governance Structure



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(I) Shareholders and Shareholders' General Meeting

Shareholders' rights

The Company attaches great importance to the rights of shareholders and stipulates in detail the rights of shareholders and how the rights can be realized in the *Articles of Association*, so as to ensure that the legal rights of shareholders are treated fairly. The Company places emphasis on communication with shareholders in order to enhance shareholders' understanding of the Company and protect their right to know. The Company also prioritizes reasonable investment return and dividend policies for shareholders to protect their right to profit.

According to the *Articles of Association*, shareholders' general meeting is the supreme authority of the Company and shall exercise the following functions and powers: to decide the business objective, development strategy and investment plan of the Company; to elect and replace directors and supervisors who are representatives of shareholders and to decide the remuneration of directors and supervisors; to consider and approve annual financial budget and final accounts of the Company; to consider and approve the profit distribution plan and loss recovery plan of the Company; to resolve on the increase or decrease in the registered capital of the Company; and to review and amend the *Articles of Association*, etc.

Shareholder(s) shall have the right to propose convening an extraordinary general meeting. Pursuant to the *Articles of Association*, shareholder(s) individually or jointly holding 10% or more of the total voting shares of the Company for at least 90 consecutive days (the "**Proposing Shareholders**") shall have the right to propose to the Board to convene an extraordinary general meeting. When proposing an extraordinary general meeting, Proposing Shareholders shall submit topics and proposals with complete contents in writing to the Board and make sure that the aforesaid proposals do not violate laws, rules, regulations and the *Articles of Association*. Shareholders shall comply with the provisions and procedures regarding the convening of extraordinary general meeting as set out in the *Articles of Association*.

Shareholder(s) shall have the right to make extraordinary proposals to the shareholders' general meeting. Pursuant to the *Articles of Association*, shareholder(s) individually or jointly holding 3% or more of the Company's shares shall make extraordinary proposals 10 days prior to the convening of shareholders' general meeting and notify the convener in writing.

Shareholder(s) shall have the right to make enquiries to the Company for relevant information. According to the *Articles of Association*, shareholders may obtain the information such as the list of registered shareholders, profiles of directors, supervisors and senior management, share capital and minutes of general meetings (for reference only). Shareholders shall make requests to the Company in writing and provide evidence of equity interests for inspection of or access to relevant information. The Company shall provide such information as required by shareholders after the shareholders' identities are verified.

For the contact information for making extraordinary proposals or enquiries by shareholders, please refer to Section 1 "Corporate Information" of this report.

Shareholders' general meetings

During the reporting period, the Company held 3 shareholders' general meetings in total as follows:

Session	Date	Date of disclosure of resolutions	Resolutions
The First Extraordinary General Meeting of 2024	2024-2-27	2024-2-27	Considered and approved the *Proposal on the Application of Pilot Investment Fund*
The Annual General Meeting of 2023	2024-6-28	2024-6-28	Considered and approved the proposals including the *Proposal on the Profit Distribution Plan for the Year 2023* and the *Proposal on Amendments to the Articles of Association*
The Second Extraordinary General Meeting of 2024	2024-11-6	2024-11-6	Considered and approved the *Proposal on the Interim Profit Distribution Plan for the Year 2024* and the *Proposal on the Election of Mr. GONG Xingfeng as an Executive Director of the Eighth Session of the Board*

The announcements on the resolutions of shareholders' general meetings are published on the website of HKSE (www.hkexnews.hk) and the website of the SSE (www.sse.com.cn), China Securities Journal and Shanghai Securities News.

During the reporting period, the procedures of giving meeting notices, convening the meeting and voting at the meeting were all in compliance with the *Company Law, Articles of Association* and relevant regulations. The shareholders' general meeting improved the communication channels with shareholders, actively gathered comments and suggestions from shareholders, ensured that shareholders had the rights to know, participate in and vote on material matters of the Company, and created a sound environment for shareholders to fully participate in decision-making and to equally exercise rights. Shareholders were also familiar with the procedures for conducting a poll in detail.

The Company strictly abides by relevant regulations and requirements on corporate governance and the protection of minority investors. Adhering to being responsible to shareholders, the Company continuously improved corporate governance and optimized communication with investors, and built separate vote counting and public disclosure mechanisms for minority investors through the adoption of online voting during the shareholders' general meetings to realize the protection of the interests of minority investors.

Directors' attendance of shareholders' general meetings

During the reporting period, all directors fulfilled their duties diligently, attended the shareholders' general meetings, and earnestly listened to opinions from shareholders. All directors emphasized on communication and interaction with shareholders, made informed decisions and safeguarded the interests of the Company and all shareholders as a whole. During the reporting period, attendance of the shareholders' general meetings of each director was as follows:

Name	Number of scheduled attendance	Number of actual attendance	Attendance rate
Executive Directors			
YANG Yucheng	3	3	100%
GONG Xingfeng(1)	–	–	–
Non-executive Directors			
HE Xingda	3	3	100%
YANG Xue	3	3	100%
HU Aimin(2)	3	2	66.67%
LI Qiqiang	3	3	100%
Independent Non-executive Directors			
MA Yiu Tim	3	3	100%
LAI Guanrong	3	3	100%
XU Xu	3	3	100%
GUO Yongqing	3	3	100%
Resigned Executive Director			
ZHANG Hong	2	2	100%
Resigned Non-executive Director			
YANG Yi	3	3	100%

Notes:

1. The qualification of Mr. GONG Xingfeng as the executive director of the Company was ratified in December 2024. According to regulatory requirements, he attended the Second Extraordinary General Meeting of 2024 on 6 November 2024 as a candidate for director.

2. Non-executive director Mr. HU Aimin failed to attend the Annual General Meeting of 2023 held on 28 June 2024 due to business reasons.

3. During the reporting period, for the details of the Company's new appointment and resignation of directors, please refer to Section 6 "Directors, Supervisors, Senior Management and Employees" of this report.

(II) Directors and Board of Directors

As of the date of the disclosure of this report, the Board consisted of 10 directors, including 2 executive directors, 4 non-executive directors and 4 independent non-executive directors. Directors serve a term of three years and are eligible for re-election, but the cumulative term of independent non-executive directors shall not exceed 6 years. The number of directors and composition of the Board are in compliance with applicable laws and regulatory requirements and the *Articles of Association*.

To the knowledge of the Company, members of the Board, directors, supervisors and senior management of the Company do not have any financial, business, family or other material relations with other directors, supervisors or senior management.

1. Corporate governance function

The Board is responsible for exercising corporate governance function and has fulfilled its duties and responsibilities as provided by the *Corporate Governance Code*. During the reporting period, details of corporate governance function of the Board are as follows: to formulate and review the Company's policies and practices on corporate governance; to review and monitor the training and continuous professional development of directors and members of senior management; to review and monitor the Company's policies and practices in compliance with laws and regulatory requirements; to review the Company's compliance with *Corporate Governance Code* and disclosure in corporate governance report; to formulate the Company's overall strategy, objectives and approaches, business plans and investment proposals, etc.

2. Corporate Culture

The Company highly values corporate culture building, deeply understands the political and people-oriented nature of financial work, vigorously carries forward the traditional Chinese culture, cultivates the financial culture with Chinese characteristics, and strengthens the Company's corporate culture development. In 2024, the Company, as a state-owned financial enterprise, conducted systematic interview and survey in light of the characteristics of the life insurance industry and the actual situation of the Company to comprehensively upgrade and optimize its corporate culture system and reshape the spirit of NCI Professional Iron Army.

Insisting on the essence of insurance, the Company has established the vision of forging China's leading financial service group with insurance business at its core. Being deeply rooted in the sentiment of serving the nation and the people through finance and insurance, the Company bears the mission of "to be the builder of the great rejuvenation of Chinese nation, the guardian of the people's pursuit of happy life, the practitioner of financial culture with Chinese characteristics, and the contributor to social harmony and tranquility". The Company actively develops the awareness of business operation, benchmarking and competition, and defines its values of "being customer-oriented, keeping fighting, open and inclusive, and work hard to achieve great success". The Company has tapped into the market gene of pioneering and fighting, inherited and carried forward the spirit of "NCI Iron Army", and formed the NCI spirit of "professional iron army, pursuit of excellence, benevolence and virtue, inheritance and innovation".

In 2025, the Company will continue to carry out corporate culture promotion, make corporate culture of the new era infiltrate the hearts and minds of people, gather cohesion for high-quality development, highlight the Party building steer business growth and contribute to the society, and improve the comprehensive capabilities for the Company's systematic reform, transformation and development.

3. Duties of the Board

In accordance with the *Articles of Association*, the Board shall exercise the following functions and powers: to convene the shareholders' general meeting and report its work to the shareholders' general meeting; to implement the resolutions passed at the shareholders' general meeting; to determine the operation plan and investment scheme of the Company, to control and monitor financial conditions and utilization of funds of the Company; to formulate the development strategy of the Company; to formulate the annual financial budget and final accounts of the Company; to formulate the profit distribution plan and loss recovery plan of the Company; to appoint or remove senior management of the Company, and to decide and implement the annual performance evaluation, annual remuneration, reward and punishment scheme of senior management of the Company, etc.

4. *Board meetings*

During the reporting period, the Board held 4 regular Board meetings and 10 ad hoc Board meetings. The details were as follows:

Session	Date	Resolutions
The 15th meeting of the eighth session of the Board	2024-1-25	To consider and approve 7 proposals including the *Proposal on Solvency Report for the Fourth Quarter for the Year 2023*
The 16th meeting of the eighth session of the Board	2024-2-29	To consider and approve 4 proposals including the *Proposal on Product Retrospective Report for the Year 2023*
The 17th meeting of the eighth session of the Board	2024-3-4	To consider and approve 2 proposals including the *Proposal on the Profit Distribution Plan of Participating Business for the Year 2023*
The 18th meeting of the eighth session of the Board	2024-3-27	To consider and approve 24 proposals including the *Proposal on the Preparation of Annual Financial Report for the Year 2023*
The 19th meeting of the eighth session of the Board	2024-4-29	To consider and approve 20 proposals including the *Proposal on the Comprehensive Evaluation Report on Development Plan for the Year 2023*
The 20th meeting of the eighth session of the Board	2024-4-19	To consider and approve the *Proposal on the Remuneration Settlement for the Year 2023 and Remuneration Budget Scheme for the Year 2024*
The 21st meeting of the eighth session of the Board	2024-5-24	To consider and approve 9 proposals including the *Proposal on the Consolidated Statement Management Report for the Year 2023*
The 22nd meeting of the eighth session of the Board	2024-5-31	To consider and approve the *Proposal on the Candidate for the Chairman of the Subsidiary*
The 23rd meeting of the eighth session of the Board	2024-7-25	To consider and approve 3 proposals including the *Proposal on the Assessment of Substantial Shareholders for the Year 2023*
The 24th meeting of the eighth session of the Board	2024-8-29	To consider and approve 8 proposals including the *Proposal on the Recovery Plan (2024)*
The 25th meeting of the eighth session of the Board	2024-9-30	To consider and approve 3 proposals including the *Proposal on the Nomination of Mr. GONG Xingfeng as the Candidate for Executive Director of the Eighth Session of the Board*
The 26th meeting of the eighth session of the Board	2024-10-30	To consider and approve 8 proposals including the *Proposal on the Third Quarter Report 2024*
The 27th meeting of the eighth session of the Board	2024-12-9	To consider and approve 6 proposals including the *Proposal on the Special Audit Report on Consumer Rights Protection for Years 2023-2024*
The 28th meeting of the eighth session of the Board	2024-12-27	To consider and approve 6 proposals including the *Proposal on the Special Audit Report on Anti-money Laundering for Years 2023-2024*

5. *Attendance of meetings of the Board and Board committees*

During the reporting period, all directors fulfilled their duties, actively participated in the meetings of the Board and Board committees, and made prudent decisions on the basis of in-depth understanding of situations. The directors' attendance at each meeting was as follows:

	Attendance in person/Number of scheduled attendance					
Name	**Board meetings**	**Strategy Committee**	**Investment Committee**	**Audit and Related Party Transaction Control Committee**	**Nomination and Remuneration Committee**	**Risk Management and Consumer Rights Protection Committee**
Executive Directors						
YANG Yucheng	14/14	5/5	9/9	–[(1)]	–	–
GONG Xingfeng	1/1	0/0	0/0	–	–	–
Non-executive Directors						
HE Xingda	14/14	–	9/9	7/7	–	10/10
YANG Xue	14/14	–	–	–	13/13	10/10
HU Aimin	13/14[(2)]	4/5	8/9	–	–	–
LI Qiqiang	14/14	–	–	10/10	13/13	10/10
Independent Non-executive Directors						
MA Yiu Tim	14/14	–	–	–	13/13	10/10
LAI Guanrong	14/14	5/5	9/9	10/10	–	–
XU Xu	14/14	–	–	10/10	13/13	10/10
GUO Yongqing	14/14	–	–	10/10	13/13	10/10
Resigned Executive Director						
ZHANG Hong	10/10	4/4	7/7	–	–	–
Resigned Non-executive Director						
YANG Yi	13/13	5/5	8/8	3/3	–	–

Notes:

1. "–" means such director is not a member of the Board committee.

2. The director HU Aimin failed to attend the 21st meeting of the eighth session of the Board and the Board Committees in person due to business reasons, and authorized director LI Qiqiang to attend the Board meetings and vote on his behalf.

3. During the reporting period, for the details of the Company's new appointment and resignation of directors, please refer to Section 6 "Directors, Supervisors, Senior Management and Employees" of this report.

During the reporting period, directors of the Company articulated constructive advice and suggestions on major issues, including but not limited to corporate governance, reform and development, business operation, risk management, internal control and consumer rights protection, etc. All advice and recommendations were accepted by the Company. None of the directors raised any objection to the proposals of the Board.

(III) Committees under the Board

The Board establishes 5 committees which are Strategy Committee, Investment Committee, Audit and Related Party Transaction Control Committee, Nomination and Remuneration Committee and Risk Management and Consumer Rights Protection Committee. The Board committees are accountable to the Board and perform their duties by giving professional opinions to the Board. All important advice and recommendations put forward by members of Board committees have been adopted by the Company.

Strategy Committee

As of the date of the disclosure of this report, the Strategy Committee consisted of 5 directors, including 2 executive directors YANG Yucheng and GONG Xingfeng, 2 non-executive directors YANG Xue and HU Aimin and 1 independent non-executive director LAI Guanrong, and YANG Yucheng served as the chairman.

1. Duties of the Strategy Committee

   The Strategy Committee performs the following duties and responsibilities: to review the Company's development strategy and annual operation plan, increase or decrease in the registered capital, the profit distribution and loss recovery plan, amendment to the *Articles of Association*, etc., and make recommendations to the Board.

2. Meetings

   During the reporting period, the Strategy Committee held 5 meetings. The attendance of each member of the Strategy Committee is set out in "Attendance of meetings of the Board and Board committees" of this section. The meeting details were as follows:

Date	Content of meetings
2024-3-26	To consider 4 proposals including the *Proposal on Amendments to the Articles of Association*
2024-4-28	To consider 4 proposals including the *Proposal on the Comprehensive Evaluation Report on Development Plan for the Year 2023*
2024-5-23	To consider 3 proposals including the *Proposal on the Arrangement for the Interim Dividend Distribution for the Year 2024*
2024-8-28	To consider 2 proposals including the *Proposal on the Recovery Plan (2024)*
2024-10-29	To consider the *Proposal on the Donation to New China Life Foundation*

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Investment Committee

As of the date of the disclosure of this report, the Investment Committee consisted of 5 directors, including 2 executive directors YANG Yucheng and GONG Xingfeng, 2 non-executive directors HE Xingda and HU Aimin, and 1 independent non-executive director LAI Guanrong, and HE Xingda served as the chairman.

1. Duties of the Investment Committee

   The Investment Committee performs the following duties and responsibilities: to consider the overall objective and strategy of asset and liability management, the rules and policies of asset and liability management and asset allocation, the rules and guidelines of utilization of insurance funds and asset management, management of insurance funds, etc., and make recommendations to the Board.

2. Meetings

   During the reporting period, the Investment Committee held 9 meetings. The attendance of each member of the Investment Committee is set out in "Attendance of meetings of the Board and Board committees" of this section. The meeting details were as follows:

Date	**Content of meetings**
2024-1-24	To consider the *Proposal on Amendments to the Administrative Measures for the Settlement of Exclusive Commercial Pension Insurance Products*
2024-2-28	To consider the *Proposal on Product Retrospective Report for the Year 2023*
2024-3-4	To consider the *Proposal on the Profit Distribution Plan of Participating Business for the Year 2023*
2024-3-26	To consider 2 proposals including the *Proposal on the Operation Plan for the Year 2024*
2024-4-28	To consider 5 proposals including the *Proposal on the Report of Non-insurance Subsidiaries for the Year 2023*
2024-5-23	To consider 3 proposals including the *Proposal on the Consolidated Statement Management Report for the Year 2023*
2024-8-28	To listen to 2 reports including the *Independent Evaluation Report on Asset - Liability Management for Years 2023-2024*
2024-10-29	To consider the *Proposal on the Equity Investment Fund*
2024-12-27	To listen to the *Self-Examination Report on Investment Asset Risks for the Year 2024 (Phase II)*

Audit and Related Party Transaction Control Committee

As of the date of the disclosure of this report, the Audit and Related Party Transaction Control Committee consisted of 5 directors, including 2 non-executive directors HE Xingda and LI Qiqiang, 3 independent non-executive directors GUO Yongqing, LAI Guanrong and XU Xu, and GUO Yongqing served as the chairman.

1. Duties of the Audit and Related Party Transaction Control Committee

   The Audit and Related Party Transaction Control Committee performs the following duties and responsibilities: to assess the effectiveness of risk management and internal control, to guide internal auditing, review the financial information and disclosure of financial information, to manage, review, approve and control risks of related party transactions, to manage the identification and maintenance of related parties, the information disclosure of related party transactions, etc., and make recommendations to the Board.

2. Meetings

   During the reporting period, the Audit and Related Party Transaction Control Committee held 10 meetings in total. The attendance of each member of the Audit and Related Party Transaction Control Committee is set out in "Attendance of meetings of the Board and Board committees" of this section. The meeting details were as follows:

Date	**Content of meetings**
2024-1-24	To consider 2 proposals including the *Proposal on Solvency Report for the Fourth Quarter for the Year 2023*
2024-2-28	To listen to 2 reports including the *Management Report on Related Parties for the Second Half of 2023*
2024-3-26	To consider 14 proposals including the *Proposal on Report on the Status of Related Party Transactions and Internal Transactions for the Year 2023*
2024-4-19	To consider the *Proposal on the Remuneration Settlement for the Year 2023 and Remuneration Budget Scheme for the Year 2024*
2024-4-28	To consider 7 proposals including the *Proposal on the Compliance Report for the Year 2023*
2024-5-23	To consider 4 proposals including the *Proposal on the Consolidated Statement Management Report for the Year 2023*
2024-7-24	To consider the *Proposal on Solvency Report for the Second Quarter for the Year 2024*
2024-8-28	To consider 5 proposals including the *Proposal on the Audit Report during the Tenure of Mr. GONG Xingfeng as the Vice President, Chief Actuary and Board Secretary*
2024-10-29	To consider 2 proposals including the *Proposal on the Third Quarter Report 2024*
2024-12-27	To consider the *Proposal on the Special Audit Report on Anti-money Laundering for Years 2023-2024*

3. Performance of duties of the Audit and Related Party Transaction Control Committee

The Audit and Related Party Transaction Control Committee, in accordance with the requirements for the preparation of annual report and relevant rules of procedures, kept sufficient and timely communication with external auditors; reviewed the financial statements prepared by the Company; offered professional opinions on the Annual Report 2023 and agreed to the submission to the Board for consideration. The Audit and Related Party Transaction Control Committee also reviewed the Company's quarterly and interim results, offered professional opinions and agreed to the submission to the Board for consideration.

The Audit and Related Party Transaction Control Committee held meetings to research the re-appointment of accounting firms. The Audit and Related Party Transaction Control Committee has fully checked and reviewed Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, and is of the view that the two auditors possess qualifications and competence, investor protection capabilities, good status of integrity and independence, and has agreed that the re-appointment of accounting firms should be submitted to the Board for consideration.

The Audit and Related Party Transaction Control Committee paid special attention to internal control of the Company. Relevant departments of the Company reported to the Audit and Related Party Transaction Control Committee regularly or irregularly, so that the Audit and Related Party Transaction Control Committee promptly understood problems in the internal control of the Company.

Nomination and Remuneration Committee

As of the date of the disclosure of this report, the Nomination and Remuneration Committee consisted of 5 directors, including 2 non-executive directors YANG Xue and LI Qiqiang, and 3 independent non-executive directors XU Xu, MA Yiu Tim and GUO Yongqing, and XU Xu served as the chairman.

1. Duties of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee performs the following duties and responsibilities: to formulate the criteria and plan for selecting directors and members of senior management, to conduct preliminary review of the candidates for directors and senior management of the Company, and the candidate for chairman of board of directors, the chairman of board of supervisors and candidate for president of important subsidiaries (as decided by the Board via regular or irregular consideration), to formulate evaluation and remuneration schemes for directors and members of senior management, to review the overall human resources and remuneration strategies and basic policies (including those regarding senior management), etc., and make recommendations to the Board.

2. Election of Directors

Shareholder(s) individually or jointly holding 5% or more of the total voting shares of the Company, or the Nomination and Remuneration Committee under the Board, shall have the right to nominate candidates for directors. The number of candidates for directors that a nominator proposes to nominate shall not exceed the number of directors proposed to be appointed. Shareholder(s) individually or jointly holding 3% or more of the shares of the Company, the Nomination and Remuneration Committee under the Board and the Board of Supervisors may nominate independent non-executive directors. Shareholders holding more than one third of shares of the Company and their related shareholders and persons acting in concert shall not nominate independent non-executive directors. The Nomination and Remuneration Committee under the Board and the Board of Supervisors shall nominate independent non-executive directors by meeting resolutions. The Nomination and Remuneration Committee under the Board shall review the candidates for directors pursuant to laws, rules, regulations and the *Articles of Association*, and submit its opinions to the Board. Directors are elected by the shareholders' general meeting with a term of office for 3 years. Each director shall be re-elected upon expiration of his or her term of office. But the cumulative term of independent non-executive directors shall not exceed 6 years.

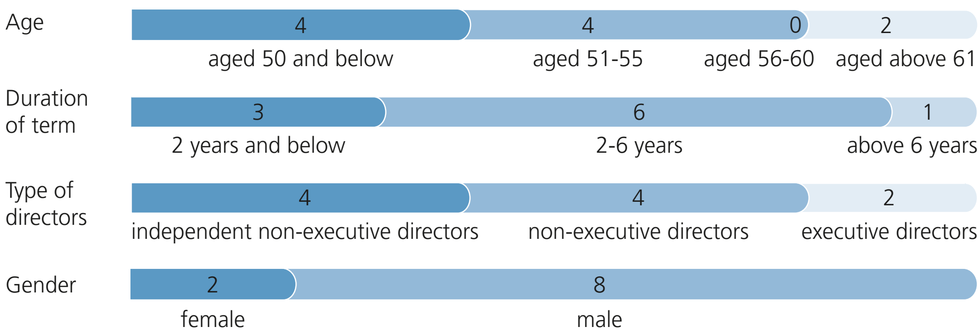
In 2024, the Nomination and Remuneration Committee of the eighth session of the Board nominated GONG Xingfeng, MAO Sixue and ZHUO Zhi as candidates for directors of the eighth session of the Board, and reviewed the qualifications of above candidates for directors. The Nomination and Remuneration Committee of the Board considered that the conditions of above candidates for directors met relevant laws, regulations, regulatory requirements and the *Articles of Association* on the qualifications of directors, and agreed to submit relevant proposals to the Board for consideration.

3. Board Diversity Policy

The Company also pays attention to the diversity of directors. The Company believes that the diversification of directors has brought broad vision and rich and high-level experience to the Company, which is conducive to scientific decision-making and corporate governance. The Board has formulated and has been complying with the *Board Diversity Policy*.

When examining qualifications of candidates for directors, the Nomination and Remuneration Committee seeks to achieve board diversity through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and the term of service. Meanwhile, it also takes into consideration the business model and specific needs of the Company to ensure an appropriate balance in diversity of skills, experience and opinions of the Board members, to make the Board operate more effectively and help the Company better serve customers and shareholders. The Board has reviewed the implementation of the Board Diversity Policy of the Company and confirmed its effectiveness. The Board is in the view that the policy can ensure there are potential successors to achieve gender diversity of the Board. Currently, the members of the Board have maintained a well-diversified structure in terms of gender, region, and professional background.

As of the date of the disclosure of this report, the composition of the Board was as follows:



Professional background: finance, treasury, insurance, actuarial, accounting, law, business administration, etc.

4. Meetings

During the reporting period, the Nomination and Remuneration Committee held 13 meetings in total. The attendance of each member of the Nomination and Remuneration Committee is set out in "Attendance of meetings of the Board and Board committees" of this section. The meetings were as follows:

Date	Content of meetings
2024-1-24	To consider 3 proposals including the *Proposal on the Appointment of the Chairman for Executive Committee*
2024-2-28	To consider 2 proposals including the *Proposal on Amendments to the Rules of Procedures of Executive Committee*
2024-3-4	To consider the *Proposal on the Resignation of Vice President YANG Zheng*
2024-3-26	To consider 7 proposals including the *Proposal on the Report of Performance of Directors for the Year 2023*
2024-4-19	To consider the *Proposal on the Remuneration Settlement for the Year 2023 and Remuneration Budget Scheme for the Year 2024*
2024-4-28	To consider 2 proposals including the *Proposal on Amendments to the Administrative Measures for Independent Directors*
2024-5-23	To consider 2 proposals including the *Proposal on the Appointment of Chief Risk Officer*
2024-5-31	To consider the *Proposal on the Candidate for the Chairman of the Subsidiary*
2024-7-24	To consider the *Proposal on the Adjustment to the Composition of Board Committees*
2024-9-30	To consider 3 proposals including the *Proposal on the Nomination of Mr. GONG Xingfeng as the Candidate for Executive Director of the Eighth Session of the Board*
2024-10-29	To consider 3 proposals including the *Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Management*
2024-12-09	To consider 4 proposals including the *Proposal on the Nomination of Ms. MAO Sixue as the Candidate for Non-executive Director of the Eighth Session of the Board*
2024-12-27	To consider 4 proposals including the *Proposal on the Appointment of Chief Actuary*

Risk Management and Consumer Rights Protection Committee

As of the date of the disclosure of this report, the Risk Management and Consumer Rights Protection Committee consisted of 6 directors, including 3 non-executive directors YANG Xue, HE Xingda, LI Qiqiang and 3 independent non-executive directors MA Yiu Tim, XU Xu, GUO Yongqing, and YANG Xue served as the chairman.

1. Duties of the Risk Management and Consumer Rights Protection Committee

   The Risk Management and Consumer Rights Protection Committee mainly performs the following duties and responsibilities: to review the overall objective, fundamental policy and work system of risk management and internal control, to review risk preference and tolerance, to review the structure and duties of risk management organization, to assess the effectiveness of solvency risk management system, to review risk assessment of major decisions and solutions of major risks of the Company, and make recommendations to the Board.

2. Meetings

   During the reporting period, the Risk Management and Consumer Rights Protection Committee held 10 meetings in total. The attendance of each member of the Risk Management and Consumer Rights Protection Committee is set out in "Attendance of meetings of the Board and Board committees" of this section. The meetings were as follows:

Date	**Content of meetings**
2024-1-24	To consider 3 proposals including the *Proposal on Amendments to the Administrative Measures for the Settlement of Exclusive Commercial Pension Insurance Products*
2024-2-28	To consider 2 proposals including the *Proposal on the Work Summary of Consumer Rights Protection for the Year 2023 and Work Plan of Consumer Rights Protection for the Year 2024*
2024-3-26	To consider 4 proposals including the *Proposal on Report on the Assessment of Case Risk Prevention and Control for the Year 2023*
2024-4-28	To consider 10 proposals including the *Proposal on the Comprehensive Risk Management Report for the Year 2023*
2024-5-23	To consider 5 proposals including the *Proposal on the Stress Test Report on Solvency for the Year 2023*
2024-7-24	To consider 2 proposals including the *Proposal on the Assessment of Substantial Shareholders for the Year 2023*
2024-8-28	To consider 2 proposals including the *Proposal on the Recovery Plan (2024)*
2024-10-29	To consider 4 proposals including the *Proposal on the Equity Investment Fund*
2024-12-09	To consider the *Proposal on the Special Audit Report on Consumer Rights Protection for Years 2023-2024*
2024-12-27	To consider 2 proposals including the *Proposal on the Special Audit Report on Anti-money Laundering for Years 2023-2024*

(IV) Performance of Independent Non-executive Directors

As of the date of the disclosure of this report, the Board consisted of 4 independent non-executive directors who were professionals in economics, accounting, laws, insurance, etc. The number of independent non-executive directors was in compliance with regulatory requirements and the *Articles of Association*.

The independent non-executive directors of the Company have the requisite professional knowledge and experience, and can perform duties in strict accordance with relevant laws and regulations, regulatory documents and the *Articles of Association*, and have provided comments and suggestions towards the Company's corporate governance, business operation, risk management and internal control, etc. Independent non-executive directors participate in the decision-making on major matters with independent and objective stances, and have paid special attention to legitimate rights and interests of minority shareholders during decision-making process.

1. Independent non-executive directors' attendance of meetings

The details of independent non-executive directors' attendance in shareholders' general meetings and Board meetings during the reporting period are set out in the relevant parts of this section.

2. Objections from independent non-executive directors to major issues

During the reporting period, independent non-executive directors have no objections to major issues of the Company.

3. Confirmation of independence of independent non-executive directors

The Company has obtained written confirmation of each independent non-executive director on his/her independence from the Company. The Company confirmed that all independent non-executive directors were independent from the Company during the year ended 31 December 2024.

Pursuant to the *Articles of Association*, independent non-executive directors may, if needed, independently engage an external auditor and consultancy to obtain professional opinions at the expenses of the Company. Based on the above mechanism and the performance of independent non-executive directors, the Board effectively obtained independent views and opinions during the reporting period, and continuously optimized the Company's operation management and corporate governance.

(V) Training and Research of Directors

During the reporting period, each director received reports and materials on the latest regulatory rules and updates, industry information as well as operation and management of the Company prepared on a regular basis to enable them to develop and update their knowledge and skills to work better, and to ensure that they have access to comprehensive and appropriate information in need to contribute to the Board.

In addition, the Company arranged directors to participate in trainings on insurance policies, laws and regulations, and professional knowledge, to study the latest laws and regulations and regulatory rules issued by regulatory authorities. During the reporting period, independent non-executive directors MA Yiu Tim, LAI Guanrong and XU Xu participated in the follow-up training for independent directors of listed companies held by the SSE. Independent non-executive director GUO Yongqing participated in the training for independent director held by CSRC Beijing Bureau. Independent non-executive directors MA Yiu Tim and GUO Yongqing participated in the special course on "Key Points and Recommendations for Anti-fraud Performance of Independent Directors of Listed Companies held by the SSE. Directors YANG Yucheng, HE Xingda, YANG Xue, HU Aimin, LI Qiqiang, MA Yiu Tim, LAI Guanrong, XU Xu and GUO Yongqing completed the training held by The Listed Companies Association of Beijing as required. All directors participated in the ESG trainings organized by the Company, the training on the latest ESG disclosure rules for companies listed on the SSE and the HKSE, and the training on directors' performance of duties in the financial report and risk warning for the year 2023. Newly-elected director GONG Xingfeng participated in the training on his role as a director of a listed issuer under the *Hong Kong Listing Rules*, as well as the potential consequences of making false statements or providing false information to the HKSE.

All directors are provided with comprehensive and necessary information when they are firstly appointed to ensure that they understand the Company's business and operation, and fully understand their responsibilities and obligations under the listing rules and regulatory requirements.

In 2024, in order to fully leverage the effectiveness of investigation and survey in scientific performance of duties, recommendations and decision-making, the directors of the Company actively carried out investigation and survey with the theme of "Models, Paths and Practices of Risk Penetration Management in Financial Enterprise Groups" (金融企業集團風險穿透管理的模式、路徑及實踐), "Research on Remuneration Distribution and Management Practices of Directly-managed Enterprises" (直管企業薪酬分配及管理實踐調研), "Research on the Role of State-owned Financial Institution in the Insurance Industry as Economic Shock Absorber and Social Stabilizer" (保險業國有金融機構發揮經濟減震器和社會穩定器功能研究) and "Special Research on Financial Support for Local Debt Resolution" (金融支持地方債務化解專題調研). They studied the deep-seated problems existing in the industry, conducted a forward-looking analysis of the high-quality development of the Company, and provided valuable opinions and suggestions for the high-quality development of the Company.

(VI) Supervisors and the Board of Supervisors

1. *Supervisors and the Board of Supervisors*

As of the date of the disclosure of this report, the Board of Supervisors consisted of 4 supervisors, including 2 shareholder representative supervisors and 2 employee representative supervisors.

The Board of Supervisors performs the following duties and responsibilities: to examine the Company's financial activities; to supervise directors and senior management in their performance of duties of the Company, and propose the removal of directors and senior management who have contravened any laws, regulations, regulatory documents, the *Articles of Association* or resolutions of shareholders' general meetings; to nominate independent non-executive directors; to carry out internal supervision of the formulation, implementation and assessment of the development plan of the Company.

During the reporting period, the Board of Supervisors held 4 regular meetings and 6 ad hoc meetings. The attendance was as follows:

	Attendance in person/ Number of scheduled attendance	
Name	**Shareholders' general meeting**	**Board of Supervisors meeting**
Chairman of the Board of Supervisors and Shareholder Representative Supervisor		
LIU Debin	3/3	10/10
Shareholder Representative Supervisor		
YU Jiannan(1)	2/3	9/10
Employee Representative Supervisors		
LIU Chongsong	3/3	10/10
WANG Zhongzhu	3/3	10/10

Note 1:

Supervisor YU Jiannan failed to attend the Second Extraordinary General Meeting of 2024 held on 6 November 2024 due to business reasons. He failed to attend the 48th meeting of the seventh session of the Board of Supervisors held on 30 October 2024 in person due to business reasons, and authorized the chairman of the Board of Supervisors LIU Debin to attend and vote on his behalf.

The Board of Supervisors found no material risk to the Company and had no objection on matters under supervision during the reporting period. The announcements in relation to the meeting and the resolutions of the Board of Supervisors are published on the websites of the HKSE (www.hkexnews.hk), the SSE (www.sse.com.cn), China Securities Journal, and Shanghai Securities News.

2. Training and Research

During the reporting period, all supervisors attended the ESG trainings and the training on directors' performance of duties in the financial report and risk warning for the year 2023 organized by the Company. All supervisors completed the training held by The Listed Companies Association of Beijing.

3. Independent Opinions Expressed by the Board of Supervisors on Relevant Matters

(1) Legal Operation of the Company

During the reporting period, the Company persisted with management and operation in accordance with the *Company Law* and the *Articles of Association*. No violation of laws and regulations or damage to the interests of shareholders were found in the process of business operation and management.

(2) Truthfulness of Financial Statements

The Company's financial statements 2024 were true, objective and accurate reflection of the Company's financial situation and operating results.

(3) Related Party Transaction

During the reporting period, the Board of Supervisors reviewed the related party transactions and special audit report on related party transactions. The Board of Supervisors believed that related party transactions of the Company were fair and reasonable and found no damage to the interests of shareholders and the Company.

(4) Internal Control Report Review

During the reporting period, the Board of Supervisors reviewed the internal control evaluation report and internal control appraisal report and believed that the Company established a relatively complete, reasonable and effective internal control system, which greatly improved the internal control of the Company.

(5) Reputation Risk Management

During the reporting period, the Board of Supervisors reviewed the annual reputation risk management report, and members of the Board of Supervisors attended the meetings of the Board and meetings of the Risk Management and Consumer Rights Protection Committee, so as to supervise performance of the Board of Directors and senior management on reputation risk management.

(6) Operational Risk Management

The Board of Supervisors reviewed the annual comprehensive risk management report, so as to supervise the operational risk management in the comprehensive risk management, and members of the Board of Supervisors attended the meetings of the Board and meetings of the Risk Management and Consumer Rights Protection Committee, so as to supervise performance of the Board of Directors and senior management on operational risk management.

(7) Implementation of Resolutions of Shareholders' General Meeting

During the reporting period, members of the Board of Supervisors attended the annual general meeting and extraordinary general meetings. The Board of Supervisors supervised the implementation of resolutions of shareholders' general meeting and believed that the Board was able to earnestly implement resolutions of shareholders' general meeting of the Company.

(8) Information Disclosure Supervision

During the reporting period, the Board of Supervisors supervised the information disclosure of the Company, reviewed the regular reports and offered written opinions, and no illegal or non-compliance issues on information disclosure of the Company were found throughout the year 2024.

In 2025, the Board of Supervisors will continue to fulfill its duties and improve its performance. In accordance with regulatory requirements and internal policies of the Company, the Board of Supervisors will continue to perform the supervision function in an honest and diligent manner to better prevent risks in operation and management of the Company, to protect the interests of the Company and shareholders and promote compliance management and sound development of the Company.

(VII) Chairman and President

As of the date of the disclosure of this report, Mr. YANG Yucheng served as the chairman of the Company and Mr. GONG Xingfeng served as the president of the Company. The chairman is responsible for presiding over shareholders' general meeting, convening and presiding over the meetings of the Board and exercising other powers granted by the Board. The president takes charge of ordinary operation and management of the Company.

(VIII) Executive Committee

According to the *Articles of Association*, the Company establishes Executive Committee as the decision-making body for the ordinary operation and management of the Company under the leadership of the Board of Directors. The Executive Committee comprises members of senior management, and its major duties include: to implement the specific tasks and measures of the resolutions of the Board; to implement plans in connection with material mergers and acquisitions, equity and real estate investments and financings, and assets disposals, subject to the authorization by the Board or in accordance with resolutions of the Board; to study on the material operation decisions; to monitor major operations and activities of the Company. There are six functional committees under the Executive Committee, including Business Development and Management Committee, Finance and Budget Management Committee, and Risk Management Committee, etc.

(IX) Company Secretary

During the reporting period, the Company externally appointed Ms. NG Sau Mei to work as joint company secretary of the Company. The main contact person for Ms. NG Sau Mei in the Company was Mr. GONG Xingfeng(1), the board secretary and joint company secretary of the Company. Both Mr. GONG Xingfeng and Ms. NG Sau Mei attended professional trainings for no less than 15 hours.

On 9 December 2024, the 27th meeting of the eighth session of the Board agreed to appoint Mr. LIU Zhiyong as the board secretary and joint company secretary of the Company, and his qualification as the board secretary is still subject to the ratification of regulatory authority. The contact information of Mr. LIU Zhiyong is set out in Section 1 "Corporate Information" of this report.

Note:

1. Mr. GONG Xingfeng resigned as the board secretary and joint company secretary of the Company due to work adjustment in December 2024.

(X) Amendments to the Articles of Association and Other Corporate Governance Systems

In accordance with applicable laws, rules, regulations and the Company's practices, the *Proposal on Amendments to the Articles of Association* was considered and approved by the 18th meeting of the eighth session of the Board held on 27 March 2024 and the Annual General Meeting of 2023 held on 28 June 2024. The amended *Articles of Association* is still subject to the ratification of regulatory authority. For detailed information, please refer to relevant announcement disclosed on the website of the HKSE on the same day.

On 29 April 2024, in accordance with applicable laws, rules, regulations, the amended *Articles of Association* and the Company's practices, the 19th meeting of the eighth session of the Board considered and approved the *Proposal on Amendments to the Rules of Procedures of General Meeting,* the *Proposal on Amendments to the Rules of Procedures of the Board of Directors* and the *Proposal on Amendments to the Administrative Measures for Independent Directors*. Among them, the *Proposal on Amendments to the Rules of Procedures of General Meeting* and the *Proposal on Amendments to the Rules of Procedures of the Board of Directors* have been considered and approved by the Annual General Meeting of 2023 held on 28 June 2024, and are still subject to the ratification of regulatory authority. For detailed information, please refer to relevant announcement disclosed on the website of the HKSE on the same day.

On 29 April 2024, in accordance with applicable laws, rules, regulations, the amended *Articles of Association* and the Company's practices, the 44th meeting of the seventh session of the Board of Supervisors considered and approved the *Proposal on Amendments to the Rules of Procedures of the Board of Supervisors*. The proposal has been considered and approved by the Annual General Meeting of 2023 held on 28 June 2024, and is still subject to the ratification of regulatory authority. For detailed information, please refer to relevant announcement disclosed on the website of the HKSE on the same day.

Save as disclosed above, the Company did not amend other corporate governance systems during the reporting period and up to the date of the disclosure of this report.

(XI) Information Disclosure and Investor Relations

During the reporting period, the Company strictly observed various regulatory rules of the listing places regarding information disclosure to ensure their effective implementation, and established and improved the information disclosure mechanism, and disclosed regular reports and temporary announcements on the SSE and the HKSE in a timely, accurate and complete manner. Meanwhile, the Company strengthened internal communication and training, improved the communication efficiency in a multi-dimensional manner to enhance the compliance awareness of information disclosure, to ensure the standardization of information disclosure. The Company focused on investors' needs, treated all kinds of investors fairly, fully and effectively presented the Company's business performance to investors and other stakeholders with clear and concise expressions. After the disclosure of annual report and interim report, the Company published *A Chart to Read and Understand NCI's Performance for the Year 2023*, the *Highlights of Semi-Annual Performance of NCI in Figures* and other related information through the Company's WeChat public account. These materials were illustrated with both text and images, and enhanced the readability of regular reports and made it easier for investors to understand the Company's performance, and improved the effectiveness of the Company's information disclosure.

As of 2024, the Company has won the highest rating of Class A in information disclosure of listed companies of the SSE for nine consecutive years.

During the reporting period, the Company enriched the content and form of investor relations. The Company convened the results announcement conferences and non-deal roadshow through on-site meetings, teleconferences and live video broadcastings, providing investors with diversified communication channels. Through daily investors and analysts visits, participation in investment summits and other activities, the Company maintained smooth communication with capital market, provided sufficient information on its operation and development timely. Meanwhile, the Company proactively protected the interests of minority investors. The senior management answered in detail the concerned questions from minority investors at results announcement and established a communication channel with minority investors through text Q&A session . The Company had active daily interaction with minority investors by answering hotlines and replying to messages to its investor relations emails and the E-interactive platform of the SSE in order to protect the rights and interests of minority investors. The Company has reviewed the implementation and effectiveness of shareholder communication policy during the reporting period. The Company confirms its shareholder communication policy can effectively protect shareholders' rights and interests and guarantee the smooth communication between shareholders and the Company.

II. THE CONTROLLING SHAREHOLDER GUARANTEED THE COMPANY' S INDEPENDENCE IN ASSETS, PERSONNEL, FINANCE, INSTITUTIONS AND BUSINESS

On the basis of abiding by national laws and regulations and regulatory rules and not interfering in the ordinary operation and management of the Company, Huijin, the controlling shareholder of the Company, exercised shareholders' rights through corporate governance channel to ensure the Company's independence in assets, personnel, finance, institutions and business. The Company runs independent and complete business and is capable of independent business operation. The Company is an independent legal person responsible for its own profits and losses. The business of the Company is independent from Huijin and other enterprises controlled by Huijin and the Company has no horizontal competition with the controlling shareholder or any unfair related party transaction with Huijin and other enterprises controlled by Huijin.

III. DIVIDEND DISTRIBUTION

(I) Dividend distribution policies

According to Article 289 of the *Articles of Association*, the major dividend distribution policies of the Company are set out below:

1. The Company may distribute dividends in the form of cash, shares or a combination of cash and shares. The Company may distribute interim dividend.

2. If the profit for the year and the accumulated undistributed profit of the Company are positive, the profit distribution plan will be formulated by the Board based on the Company's solvency margin ratio, business development and operation results, subject to the laws and regulations and requirements promulgated by relevant regulatory authorities on solvency margin ratio.

3. The Company shall give priority to dividend distribution in cash. Where the Company's operation is in a sound condition, and the Board considers that the share price of the Company fails to reflect its share capital scale and that the distribution of dividend in shares will be favorable to all shareholders of the Company as a whole, the Company may propose dividend distribution in shares, provided that the above conditions of cash dividend are fully met.

4. The Board shall thoroughly discuss the rationality of profit distribution plan and produce a special resolution to the shareholders' general meeting for consideration. In considering the profit distribution plan at the shareholders' general meeting, the Company shall maintain active communications and exchanges with shareholders, particularly minority shareholders through various channels, carefully listen to the feedbacks and requests of minority shareholders, and give timely response to minority shareholders on the relevant matters. After a resolution approving such profit distribution plan is passed at the shareholders' general meeting, the Board shall distribute the dividends within two months from the convention of such shareholders' general meeting.

During the reporting period, the decision-making process and mechanism of the Company's profit distribution plan are complete, the dividend standard and proportion are clear, which are in line with the *Articles of Association* and relevant review procedures, fully protect the legitimate rights and interests of minority investors, and have been approved by all independent non-executive directors of the Company.

(II) Distributable reserve for shareholders

Net profit attributable to shareholders of the Company as contained in the 2024 Consolidated Financial Statements of the Company reached RMB26,229 million and net profit attributable to the parent company as contained in the financial statements totaled RMB25,202 million. As of 31 December 2024, the accumulative profit available for distribution of the Company from previous years reached RMB86,077 million. And there was no deficit to be covered. According to the *Articles of Association*, the distributable net profit for 2024 of the Company totaled RMB25,202 million.

(III) Profit distribution plan of 2024

According to the proposed profit distribution plan of 2024 considered and approved by the 31st meeting of the eighth session of the Board on 27 March 2025, the Company planned to distribute a final cash dividend of RMB1.99 (inclusive of tax) per share to all shareholders of the Company of 2024, totaling approximately RMB6,208 million. The Company distributed 2024 interim cash dividend of RMB0.54 (inclusive of tax) per share to all shareholders, approximately RMB1,685 million in total. The Company distributed the total cash dividend (including interim and proposed final dividend) of RMB7,893 million for the year 2024, representing approximately 30.1% of the net profit attributable to shareholders of the Company as contained in the 2024 financial statements of the Company. The remaining retained profits shall be carried forward to 2025 and distributed in future.

The Company did not implement transfer of capital reserve to share capital in 2024.

The aforementioned proposed profit distribution plan has yet to be approved by the shareholders' general meeting. The Company expects that 2024 final dividend will be distributed on Friday, 8 August 2025 to all shareholders. Please refer to the announcement published by the Company in due course for more details.

(IV) Dividend distribution in recent three years

Year of distribution	Amount of dividend per share (RMB) (inclusive of tax)	Total amount of cash dividend (RMB million) (inclusive of tax)	Net profit attributable to shareholders of the Company achieved within the year as contained in the financial statements (RMB million)	Percentage of the total amount of cash dividend in net profit attributable to shareholders of the Company as contained in the financial statements
2024 (including interim and final)	2.53	7,893	26,229	30.1%
2023	0.85	2,652	8,712	30.4%
2022	1.08	3,369	9,822	34.3%

(V) Withholding and payment of dividend income tax for individual foreign shareholders and non-resident enterprise shareholders

Pursuant to the *Enterprise Income Tax Law of the People's Republic of China* and its implementation regulations, the *Individual Income Tax Law of the People's Republic of China* and its implementation regulations, the *Announcement of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents taxpayers under Tax Treaties* (Guo Shui Fa [2019] No. 35) (《國家稅務總局關於發佈〈非居民納稅人享受協議待遇管理辦法〉的公告》(國稅發[2019]35號)), the *Notice of the State Administration of Taxation on the Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045* (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws and regulations and regulatory requirements, the Company shall, as a withholding agent, withhold and pay dividend income tax for H shareholders in respect of the dividend, including individual income tax for individual foreign shareholders and enterprise income tax for non-resident enterprise shareholders. For details regarding withholding and payment of dividend income tax for H shareholders and materials that H shareholders need for tax deduction, please refer to announcements to be published by the Company in due course.

IV. COMPLIANCE WITH MODEL CODE

The Company has formulated the *Administrative Measures for the Shares of the Company held by Directors, Supervisors and Senior Management and their Changes of New China Life Insurance Company Ltd.* (《新華人壽保險股份有限公司董事、監事和高級管理人員所持公司股份及其變動管理辦法》) to regulate the securities transactions of directors, supervisors and senior management of the Company, the standards of which are not lower than that required in *Model Code*. After making specific enquiries with all directors and supervisors, the Company confirmed that each director and supervisor has observed the code of conduct set out in *Model Code* and the *Administrative Measures for the Shares of the Company held by Directors, Supervisors and Senior Management and their Changes of New China Life Insurance Company Ltd.* during the reporting period.

V. RESPONSIBILITIES OF DIRECTORS TOWARDS FINANCIAL STATEMENTS

Directors confirmed that they were obliged to prepare financial statements and to truly and fairly report the Company's situation. The statement made by the Company's auditor about its responsibility for reporting the accounts is set out in *Audited Financial Statements 2024* of this report. To the knowledge of the directors, there were no issues or conditions occurred in the reporting period that might have significant adverse effects on the Company's sustainable operation. Directors considered that the Company had enough resources for sustainable operation in the future, therefore the financial statements should be prepared on a going concern basis.

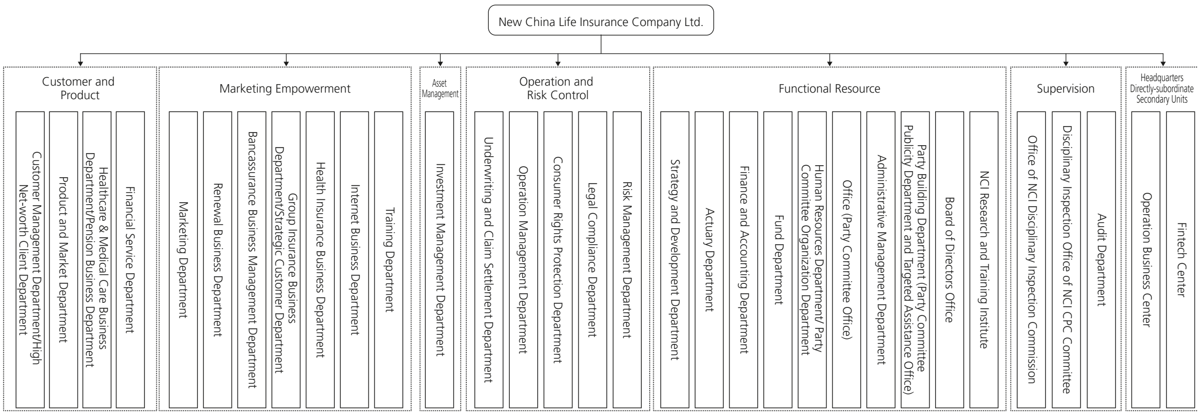
VI. MANAGEMENT OF SUBSIDIARIES

In order to strengthen the management over subsidiaries and ensure that there are rules to follow in the management of subsidiaries, the Company has formulated internal management measures such as *Administrative Measures for Holding and Equity Participating Companies of New China Life Insurance Company Ltd. (Trial Implementation) (2024)* (《新華人壽保險股份有限公司控參股公司（暫行）管理辦法（2024版）》). Such measures have made it clear that the Company adopted a clear management approach of "business alignment and functional penetration" for subsidiaries. Subsidiaries shall operate and manage independently in accordance with the *Company Law* and other laws and regulations as well as the articles of association. And major matters of subsidiaries shall be submitted to the Company for examination and approval, and daily operation and management matters shall be independently decided by the subsidiaries in accordance with the authorization of the Company. The Company has also formulated penetrative management systems for major subsidiaries and improved the management system and mechanism of all departments. The Company strengthened the penetrating management in material matters, risks and personnel of subsidiaries, and further improved management efficiency.

VII. DEPARTMENT AND BRANCH OFFICES OF THE COMPANY

(I) Department of the Company

As of the date of the disclosure of this report, the headquarters has 30 departments, 2 directly-subordinate secondary units.



(II) Branch offices

As of 31 December 2024, there are 1,731 branches and offices of the Company, including 35 branches, 275 sub-branches (including Guangzhou municipal branch offices), 754 outlets, 636 marketing service offices and 31 business offices.

VIII. THE OVERALL EVALUATION OF CORPORATE GOVERNANCE

The Company attaches great importance to corporate governance. The Company has a relatively sound corporate governance mechanism and effective operation of the shareholders' general meeting, the Board of Directors, the Board of Supervisors and senior management. The internal control system is relatively complete. The shareholders' general meeting, the Board of Directors, the special committees under the Board of Directors, the Board of Supervisors and senior management all perform their duties and coordinated with each other. The corporate governance structure maintains effective checks and balances.

IX. THE COMPANY'S COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is responsible for fulfilling corporate governance responsibilities as set out in Article A.2.1 of *Corporate Governance Code*. During the reporting period, the Board held a meeting to review the Company's compliance with *Corporate Governance Code* and the disclosures in the corporate governance report. Save as disclosed in this report, directors were not aware of any information that would reasonably indicate that the Company had not complied with the applicable code provisions as set out in *Corporate Governance Code* at any time during the period from 1 January 2024 to 31 December 2024.

X. INTERNAL CONTROL

The Company has been committed to building and improving its internal control system to promote the sustainable development of the Company. The internal control system aims at providing reasonable assurance that the Company's operation and management are in compliance with relevant laws and regulations, the Company's assets are properly safeguarded, financial statements and related information are true and complete, the operation efficiency and results are improved, and development strategies are implemented, to guarantee that the Company operates legally, robustly and efficiently.

The Board is responsible for establishing, improving and implementing internal control system, as well as evaluating its effectiveness. The Audit and Related Party Transaction Control Committee under the Board is responsible for supervising the implementation and self-assessment of internal control, appointing and coordinating with external auditors. The Board of Supervisors is responsible for overseeing the establishment and implementation of internal control by the Board. The Risk Management Committee under Executive Committee of the Company is responsible for organizing the daily operation of internal control. The Risk Management Department of the Company is responsible for organizing and promoting the internal control of the Company. Each of the functional departments and business units observed the provisions and requirements of internal control. The Audit Department is in charge of overseeing the internal control.

Based on the internal control requirements such as the *Basic Standard for Enterprise Internal Control* (《企業內部控制基本規範》) (Cai Kuai [2008] No.7), *Circular on Printing and Distributing the Implementary Guidelines for Enterprises Internal Control* (《關於印發企業內部控制配套指引的通知》) (Cai Kuai [2010] No.11), *Basic Standards for Internal Control of Insurance Companies* (《保險公司內部控制基本準則》) (Bao Jian Fa [2010] No.69), and *Internal Control Guidelines for Insurance Funds Deployment* (《保險資金運用內部控制指引》) (Bao Jian Fa [2015] No.114), the Company has observed the basic principles of comprehensiveness, significance, balancing, adaptation, and cost-effectiveness, and has established an internal control system with the *Internal Control Management Policy* as the guiding principle, the *Internal Control Practice Manual* and the *Internal Control Self-assessment Manual* as the core systems, supplemented by internal control management systems in various fields.

The Company has established and improved internal control system composing of five elements, including internal environment, risk assessment, control activities, information and communication, and internal supervision. The functional departments and business units, the internal control management department and the audit and supervision department act as the three lines of defense of the Company. Through the work division and coordination among these three lines of defense, the Company has met the requirements of internal control and risk management and established the internal control system of "complete coverage, clear focus and effective control".

The Company adopted a combination of qualitative and quantitative methods to identify risks in the fields of business, finance, and funds utilization, to determine key risk areas, comprehensively sort out internal control defects and loopholes, constantly improve the defect rectification management mechanism, strengthen the effectiveness of rectification, and coordinate the management and control mechanism of in-advance prevention, in-process control and follow-up supervision to ensure the efficiency and results of all business activities.

The Company, focusing on high-quality development, strengthened the "internalization of external regulations", consolidated the foundation for internal control management and steadily pushed forward internal control in various business areas. In respect of marketing control, the Company improved the marketing management structure, built up systems to manage business and sales agents, continued to manage intermediary channels and improve systems to manage sales agents, training and quality, and strictly regulated promotion and marketing activities, continued to improve business quality and observed the regulation of aligning fee experience with registered assumptions, strengthened marketing risk monitoring, managed business quality and implemented accountability, to prevent the risk of misleading marketing. In respect of operation control, the Company continued to optimize operation management system, and the business management processes, the management and control measures in key links and the construction of systems in new policies, underwriting, updating information, claim settlement, customer service, reinsurance, etc., and continued to improve customer information management mechanism, strengthened the protection of consumers' rights and interests and continued to defuse risks in operation. In respect of accounting and financial control, the Company established a comprehensive and standardized accounting and financial management structure and system, enhanced various systems in budget management, accounting calculation, tax management, funds payment and receivable management, expense management, etc. Besides, the Company also optimized information system, identified, managed and controlled financial and accounting risks effectively, improved efficiency of finance and information quality to ensure the truthfulness, completeness, accuracy and timeliness of financial statements and relevant information. In respect of funds utilization, the Company formulated a standardized funds management system, defined the process of funds allocation, tightened the authorization and approval system to ensure the safety of the Company's funds. The Company also formulated administrative measures on entrusted investment, administrative measures on real estate investment, administrative measures on the risk classification of investment assets, etc., prepared guidelines on the utilization of insurance funds annually, strictly complied with regulatory requirements on the utilization of funds, controlled risks and standardized utilization of insurance funds to effectively prevent risks. In respect of information technology control, the Company set up information security management system, strengthened overall planning and basic management of information system through the formulation of the system, preparation of process, implementation of specific operation and safety awareness training, strengthened the design, development, operation, maintenance, security management, confidentiality management, disaster relief management, outsourcing service management, security management of mobile application, and continued to improve information technology and security management and control.

The Company has established a clear and effective internal and external information communication system, which imposes strict requirements on the timeliness of information transfer so as to implement the information disclosure management system and intensify the registration and filing of inside information. The Company also formulated the system of accountability for material errors of information disclosure in the annual report. The criteria for identifying material errors and the accountability mechanism have been established and strictly implemented.

The Company has established an independent internal auditing system with centralized management. Under the guidance of the Audit and Related Party Transaction Control Committee under the Board, the Audit Department organized and implemented the internal audit work, and performed internal supervisory functions through regular auditing, audit during tenure and after resignation, economic responsibility auditing and specific auditing. The Company's internal auditing continued to expand its breadth and depth, strengthen the quality control of auditing projects, promote the informatization and digitization of auditing, deepen the application of audit results, effectively play the role of supervision and enhance the value of auditing.

The Company constantly optimized its accountability mechanism for operation and management, which formed a "comprehensive, coordinated, coherent, consistent in terms of authority and responsibility, effective and efficient" (全面覆蓋、統籌協調、上下貫通、權責一致、有力有效) system, built an accountability culture that "matched authority with responsibility, encouraged commitment, fulfilled duties and pursued responsibility for dereliction of duty" (權責匹配、鼓勵擔當、盡職免責、失職追責), and promoted the fulfillment of due diligence of organizations and management cadres at all levels in accordance with laws and regulations, thus effectively curbing illegal and irregular practices in operation and management.

The Board is responsible for risk management and internal control and supervising their effectiveness. Meanwhile, the specialized department for risk management and internal control of the Company is designated to manage rather than eliminate the risk of failure to achieve business objectives. The Company provides reasonable assurance for non-existence of material false statements or loss. On the basis of the *Basic Standard for Enterprise Internal Control* (《企業內部控制基本規範》) (Cai Kuai [2008] No.7), the *Circular on Printing and Distributing the Implementary Guidelines for Enterprises Internal Control* (《關於印發企業內部控制配套指引的通知》) (Cai Kuai [2010] No.11) and other regulatory requirements on internal control, taking into account the internal control system and assessment methods of the Company, the Board conducted annual assessment on internal control in a comprehensive way, which covered marketing, operation, finance, funds utilization, information technology management and other aspects of headquarters, branches and subsidiaries. The time interval of 2024 assessment is from 1 January 2024 to 31 December 2024. The risk management and internal control department has confirmed to the Board that the operation of risk management and internal control was good and effective. After the assessment, the Board was of the view that the Company's internal control system construction and operation were effective and adequate as a whole and the auditor has issued a standard and unqualified internal control audit report.

For details of the Company's internal control assessment, please refer to the *Internal Control Assessment Report 2024* separately disclosed by the Company and the internal control audit report issued by the auditor.

XI. RISK MANAGEMENT

(I) RISK MANAGEMENT SYSTEM – OVERALL STRATEGIES

The Company has established a risk management system spanning all major business areas which the Board is ultimately held accountable for, and which is under the direct leadership of the Executive Committee, coordinated by risk management department, closely assisted by relevant functional departments and subordinated institutions, and independently audited by audit department.

Based on value-oriented concept and internal control, the Company pushed forward the comprehensive risk management system via both quantitative and qualitative analysis to realize the professional operation of risk management and meet requirements of solvency risk management and asset-liability management required by regulatory authorities, making risk management the important basis for the decision-making of the Board and the Executive Committee. Considering the operation objective and expectations of all stakeholders, the Company formulated risk strategy aiming at striking a balance among capital, value, profit and liquidity, observing the laws, regulations and regulatory requirements, controlling operation risks effectively, and safeguarding the reputation and brand image so as to achieve sustainable and sound development of the Company.

The Company made steady progress in risk management system and procedure, continued to improve risk management system and optimize the management process. In 2024, the Company optimized top-level design in risk management, amended *Comprehensive Risk Management Policy* (《全面風險管理政策》), carried out evaluation and inspection on annual risk preference system, updated *Statement of Risk Preference of 2024* (《2024年度風險偏好陳述書》), improved emergency management systems, and amended *Emergency Management Measures* (《突發事件應急管理辦法》). In 2024, the Company further improved risk management procedures, continued to improve the internal control management measures and systems in operation and management activities including marketing, operation, finance, funds utilization, information technology and other aspects of the Company, improved money laundering risk management system, complied with the requirements of laws and regulations of anti-money laundering, actively built anti-money laundering management culture, fulfilled the legal obligations of anti-money laundering to enhance the quality and efficiency of anti-money laundering.

The Company improved its own risk management in consideration of the requirements of C-ROSS phase 2. Through self-assessment of solvency risk management and comprehensive benchmarking analysis, the Company identified problems and made specific rectification to effectively enhance risk management.

In 2024, the Company constantly optimized its risk monitoring and reporting mechanism, and conducted regular monthly monitoring and analysis of various risks, including market risk, credit risk, insurance risk, operational risk, strategic risk, reputation risk and liquidity risk under the comprehensive risk management system. Meanwhile, the Company focused on the progress of asset allocation and its risk control to provide the headquarters and branches with risk warning and reminder of related risks.

In 2024, the Company constantly optimized its risk control and compliance management system. The risk management subsystem was able to collect and process data, monitor key risk indicators and give early warning, and manage risk statement, to timely identify risks and give warnings by monitoring data and indicators in the course of operation and management through modern information technology. The internal control subsystem covered the whole internal control management modules including internal control evaluation, defect rectification, operation risk event management and risk screening, which advanced the basic risk control management. The compliance management system was able to monitor and give early warning for marketing misleading indicators, monitor key compliance assessment indicators, report important compliance information, achieved the efficient application of information technology in compliance management and enhanced the overall efficiency of compliance monitoring and compliance management. Anti-money laundering and the related system realize various functions such as customer due diligence, transaction monitoring and analysis, monitoring list maintenance and filtering to provide strong support for the risk management in money laundering.

(II) RISK IDENTIFICATION AND CONTROL

The major risks of the Company in the course of operation and management include market risk, credit risk, insurance risk, operational risk, reputation risk, strategic risk, liquidity risk, etc.

(1) Market risk

Market risk refer to risks that expose the Company to unexpected losses due to adverse movements in interest rates, equity prices, real estate prices, exchange rates, etc.

The Company continued to monitor the proportion of high-risk assets, value at risk (VaR), asset duration and other key indicators. Benchmark threshold values were set up for risk warning. In addition, in case of extreme circumstances, the Company adopted sensitivity analysis and stress test to measure the potential loss to the Company under stress with focus on the impacts brought by market volatility and interest rate movements on fair value of investment assets and solvency of the Company.

In order to handle market risks, the Company primarily adopted the following measures: 1. placing emphasis on macroeconomic studies and prudently projecting domestic and international market trends; 2. analyzing historical risks and returns of major assets on a regular basis; 3. proactively managing the positions of equity assets and conducting regular stress tests to measure their impacts on investment return and solvency margin ratio to keep risk exposures under control; 4. making prudent investment and focusing on asset-liability matching management; 5. sticking to value-oriented investment, selecting assets with potential value appreciation, and pursuing medium- and long-term investment earnings; 6. centering on both value and the overall liquidity of assets and gradually adjusting investment portfolio by adding new assets, so as to match the risk and return of investment portfolio with the value and risk management requirements of the Company; and 7. enhancing risk monitoring and early warning to strengthen emergency management.

(2) Credit risk

Credit risks refer to risks that expose the Company to unexpected losses due to non-performance or delay in the performance of contractual obligations by counterparties, or adverse movements in their credit. The credit risks that the Company is exposed to mainly related to investment deposits, bonds, non-standard financial products and reinsurance arrangements, etc.

1. Credit risk of investment business

The Company primarily monitored the credit rating and concentration of investment targets and counterparties to ensure the overall credit risk exposure within control by limiting the proportion of investments with low credit rating. More than 95% of investment deposits and bonds held by the Company have a credit rating of AAA and credit ratings of major counterparties are AAA.

To address the credit risks of investment business, the Company primarily adopted the following measures in 2024: 1. implementing a strict internal credit and credit rating system for counterparties and stringently checking on the categories of credit investment products; 2. implementing subject credit to credit assets and enhancing concentration management of a single entity to prevent credit risks; 3. monitoring the credit risk of investment portfolios, analyzing and assessing the possibility and impact of credit default events; 4. establishing a "Negative List" management mechanism in key funds utilization, and updating the "Negative List" after dynamic assessment based on market changes; 5. optimizing the risk asset classification management system and strengthening the penetrating risk management.

2. Reinsurance credit risk

The Company assessed the credit ratings of reinsurance counterparties to mitigate reinsurance credit risk.

As of the end of 2024, the Company had 9 reinsurers, and all of their credit ratings were above grade A. Five of them obtained Standard & Poor's rating: one company had a rating of AA+, one company AA-, one company A+, two companies A. The other four companies obtained A.M. Best's ratings: two companies A+, one company A and one company A-. The Company had good credit distribution within the ceding business.

(3) Insurance risk

Insurance risks refer to risks arising from the unfavorable deviation of the actual situation from the projections in terms of assumptions on mortality rate, morbidity rate, compensation rate, surrender rate and expense rate, etc.

The Company assessed and monitored insurance risks through regular review of historical empirical data, sensitivity analysis of main assumptions and other techniques, with focus on the impact of surrender rate, mortality rate and morbidity rate on the Company's operating results.

The Company managed insurance risks in product development, underwriting tactics and reinsurance arrangements via the following mechanisms and measures: 1. implementing effective product development and management system, designing proper insurance liabilities and setting the product price on the basis of market research, predicting the product profitability based on the Company's empirical analysis and reasonable expectation, so as to maintain a rational expense ratio and profitability; 2. making customized underwriting through prudent underwriting tactics and processes to ensure the risk within control; 3. arranging appropriate reinsurance based on the risk characteristics of the insured, and ensuring that reinsurance contract basically covered products with risk liabilities to effectively transfer insurance risk; 4. reviewing the Company's operating data on a regular basis to conduct empirical analysis and trend research, which served as the basis for adjusting pricing assumptions and assessing assumptions; and 5. reflecting problems identified in empirical analysis and relevant information timely to product development, underwriting approval and claim settlement departments to optimize business procedures and risk management.

(4) Operational risk

Operational risks refer to risks that expose the Company to direct or indirect losses due to inappropriate internal operation processes, personnel, system or external events, including legal and compliance risks. The major operational risks include misleading sales and litigations within the insurance industry.

1. Risk of misleading sales

Risks of misleading sales refer to risks arising from acts of life insurance companies, insurance agencies and insurance sales agents who, in the course of life insurance business activities, violate the *Insurance Law* and other laws, administrative regulations and relevant provisions of NFRA, and make misleading advertisements or explanations of the insurance products concerned by deception, concealment or inducement, etc. Comprehensive rectification of misleading sales based on regulatory requirements is a major task for the Company.

To effectively address the risk of misleading sales, the Company mainly adopted the following measures in 2024: 1. strengthening rectifications of problems from the sources, constantly improving internal control management systems in various distribution channels, amending systems in key fields including the *Basic Law,* quality management measures, embedding relevant regulatory requirements for the rectification of distribution channels into the Company's internal control system to prevent misleading sales from the sources; 2. leveraging the role of supervision and collaboration, placing emphasis on joint problem solving. Frontline and back-office departments of the headquarters enhanced the rectification and review of subordinated institutions, improved the toolbox of rectification, verified rectification measures, focused on rectification from the sources in terms of mechanism, processes and systems, and continuously check the effectiveness of rectification; 3. improving the review mechanism for consumers' rights and interests protection, constantly amending and reviewing work system, conducting consumers' rights and interests protection examination on products and services in respect of design and development, pricing management, agreement, marketing and publicity; improving the consumer complaint handling mechanisms, smoothing complaint channels, and constantly conducting rectifications of issues from the sources; and 4. strengthening publicity and training, accountability and education. According to regulatory requirements, the management personnel should be held responsible for misleading sales. The Company made promotional and training materials combined with typical cases from the industry to strengthen publicity and training and enhance the compliance awareness of both internal staff and external agents.

2. Risk of criminal cases

Risks of criminal cases refer to risks that insurance company employees and agents who, in the course of business operation, use the convenience of his or her position to commit an offence against the lawful rights and interests of the Company in which he or she works or of customers, or illegally use the company's important blank certificates, seals and business premises to obtain the company's credit to participate in illegal financial activities such as illegal fund-raising, and other criminal cases that have been filed and investigated by the public security, judicial and supervisory authorities, which may bring economic loss, reputation damage or other adverse impacts to the Company.

To effectively address risks of criminal cases, the Company mainly adopted the following measures in 2024: 1. constantly improving the system and mechanism for case prevention, strengthening the organization and leadership of case prevention, reinforcing departmental coordination, proactively publicizing the latest regulatory requirements, and prompting all departments to implement case prevention requirements to prevent case risks; 2. making case risk monitoring on a regular basis by means of indicators, complaints and others, supervising branches to discover and mitigate risks in a timely manner, and establishing the list of high-risk personnel; 3. carrying out risk screening of criminal cases throughout the Company, conducting screening on agents using insurance business or the Company's credits for illegal fund-raising, illegal sale of non-insurance financial products, fraud and embezzlement of funds of customers and the Company, private loans, and other hidden risks; 4. conducting regular warning education and training internally to ensure compliance; carrying out publicity activities to prevent risks of illegal fund-raising externally, raising the public's rational awareness of investment, and enhancing customers' awareness of risk prevention; and 5. strengthening mitigation and reporting of criminal cases, and reinforcing the supervision of case prevention for subordinated institutions, so as to further strengthen the responsibility of case prevention.

In addition to the measures taken to address the abovementioned significant operational risks, the Company also mitigated daily operational risks by optimizing management processes, strengthening internal control and compliance management, conducting risk screening and strengthening internal auditing supervision.

(5) Reputation risk

Reputation risks refer to risks that expose the Company to losses due to negative comments by stakeholders as a result of operation and management of the Company or external events.

The coverage of the Company by external media in 2024 was primarily positive and objective. The reputation risk management follows the principle of prevention and establishes a routine, long-term and effective management mechanism with focus on advance assessment and daily precaution. The Company manages daily public opinion through 24/7 monitoring. The Company has established a comprehensive reputation risk management system that covers all channels and subordinated institutions in terms of organizational structure, system, daily monitoring and risk disposal with excellent linkage mechanism. In response to untrue or negative public opinion, the Company communicates with the media in a timely manner, carries out positive publicity at the earliest time, properly handles public opinion, clarifies untrue negative reports, and reduces the impact of public opinion on the Company's reputation and image.

(6) Strategic risk

Strategic risks refer to risks of mismatch between strategies, market conditions and capabilities of the Company arising from ineffective formulation or implementation of strategies or changing environment.

The Company has developed a relatively complete system for strategic risk management, and established a strategic risk management structure for which the Board bears overall responsibility, and which is led by the management, closely assisted by relevant functional departments. The mechanism and process of planning preparation, implementation, evaluation and reporting have been improved. By taking into full account of various factors such as market environment, risk appetite, capital position and capabilities of the Company, the Company made planning for its development and put into practice in stages. The Company will regularly track and evaluate the implementation of the plan and strategic risk management, and report it to the management team.

In 2024, the Company mainly adopted the following measures: 1. optimizing the implementation measures by reference to the spirit of the Central Financial Working Conference; 2. carrying out regular analysis of the market conditions, and actively seizing the market opportunities in light of development needs of the Company; 3. holding regular management meetings for the completion of operation plans to promote the sustained high-quality development of the Company; 4. formulating evaluation schemes scientifically to conform to the Company's overall planning; 5. strengthening communication and coordination, enhancing the communication between strategy management department and related function departments to form a coordinated and feedback mechanism on strategy planning. In 2024, the soundness of the Company's strategic risk management system and the effectiveness of its implementation were maintained.

(7) Liquidity risk

The liquidity risks refer to risks that the Company fails to have access to sufficient funds in time or at reasonable costs to pay its debts as they become due or fulfill other payment obligations.

The Company constantly monitored future cash flow and carried out stress tests with attention to the indicators such as the liquidity coverage ratio, and formulated solutions in advance by putting daily risk monitoring in place and paying attention to unusual changes of indicators.

To address liquidity risks, the Company primarily adopted the following measures: 1. strictly controlling non-compliant sales in product marketing to enhance business quality and prevent the large-scale payments induced by unusual concentrated surrenders; 2. establishing reserve system for contingency payments in case of short-notice request for large amount payments; 3. planning and managing long-term liquidity, and adjusting medium- and long-term asset allocation by considering the overall liquidity of assets and liabilities with reference to investment guidelines; and 4. strengthening emergency management and formulating liquidity risk emergency plans to defuse liquidity risks.

SECTION 8
ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. ENVIRONMENT INFORMATION

The Company actively responded to the national call for advancing ecological civilization and achieving the goals of "carbon peaking and carbon neutrality" and integrated the green development philosophy into all aspects of its operations. The Company vigorously promoted green and low-carbon operations, advocated for green public welfare initiatives and deepened sustainable development.

The Company, as a financial institution, generated greenhouse gas emissions at the operational level mainly from workplace-related energy consumption. The Company strictly complied with and implemented the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other laws and regulations, and adopted energy-saving and emission-reduction measures to deepen environmental-friendly operations. In 2024, the Company further optimized lighting and temperature management at workplace, introduced an integrated digital system for energy management, and deployed Internet of Things technology to achieve refined energy usage management and improve energy efficiency.

The Company has been committed to establishing a paperless and efficient green operation service model through technology empowerment. It has built up a thorough online insuring and updating information service process, and fully supported online e-policy and updating information, which not only provided convenient services to customers but also significantly reduced the use of paper documentation, effectively cutting operational carbon footprints.

During the reporting period, the Company was not subject to any administrative penalty because of environmental issue.

For more information, please refer to the *Environmental, Social, and Governance (ESG) and Corporate Social Responsibility Report 2024* disclosed on the website of the Hong Kong Stock Exchange on the same day.

II. SOCIAL RESPONSIBILITY

(I) Support the Real Economy and Serve the National Strategy

The Company continued to solidify its role as a mainstay in bolstering the real economy, optimized its investment layout, increased investment in major national strategies, key areas and weak links such as scientific and technological innovation, industrial upgrading and low-carbon development, and made overall plans to promote the development of "five target areas", namely technology finance, green finance, inclusive finance, pension finance and digital finance. As of the end of 2024, the Company invested RMB1,088.8 billion to underpin the real economy and invested RMB483.3 billion to serve national strategic initiatives. The Company jointly established the industry's first private investment fund of RMB50 billion to stabilize the capital market. In response to the national call for medium- and long-term funds to enter the capital market, the Company proactively increased investment in equity assets in the secondary market.

The Company supported the development of new generation information technology, biotechnology, new energy, new materials and other strategically emerging industries clusters, enterprises that use special and sophisticated technologies, with an investment balance of RMB61,790 million. The Company supported green development and "carbon peaking and carbon neutrality" strategy, with an investment balance of RMB29,650 million. The Company increased financing support and reasonable profit concessions to increase the quantity and reduce the cost of financing for micro, small and medium-sized enterprises, with an investment balance of RMB12,480 million. The Company enhanced investment in pension finance to support the development of medical and health industries, and participated in the construction of multi-level medical security system and the commercial pension insurance as the third pillar, with an investment balance of RMB11,360 million. The Company supported the development of enterprises in the digital industry, such as artificial intelligence, cloud computing and digital economy, with an investment balance of RMB2,850 million. The Company also served major regional strategies and regional coordinated development, with an investment balance of RMB349,820 million.

(II) Rural Revitalization

In 2024, the Company actively implemented the decisions and deployments of the CPC Central Committee, and continued to support the national strategy of rural revitalization. As of the end of the year 2024, more than RMB61 million funds were coordinated and allocated for rural revitalization. Among them, the Company carried out 21 assistance projects on "Five Revitalization Initiatives" in Shibing County, Guizhou Province and Chayouzhong Banner, Ulanqab, Inner Mongolia. Proactive measures were taken to support another 5 assistance projects in Xinjiang, Hebei, Yunnan, Hubei and other regions. The total value of agricultural products directly procured or sold by the Company from poverty-alleviated areas exceeded RMB30.59 million. Over RMB14.16 million paid and unpaid assistance funds were introduced for Shibing County. Meanwhile, the Company encouraged its employees, Party members and cadres to donate money and materials to support rural revitalization.

The Company actively explores irrigating rural financial fields with the "living water" of finance, and takes advantage of its core business to serve rural revitalization. In 2024, the Company won the bid of two national-level rural public welfare insurance projects, namely "Dingliangzhu" (頂樑柱) and "Jiayou Baobei" (加油寶貝), initiated by China Foundation for Rural Development. In addition, three exclusive insurance products for rural revitalization were launched, and for those who had just been alleviated from poverty or on the verge of poverty, the discount for accident insurance premiums was increased from 15% to 30%, covering 360,000 insured people throughout the year.

The Foundation, in collaboration with China Women's Development Foundation and Chinese Red Cross Foundation, implemented a series of assistance projects for rural revitalization in Shibing County, Guizhou Province, including projects of the genius moms dream workshop, the mother's entrepreneurship fund, Jiayou Mulan (加油木蘭) and Fraternity Home (博愛家園), contributing to local development in multiple dimensions, and providing systematic support for local women's entrepreneurship and income generation, inheritance of traditional skills and sustainable community development.

(III) Help Employees Grow

The Company has always put people first, strictly abided by various laws and regulations, including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. The Company always believes that the enhancement of comprehensive quality of employees is one of the most important targets. By creating a tolerant, equal, mutual trust and collaborative environment for employees, the Company makes efforts to guarantee the rights and interests of employees, promote their mental and physical health and build platforms for improvement to synchronize the Company's values with employees' values.

(IV) Consumer Rights Protection

1. *Important information on consumer rights protection*

The Company attaches great importance to the protection of consumer rights and interests, integrates consumer rights protection into all aspects of corporate governance, and has established a complete system and mechanism for the protection of consumer rights and interests.

In 2024, the Company strictly implemented relevant laws and regulations, regulatory requirements and internal administrative measures for consumer rights protection. The Company formulated and revised more than 30 documents, such as the *Administrative Measures for the Product Information Disclosure* (《產品信息披露管理辦法》), the *Administrative Measures for the Insurance Product Classification (Trial)* (《保險產品分級管理辦法(試行)》) to optimize consumer rights and interests protection mechanisms such as product and service review, information disclosure, and personal information protection. Meanwhile, the Company continued to strengthen the management over product and service marketing and publicity, marketing behavior, cooperation partners and service quality, carried out consumer education and publicity on a regular basis, and properly resolved various consumer complaints and disputes to effectively protect the legitimate rights and interests of consumers. The Company established and optimized a "management system for consumer rights and interests protection", which transformed management norms and business processes into standard and replicable system application model, and gradually took proactive management of consumer rights protection under multiple business processes, multiple business links and multiple business scenarios, so as to improve the management efficiency of consumer rights and interests protection.

In terms of internal assessment, the Company has established and improved its internal assessment mechanism for consumer rights and interests protection, focused on key businesses and key areas where consumers' rights and interests are vulnerable to infringement. In light of the efforts on consumer rights and interests protection, the Company has set up reasonable assessment indicators to give full play to the guiding role of assessment to enhance consumer rights and interests protection.

In terms of internal training, the Company has deepened training on consumer rights and interests protection and has formulated the *Consumers' Rights and Interests Protection Training Plan 2024* (《2024年消費者權益保護培訓計劃》). The training covers consumer rights and interests protection policies, internal systems and requirements, information disclosure on product and service, marketing and publicity, handling of consumer complaints, etc. Through various forms such as internal training platforms and on-site training meetings, the Company provided training to staff at headquarters, branches, and sub-branches to continuously strengthen their awareness of consumer rights protection.

2. *Consumer complaints and handling*

The Company continued to strengthen and improve consumer complaint handling mechanisms and feedback channels to further smooth consumer complaint channels, optimize the complaint handling process, improve complaint notices, and announced through the Company's official website, official WeChat public account, official application and national customer service center, so as to respond to consumer demands in a timely manner and effectively safeguard the legitimate rights and interests of consumers.

According to the notifications on consumer complaints in the insurance industry of 2024 from the NFRA, the Company received a total of 1,485 complaints, with number of complaints per RMB100 million premium of 0.87 and number of complaints per 10,000 policies of 0.35. Based on the main issues reflected in the complaints, surrender dispute complaints accounted for 49.29% and sales dispute complaints accounted for 33.33%. The distribution of complaints is as follows:

Branch	Number of complaints	Proportion	Branch	Number of complaints	Proportion
Jiangsu	145	9.76%	Liaoning	26	1.75%
Jilin	132	8.89%	Sichuan	25	1.68%
Shandong	124	8.35%	Anhui	24	1.62%
Beijing	106	7.14%	Guizhou	23	1.55%
Shaanxi	94	6.33%	Ningxia	22	1.48%
Henan	79	5.32%	Qinghai	21	1.41%
Hubei	74	4.98%	Zhejiang	19	1.28%
Hunan	67	4.51%	Qingdao	15	1.01%
Hebei	64	4.31%	Chongqing	15	1.01%
Jiangxi	59	3.97%	Yunnan	10	0.67%
Inner Mongolia	59	3.97%	Shenzhen	9	0.61%
Xinjiang	50	3.37%	Shanghai	8	0.54%
Guangdong	45	3.03%	Gansu	6	0.40%
Heilongjiang	38	2.56%	Dalian	4	0.27%
Tianjin	32	2.16%	Hainan	4	0.27%
Guangxi	27	1.82%	Xiamen	4	0.27%
Shanxi	27	1.82%	Ningbo	2	0.14%
Fujian	26	1.75%			

For other complaints of the Company, please refer to the relevant chapters of the *Environmental, Social, and Governance (ESG) and Corporate Social Responsibility Report 2024* disclosed on the website of the Hong Kong Stock Exchange on the same day.

3. Consumer financial education

The Company attaches great importance to financial education for consumers' rights and interests protection. In 2024, the Company carried out a total of 35,800 financial education activities, covering 64 million consumers.

(V) Public Welfare Actions and Charitable Donations

The Company leverages the strengths of insurance industry to gradually form a unique public welfare model of "insurance products + public welfare platforms + volunteer services", taking a distinctive path for undertaking social responsibility. In 2024, the donation for public welfare exceeded RMB11.61 million.

1. In 2024, the Company continued to carry out the public welfare activity of "NCI Accompanies You in Building Beautiful Cities – Donating Insurance to Sanitation Workers Nationwide". More than 970,000 sanitation workers in 187 cities across the country were provided with accidental injury insurance of RMB100,000 per person. Since 2017, the Company has donated total sum assured over RMB602.5 billion in the activity and settled 462 claims, with compensation amount of RMB41.244 million.

2. The Company, relying on the Foundation, joined hands with Chinese Red Cross Foundation to carry out the public welfare project of first-aid capacity building. In 2024, the Company launched the first aid knowledge popularization public welfare project "First Aid Teenager" (少年急救官). By the end of the year, the project had been launched in more than 80 cities across the country, with more than 6,000 trainees in 130 activities. In 2024, the project was awarded the "Annual Social Welfare Project of Financial Brand".

3. As of the end of 2024, the Company set up 35 volunteer teams across the country, recruiting over 34,000 volunteers. The voluntary team carried out over 4,100 activities nationwide such as achieving carbon peaking and carbon neutrality, respecting and helping the elderly, and caring for sanitation workers. A total of 50,000 volunteers participated in various activities, with more than 130,000 hours of service throughout the year.

On 7 January 2025, a 6.8-magnitude earthquake hit Shigatse City, Xizang. The Company immediately activated an emergency response mechanism and donated RMB1 million in cash to the earthquake-stricken areas in Xizang.

For details of fulfilling social responsibilities of the Company, please refer to the *Environmental, Social, and Governance (ESG) and Corporate Social Responsibility Report 2024* disclosed on the website of the Hong Kong Stock Exchange on the same day.

SECTION 9
THE BOARD OF DIRECTORS REPORT AND SIGNIFICANT EVENTS

I. MAIN BUSINESSES

As approved by regulatory authorities and company registration authorities, the business scope of the Company includes: providing life insurance in RMB and foreign currencies (including various life insurance, health insurance, and accident and casualty insurance); acting as an agent for domestic and foreign insurance institutions for insurance, verification and claim settlement; insurance consulting; and engaging in capital utilization in accordance with relevant regulations. There was no material change in the major business scope of the Company during the reporting period.

II. BUSINESS REVIEW

(I) Annual business and business results analysis

Analysis on the business results of the Company during the reporting period is set out in Section 4 "Management Discussion and Analysis" of this report.

(II) Major risks and uncertain factors

Please refer to Section 7 "Corporate Governance" of this report for details of major risks and uncertain factors of the Company.

(III) Environment policy

The Company is not classified as a key pollutant discharge unit by the environmental protection department. For details of environmental protection, please refer to the *Environmental, Social, and Governance (ESG) and Corporate Social Responsibility Report 2024* disclosed on the website of the Hong Kong Stock Exchange on the same day.

(IV) Principal employees and customers

Details of senior management and employees of the Company are set out in Section 6 "Directors, Supervisors, Senior Management and Employees" of this report.

During the reporting period, the gross written premiums contributed by any single customer was less than 30% of the Company's annual gross written premiums. The total premium income from the top five customers was also less than 30% of the Company's annual gross written premiums.

(V) Compliance with relevant laws and regulations

During the reporting period, the Company strictly abided by the laws and regulations which significantly affected the Company's operation.

(VI) Company's relations with employees and customers

Details of the Company's relations with employees and customers are set out in Section 2 "Business Overview" and Section 8 "Environmental and Social Responsibility" of this report.

(VII) Prospects

Please refer to Section 4 "Management Discussion and Analysis" of this report for details of the prospects on future business of the Company.

(VIII) Post-balance sheet events

Please refer to Note 43 to "Consolidated Financial Statements" of this report for any material event that occurs after the financial year 2024 and has significant impact on the Company.

III. USE OF PROCEEDS

The Company's proceeds raised were all used for replenishing the capital base to support sustainable business growth, consistent with the commitments in the IPO Prospectus.

IV. PROPERTY, PLANT AND EQUIPMENT

Please refer to Note 6 to "Consolidated Financial Statements" of this report for details of property, plant and equipment of the Company during the reporting period.

V. INVESTMENT PROPERTY

No.	Address	Utilization	Term	Equity of the Company
1	New China Insurance Tower, A12 Jianguomenwai Avenue, Chaoyang District, Beijing, China	Office building	Middle-term lease	100%
2	No. 7 Office Building of Shanghai Port International Passenger Transport Center, 558 Dongda Ming Road, Hongkou District, Shanghai, China	Office building	Middle-term lease	100%
3	Binhai International Center, Exhibition North Road, Siming District, Xiamen, Fujian Province, China	Office building	Middle-term lease	100%

The directors of the Company are of the view that the listing of all investment properties would result in an excessively lengthy list of information and therefore only listed significant properties.

VI. SHARE CAPITAL

Please refer to Section 10 "Changes in Share Capital and Shareholders' Profile" of this report for details of changes in share capital of the Company during the reporting period.

VII. ISSUANCE OF BONDS AND BONDS

The Company issued the capital supplementary bonds in the national inter-bank bond market with the amount of RMB10,000 million on 18 June 2024 and completed the issuance on 20 June 2024. For more details, please refer to the *Announcement on Completion of Issuance of the Capital Supplementary Bonds* published on the website of the HKSE on 21 June 2024 by the Company. During the reporting period, the existing issued capital supplementary bonds totalled RMB30,000 million.

VIII. MATERIAL ACQUISITION AND DISPOSAL

As of the end of the reporting period, the Company did not undertake any material acquisition or disposal that was required to be disclosed.

IX. SIGNIFICANT INVESTMENT

As of the end of the reporting period, the Company had no significant investment that was required to be disclosed pursuant to paragraph 32(4A) of Appendix D2 to the *Hong Kong Listing Rules*.

X. MAJOR TRANSACTION

During the reporting period, to increase the investment in long-duration assets in line with the Company's investment strategy, optimize the asset-liability matching and improve the utilisation efficiency of insurance funds, the Company and China Life Insurance Company Limited ("**China Life**") made a joint investment for the formation of Honghu Zhiyuan (Shanghai) Private Investment Fund Co., Ltd. (鴻鵠志遠(上海)私募投資基金有限公司), with each party contributing RMB25 billion. The Asset Management Company, a subsidiary of the Company, and China Life Asset Management Company Limited, a subsidiary of China Life, jointly initiated the formation of Guofeng Xinghua (Beijing) Private Fund Management Co., Ltd. (國豐興華(北京)私募基金管理有限公司), with each party contributing RMB5 million, serving as the manager of the aforementioned private investment fund company.

For more details of the investment, please refer to the announcements dated 29 November 2023 and 25 January 2024, as well as the circular of the First Extraordinary General Meeting of 2024 dated 6 February 2024, and the announcement on the poll results of the First Extraordinary General Meeting of 2024 dated 27 February 2024 published by the Company on the website of the HKSE, respectively.

On 29 February 2024, Honghu Zhiyuan (Shanghai) Private Investment Fund Co., Ltd. entered into an entrusted management agreement with Guofeng Xinghua (Beijing) Private Fund Management Co., Ltd. Up to now, the fund manager has made investment in accordance with the articles of association of the fund, the entrustment management agreement and the requirements of laws and regulations. The fund has operated smoothly.

As of the end of the reporting period, the amount of the above transaction accounted for less than 5% of the total assets of the Company, which did not constitute a significant investment under paragraph 32(4) of Appendix D2 of the *Hong Kong Listing Rules*.

XI. BANK LOANS

During the reporting period, the Company had no bank loans other than the issued capital supplementary bonds and assets sold under agreements to repurchase involved in the investment business of the Company.

XII. PLEDGE OF ASSETS

During the reporting period, the Company had no pledge of assets.

XIII. SEIZURE, DISTRAINMENT OR FREEZE OF MAJOR ASSETS

During the reporting period, the Company had no event of seizure, distrainment or freeze of major assets that was required to be disclosed.

XIV. EXCHANGE RATE RISK AND HEDGING

Please refer to Note 4 to "Consolidated Financial Statements" of this report for the details of exchange rate risk of the Company during the reporting period.

XV. MANAGEMENT CONTRACTS

During the reporting period, the Company did not enter into any management contract or administrative contract in relation to its entire or primary businesses.

XVI. PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company (including sale of treasury shares). As of the end of the reporting period, neither the Company nor its subsidiaries has any treasury shares.

XVII. PRE-EMPTIVE RIGHT

Pursuant to P.R.C. laws and regulations and the *Articles of Association*, shareholders of the Company had no pre-emptive right and the Company did not have any share option arrangement.

XVIII. PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For the biographical details of directors, supervisors and senior management, please refer to Section 6 "Directors, Supervisors, Senior Management and Employees" of this report.

XIX. INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETITIVE BUSINESSES

During the reporting period, there had been no interests of directors and supervisors of the Company in competitive business.

XX. SERVICE CONTRACT AND REMUNERATIONS OF DIRECTORS AND SUPERVISORS

During the reporting period, no director or supervisor of the Company entered into with the Company or its subsidiaries any service contract which was not terminable by the Company within one year without payment of compensation, other than statutory compensation.

For details of remunerations of the directors and supervisors, please refer to Section 6 "Directors, Supervisors, Senior Management and Employees" of this report.

XXI. INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

During the reporting period, directors and supervisors had no material interests in the contracts of significance entered into by the Company and its subsidiaries with any third parties.

XXII. RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES

During the reporting period, the Company did not grant its directors, supervisors or their respective spouses or children aged under 18 the right to subscribe for shares or bonds of the Company and its subsidiaries.

XXIII. STATEMENT OF THE BOARD ON INTERNAL CONTROL RESPONSIBILITY

According to the assessment of effectiveness of internal control performed as of 31 December 2024 by the Board in compliance with the *Basic Standard for Enterprise Internal Control* (Cai Kuai [2008] No. 7) and *Circular on Printing and Distributing the Implementary Guidelines for Enterprises Internal Control* (Cai Kuai [2010] No. 11) and other internal control regulatory requirements, the Board was of the view that the construction and operation of internal control system were effective as a whole.

XXIV. PERMITTED INDEMNITY PROVISION FOR DIRECTORS

For the year ended 31 December 2024, there were no and had been no permitted indemnity provision benefiting the directors or the directors of the Company's associated companies. The Company has purchased proper liability insurance for directors during the year to indemnify the legal liability incurred by directors' fulfilling their duties. The governing law of such policy is P.R.C. law.

XXV. SUFFICIENT PUBLIC FLOAT

According to the data obtained from public resources by the Company and according to the knowledge of the directors as of the latest practicable date before the publication of this report, no less than 25% of the issued share capital and no less than 15% of the H shares of the Company have been held by the public, in compliance with the requirement of the public float in accordance with the *Hong Kong Listing Rules*.

XXVI. EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2024, the Company had not entered into any equity-linked agreement.

XXVII. AUDIT AND RELATED PARTY TRANSACTION CONTROL COMMITTEE

The Audit and Related Party Transaction Control Committee of the Company has reviewed the audited financial statements for this year. Please refer to Section 7 "Corporate Governance" of this report for the composition, role as well as the work summary of the Audit and Related Party Transaction Control Committee for this year.

XXVIII. FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company and its subsidiaries did not have any other future plans for material investments or capital assets as at 31 December 2024. However, the Company will closely follow industry opportunities to broaden its revenue base and profit potential and maximise shareholders' value in the long term.

XXIX. CONNECTED TRANSACTION

According to the *Hong Kong Listing Rules*, the transaction between the Company and the Company's connected person (as defined in *Hong Kong Listing Rules*) constituted the connected transaction of the Company during the reporting period. The Company monitored and managed such transactions in strict accordance with the *Hong Kong Listing Rules* and abided by relevant rules and regulations of *Hong Kong Listing Rules*. Details of the related party transactions are set out in Note 36 to "Consolidated Financial Statements" of this report. Among which, certain transactions fell under the definition of connected transactions in Chapter 14A of *Hong Kong Listing Rules* and such transactions were complied with relevant requirements of *Hong Kong Listing Rules*.

XXX. SIGNIFICANT CONTRACTS AND THEIR PERFORMANCE

(I) During the reporting period, there were no such events as managing, contracting and leasing assets of other companies by the Company or managing, contracting and leasing the Company's assets by other companies that brought the Company more than 10% (inclusive) of the Company's total profit, nor were there loans or financial assistance to be disclosed.

(II) During the reporting period, there was no external guarantee of the Company and its subsidiaries, and the Company and its subsidiaries did not provide any guarantee for its subsidiaries.

(III) The utilization of insurance funds of the Company is carried out mainly through entrusted management and the diversified entrusted investment management system in which the entrusted internal investment managers are main players and single asset management plans are the supplemental has taken shape. The internal investment managers include Asset Management Company and Asset Management Company (Hong Kong) and single asset management plans comprise fund companies and other professional investment management institutions. The Company selects different investment managers according to the requirements of asset allocation, risk-return characteristics of different types of assets and the merits of each manager, so as to build diversified investment portfolios and improve the efficiency of insurance fund utilization. The Company enters into the entrusted investment management agreement/asset management contracts with internal investment managers, manages the investment through measures including investment guidance, asset custody, dynamic tracking and communication, assessment and evaluation, and takes targeted risk control measures according to the characteristics of different managers and investment targets.

In 2024, the Company made expected credit-impaired provisions for such entrusted assets and recognized credit impairment losses of RMB3,385 million.

(IV) Unless otherwise disclosed in this report, the Company had no other material contract during the reporting period.

XXXI. CONTINGENT LIABILITIES

So far as known to the Board, as at 31 December 2024, there had been no litigation, arbitration or claim of material importance in which the Company or its respective subsidiaries was engaged or pending or which threatened against the Company or its respective subsidiaries.

XXXII. APPOINTMENT OF ACCOUNTING FIRMS

The Annual General Meeting of 2023 of the Company held on 28 June 2024 considered and approved the *Proposal on the Re-appointment of Accounting Firms for the Year 2024*, and resolved to re-appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP as domestic auditor of the Company to conduct the 2024 annual audit, interim review and quarterly agreed-upon procedures; and to appoint Deloitte Touche Tohmatsu as international auditor of the Company to conduct the 2024 annual audit and interim review. For details, please refer to the *Announcement in relation to Proposed Re-appointment of Accounting Firms for the Year 2024* (《建議續聘2024年度會計師事務所的公告》) published on the website of the HKSE on 27 March 2024 and the *Poll Results of the Annual General Meeting of 2023 and Distribution of 2023 Annual Dividend* published on the website of the HKSE on 28 June 2024 of the Company. The Audit and Related Party Transaction Control Committee of the Company has no dissenting opinion regarding appointment of accounting firm during the reporting period. Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu have been the auditors of the Company for three consecutive years.

Mr. MA Qianlu is the partner and certified public accountant for the auditing project of the Company. Mr. MA Qianlu, from Deloitte Touche Tohmatsu Certified Public Accountants LLP, has been offering auditing services for the Company since 2022. Ms. YANG Li, another certified public accountant from Deloitte Touche Tohmatsu Certified Public Accountants LLP, has also been offering auditing services for the Company since 2022. Ms. TONG Meiyin, the partner and certified public accountant from Deloitte Touche Tohmatsu, has been offering auditing services for the Company since 2022.

Pursuant to relevant requirements of the *Administrative Measures for the Selection and Engagement of Accounting Firms by State-owned Financial Enterprises* (《國有金融企業選聘會計師事務所管理辦法》) (Cai Jin [2020] No. 6) issued by the Ministry of Finance of the People's Republic of China, Ernst & Young Hua Ming LLP and Ernst & Young have been engaged by the Company for 8 consecutive years, being the maximum consecutive tenure of service, after the conclusion of auditing for the year 2021. The Company is required to change its auditors. Therefore, the Company changed its auditors in 2022. Please refer to the *Proposed Appointment of Auditors* published by the Company on 25 February 2022 for details.

Save as disclosed above, the Company did not change its auditors in the previous three years.

During the reporting period, the expense paid to auditors by the Company was as follows:

Unit: RMB10,000

Items	2024	2023
Auditing services for financial statements – auditing, reviewing and executing agreed-upon procedures	**1,993.5**	1,753.7
Internal control and auditing services	**194.5**	194.5
Other attestation services	**–**	–
Total	**2,188.0**	1,948.2

XXXIII. COMMITMENTS OF THE COMPANY OR SHAREHOLDERS WITH OVER 5% SHARES DURING THE REPORTING PERIOD OR UNTIL THE REPORTING PERIOD

For details of the commitment made by Huijin, the controlling shareholder of the Company, to avoid horizontal competition, please refer to the *Announcement on the Conditions of Unfulfilled Commitments of the Company's Shareholders, Related Parties and the Company* published on 13 February 2014 by the Company on the website of the Hong Kong Stock Exchange.

During the reporting period, the commitment relating to avoidance of horizontal competition was still being fulfilled continuously and normally.

XXXIV. NON-OPERATING USAGE OF FUNDS BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES

There was no non-operating usage of funds by the controlling shareholder and other related parties of the Company.

XXXV. CREDIT OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER

During the reporting period, the Company and its controlling shareholder were not subject to any enforceable court judgments of significant amount or outstanding due and payable debts.

XXXVI. SUSPECTED VIOLATIONS OF LAWS OR REGULATIONS AND PENALTY OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, MEMBERS OF SENIOR MANAGEMENT AND CONTROLLING SHAREHOLDER

During the reporting period, the Company was not subject to any investigations for suspected crime. Neither the Company's controlling shareholder nor its directors, supervisors or members of senior management were subject to compulsory measures for suspected crimes. Neither the Company nor its controlling shareholders, directors, supervisors or members of senior management were subject to criminal penalties, or received investigations or administrative penalties for suspected violations of laws or regulations by the CSRC, or received major administrative penalty by other authorities. Neither the Company's controlling shareholder nor its directors, supervisors or members of senior management were subject to serious violations of discipline and law or duty crimes which led to detention by discipline inspection and supervision departments and affected their performance of duties. The Company's directors, supervisors and members of senior management were not subject to compulsory measures that affect the performance of their duties for suspected violations of laws and regulations by other competent authorities.

During the reporting period, neither the Company nor its controlling shareholder, directors, supervisors or members of senior management were subject to any administrative supervision by the CSRC and disciplinary action by the stock exchange.

XXXVII. SIGNIFICANT LITIGATION, ARBITRATION EVENTS

During the reporting period, the Company had no significant litigation or arbitration events.

XXXVIII. CONTRIBUTION SCHEME

Employees of the Company participate in the workforce social-security system established and managed by the government, including endowment insurance, medical care insurance, housing provident fund and other social security schemes. The Company contributes social insurance premiums and welfare for employees based on a certain percentage of their salary and within the upper limit prescribed by the government and pays them to the human resources and social security agency. Such expenditure is included in current costs or expenses. The abovementioned social-security system is a defined contribution plan. Contributions to basic social endowment insurance system cannot be forfeited for that all contributions are fully vested in employees at the time of payment. In addition to the above basic social endowment insurance, the Company established enterprise annuity fund in 2014, and the enterprise annuity fund has been reported to the Ministry of Human Resources and Social Security for the record. The Company paid monthly to the enterprise annuity fund according to the agreed payment base and percentage. During the accounting period when the employees participating in the enterprise annuity plan provide services, the amount calculated and paid by the Company according to the enterprise annuity plan is recognized as liabilities and included in income statement or related asset costs. The enterprise annuity fund is a defined contribution scheme. Contribution not attributed to the resigned employee in the enterprise annuity fund shall not offset the existing contribution, instead it will be transferred into a public account of the enterprise annuity fund and distributed to other members of enterprise annuity fund after performing the stipulated approval procedures.

YANG Yucheng
Chairman
27 March 2025

SECTION 10
CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

I. CHANGES IN SHARE CAPITAL

As of 31 December 2024, there was no change in the total number of shares and structure of share capital of the Company.

Unit: share

	31 December 2024		Increase or decrease during the reporting period (+, -)					31 December 2023	
	Number	Percentage	New shares issued	Bonus shares	Transfer from reserve	Others	Sub-total	Number	Percentage
1. Shares with selling restrictions	– [1]	–	–	–	–	–	–	–	–
2. Shares without selling restrictions									
1. Ordinary shares denominated in RMB	2,085,439,340	66.85%	–	–	–	–	–	2,085,439,340	66.85%
2. Domestically listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas listed foreign shares (H Share)	1,034,107,260	33.15%	–	–	–	–	–	1,034,107,260	33.15%
4. Others	–	–	–	–	–	–	–	–	–
Total	3,119,546,600	100.00%	–	–	–	–	–	3,119,546,600	100.00%
3. Total number of shares	3,119,546,600	100.00%	–	–	–	–	–	3,119,546,600	100.00%

Note:

1. "-" represents "0".

II. ISSUE AND LISTING OF SECURITIES

During the reporting period, the Company had no issue of listed securities.

As of the end of the reporting period, there was no share issued by the Company to its employees.

III. SHAREHOLDERS PROFILE

(I) Number of shareholders and their shareholdings

As of the end of the reporting period, there were 76,813 shareholders of the Company, including 76,540 A share shareholders and 273 H share shareholders.

As of 28 February 2025, there were 75,940 shareholders of the Company, including 75,665 A share shareholders and 275 H share shareholders.

As of the end of the reporting period, details of the shares held by top ten shareholders (excluding shares lent through margin trading and securities lending) were set out below:

Unit: share

Name of the shareholders	Number of shares held at the end of reporting period	Percentage of the shareholding (%)	Increase or decrease of shareholding during the reporting period (+,-)	Number of shares held with selling restrictions [1]	Shares pledged or frozen Status	Shares pledged or frozen Number of shares	Character of the shareholders	Types of shares
Central Huijin Investment Ltd.	977,530,534	31.34	– [5]	–	–	–	State-owned	A
HKSCC Nominees Limited [2]	972,749,511	31.18	+27,034	–	Unknown	Unknown	Overseas legal person	H
China Baowu Steel Group Corporation Limited	377,162,581	12.09	–	–	–	–	State-owned legal person	A
China Securities Finance Corporation Limited	93,339,003	2.99	–	–	–	–	State-owned legal person	A
Hwabao Investment Co., Ltd. [3]	60,503,300	1.94	–	–	–	–	State-owned legal person	H
Hong Kong Securities Clearing Company Limited [4]	43,609,683	1.40	+140,680	–	–	–	Overseas legal person	A
Central Huijin Asset Management Ltd.	28,249,200	0.91	–	–	–	–	State-owned legal person	A
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	14,419,850	0.46	+8,088,448	–	–	–	Others	A
Kehua Tianyuan (Tianjin) Business Operation Management Company Limited	11,200,000	0.36	-590,000	–	–	–	Domestic legal person	A
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-ended Index Initiated Securities Investment Fund	9,946,518	0.32	+7,626,759	–	–	–	Others	A

Description of related-party relations or concerted action among the aforesaid shareholders	Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. and Hwabao Investment Co., Ltd. is a wholly-owned subsidiary of China Baowu Steel Group Corporation Limited. Save for the above, the Company is not aware of any related-party relationship among the aforesaid shareholders or whether they are parties acting in concert.
Description of margin trading and security lending by top 10 shareholders and top 10 shareholders without selling restrictions	Kehua Tianyuan (Tianjin) Business Operation Management Company Limited held 5,500,000 shares of the Company through credit account. At the beginning of the reporting period, Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund held 6,331,402 shares through general account and credit account, representing 0.20% of the total shares of the Company, and the number of the Company's shares lent that have not yet been returned were 20,300 shares, representing 0.0% of the total shares of the Company. At the end of the reporting period, Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund held 14,419,850 shares through general account and credit account, representing 0.46% of the total shares of the Company, and there were no shares lent that have not yet been returned. At the beginning of the reporting period, China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-ended Index Initiated Securities Investment Fund held 2,319,759 shares through general account and credit account, representing 0.07% of the total shares of the Company, and the number of the Company's shares lent that have not yet been returned were 39,500 shares, representing 0.0% of the total shares of the Company. At the end of the reporting period, China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-ended Index Initiated Securities Investment Fund held 9,946,518 shares through general account and credit account, representing 0.32% of the total shares of the Company, and there were no shares lent that have not yet been returned.

Notes:

1. As of the end of the reporting period, none of the Company's A shares or H shares were subject to selling restrictions.

2. HKSCC Nominees Limited is a company that holds shares on behalf of the clients of Hong Kong stock brokers and other participants of CCASS system. The relevant regulations of the HKSE do not require such persons to declare whether their shareholdings are pledged or frozen. Therefore, HKSCC Nominees Limited is unable to calculate or provide the number of shares pledged or frozen.

3. As of 31 December 2024, Hwabao Investment, the wholly-owned subsidiary of China Baowu, held 60,503,300 H shares of the Company, which are registered under the name of HKSCC Nominees Limited. To avoid repeated calculation, the number of shares held by Hwabao Investment was subtracted from the number of shares held by HKSCC Nominees Limited.

4. Hong Kong Securities Clearing Company Limited (HKSCC) is a nominal holder of shares in the Shanghai-Hong Kong Stock Connect.

5. "-" represents "0".

(II) Controlling shareholder and the actual controller

The controlling shareholder of the Company is Huijin. Huijin is a wholly state-owned company established in Beijing on 16 December 2003. The registered capital of Huijin is RMB828,209 million. The legal representative of Huijin is Mr. ZHANG Qingsong. Huijin, in accordance with authorization by the State Council, makes equity investments in major state-owned financial enterprises, and shall to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not conduct any other business or commercial activity, nor does it intervene in the daily operations of major state-owned financial enterprises which it controls.

As of the end of the reporting period, the information of the listed companies that Huijin controlled or participated in equity investment was listed below:

No.	Name	Percentage of Huijin's equity participation
1	Industrial and Commercial Bank of China Limited★☆	34.79%
2	Agricultural Bank of China Limited★☆	40.14%
3	Bank of China Limited★☆	64.13%
4	China Construction Bank Corporation★☆	57.14%
5	Shenwan Hongyuan Group Co., Ltd.★☆	20.05%
6	China Reinsurance (Group) Corporation☆	71.56%
7	New China Life Insurance Company Ltd.★☆	31.34%
8	China International Capital Corporation Limited★☆	40.11%
9	CSC Financial Co., Ltd.★☆	30.76%

Note: ★: a company listed on SSE; ☆: a company listed on HKSE.

The Company does not have such entity who is not the shareholder of the Company but can actually control the Company through investment relations, agreements or other arrangements. Therefore, the Company does not have any actual controller.

(III) Other corporate shareholders holding 10% or more of the shares in the Company

China Baowu

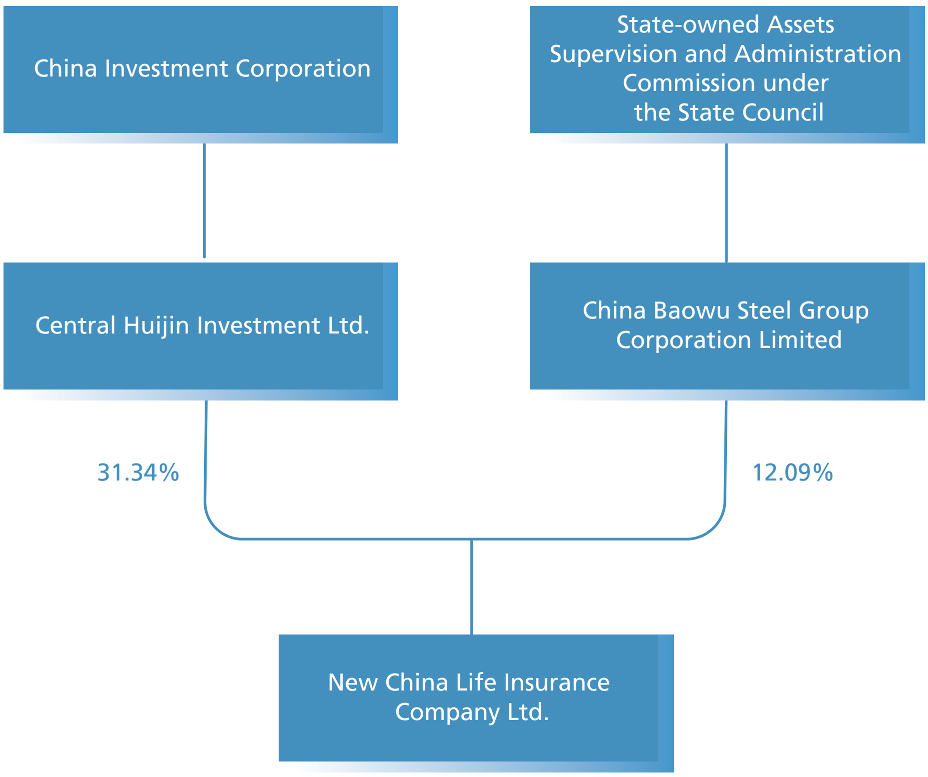
China Baowu was jointly reorganized by the former Baosteel Group Corporation and Wuhan Iron and Steel (Group) Corporation. China Baowu, established on 1 December 2016 in accordance with law, is a wholly state-owned corporation for which the State-owned Assets Supervision and Administration Commission of the State Council performs the duties of investor on behalf of the State Council. The registered capital of China Baowu is RMB52,790 million. The legal representative of China Baowu is Mr. HU Wangming. The business scope of China Baowu is as follows:

Licensed projects: retail of publications; wholesale of publications. (For projects that require approval according to law, business activities can only be carried out after approval by relevant departments. The specific business projects shall be subject to the approval documents or permits issued by relevant departments.)

General projects: engaging in investment activities with self-owned funds; investment management; asset management services with self-owned funds; enterprise headquarters management; land use right leasing; non-residential real estate leasing; tax services; human resources services (excluding occupational intermediary activities and labor dispatch services); registration and agency of market entities; business agency services; undertake outsourcing of archival services; tendering and bidding agency services; big data services; enterprise management consulting. (Except for projects that require approval according to law, business activities are independently carried out in accordance with the law.)

Save as disclosed above, as of 31 December 2024, there were no other corporate shareholders holding 10% or more of the shares in the Company (excluding HKSCC Nominees Limited).

The following chart sets forth the connections between the Company and the ultimate controllers of the corporate shareholders holding 10% or more of shares in the Company as of 31 December 2024:



(IV) Interests and short positions of substantial shareholders and other persons in the shares and underlying shares

To the best of the knowledge of the directors of the Company upon reasonable enquiry, as of 31 December 2024, China Baowu held 377,162,581 A shares of the Company, which accounted for 12.09% of the total issued shares of the Company, and 18.09% of the total issued A shares of the Company.

In addition to the above, to the best of the knowledge of the directors of the Company upon reasonable enquiry, as of 31 December 2024, the following persons (other than directors, supervisors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, and have been entered into the register maintained by the Company pursuant to Section 336 of the SFO:

Unit: share

	Name of substantial shareholders	Type of shares	Capacity	Number of Shares held (share)	Approximate percentage of the shares issued of the Company (%)	Approximate percentage of the total number of A shares issued of the Company (%)	Approximate percentage of the total number of H shares issued of the Company (%)	Long Position/Short Position/ Interest in a lending pool
1	Central Huijin Investment Ltd.	A	Beneficial Owner	977,530,534	31.34	46.87	–	Long Position
			Interests of Controlled Corporation	28,249,200	0.91	1.35	–	Long Position
2	China Baowu Steel Group Corporation Limited	H	Interests of Controlled Corporation	60,503,300 (3)	1.94	–	5.85	Long Position
3	Hwabao Investment Co., Ltd.	H	Beneficial Owner	60,503,300 (3)	1.94	–	5.85	Long Position

Notes:

1. Data disclosed in the table above are mainly based on the information provided on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

2. Pursuant to Section 336 of the SFO, the shareholders of the Company are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Company changes, it is not necessary for the shareholder to notify the Company and the Hong Kong Stock Exchange unless several criteria have been fulfilled. Therefore, a shareholder's latest shareholding in the Company may be different from the shareholding filed with the Hong Kong Stock Exchange.

3. According to the above disclosure, as of 31 December 2024, China Baowu held 377,162,581 A shares of the Company and 60,503,300 H shares of the Company through Hwabao Investment, representing 18.09% of the total number of issued A shares of the Company and 5.85% of the total number of issued H shares of the Company respectively, accounting for 14.03% of the total number of issued shares of the Company.

Save as disclosed above, as at 31 December 2024, the Company was not aware of anyone (other than the directors, supervisors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which have been entered into the register pursuant to Section 336 of the SFO.

IV. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES UNDER HONG KONG LAWS AND REGULATIONS

As of 31 December 2024, according to the information available to the Company and the information our directors are aware of, there were no interests and short positions (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) held by our directors, supervisors and chief executives in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be entered into the register maintained by the Company pursuant to Section 352 of the SFO or which shall be notified to the Company and the HKSE pursuant to the Model Code.

SECTION 11
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the members of New China Life Insurance Company Limited.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of New China Life Insurance Company Limited. (the "Company") and its subsidiaries (the "Group") set out on pages 137 to 304, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities	
As at 31 December 2024, the amount of insurance contract liabilities was RMB1,366,090 million and is of importance to the consolidated financial statements. As disclosed in Note 3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty, the Group groups insurance contracts for measuring purpose. The Group uses appropriate measurement method and actuarial model to estimate insurance contract liabilities, which includes significant actuarial assumptions, such as discount rates, lapse rates, morbidity rates, mortality rates, acquisition and maintenance expense rates, policy dividend rates as well as risk adjustment for non-financial risk to account for the uncertainties of these assumptions. These methods, models and assumptions involve management's use of significant accounting estimates and judgments, which could make a significant impact on the insurance contract liabilities. Based on the analysis above, we have identified the valuation of insurance contract liabilities as a key audit matter. Refer to Note 3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty, Note 4 (1)(c) and Note 14 to the consolidated financial statements.	We performed the following audit procedures: • Obtained an understanding of the Group's internal controls for determining insurance contract liabilities, evaluated and tested the design and operating effectiveness of key internal controls (including the effectiveness of the related IT systems for the measurement and processing of insurance contract liabilities). • Tested completeness and accuracy of the underlying data used in the actuarial model. • Assisted by our actuarial specialists to: ✓ Evaluate the appropriateness of the level of aggregation and the measurement methods adopted for each group of contracts; ✓ Evaluate the appropriateness of the determination of the coverage units; ✓ Assess the appropriateness of the actuarial model, methodology and key assumptions used, including the discount rates, lapse rates, morbidity rates, mortality rates, acquisition and maintenance expense rates, policy dividend rates, etc.; ✓ Assess the reasonableness of key actuarial assumptions and judgments, by comparing them to historical experience and industry data; ✓ Assess the reasonableness of assumptions and model changes applied to the actuarial models; ✓ Review sensitivity analysis of the key assumptions to evaluate the impact on insurance contract liabilities from the assumptions changes individually or as a whole; and ✓ Perform independent actuarial modelling to verify the calculation accuracy of the actuarial model, the calculation of contractual service margin at initial recognition and the subsequent amortisation on a sample basis.

Key Audit Matters (continued)

Key audit matter	**How our audit addressed the key audit matter**
Fair value of level 3 financial assets	
As at 31 December 2024, the Group held financial assets measured at fair value, with a carrying value of RMB986,934 million, of which, RMB64,652 million was level 3 financial assets. The fair value of level 3 financial assets are measured based on significant unobservable inputs. As disclosed in Note 3 Key Sources of Estimation Uncertainty (3), the Group evaluated the fair value of financial assets with active market quotation and valuation techniques. Regarding the level 3 financial assets which primarily include trust plans, equity investment plans, unlisted equity investments, etc., the Group applies significant accounting judgment and estimation to determine the valuation techniques and significant unobservable inputs in assessing these level 3 financial assets. We have identified the fair value of the Group's level 3 financial assets as a key audit matter due to the significant uncertainty from the accounting judgment and estimate. Refer to Note 3 Key Sources of Estimation Uncertainty (3) and Note 4(4) to the consolidated financial statements.	We performed the following audit procedures: • Obtained an understanding of the Group's internal controls for the assessment of fair value of level 3 financial assets, evaluated and tested the design and operating effectiveness of key internal controls. • On a sample basis, performed the following procedures with the assistance of our internal valuation experts when necessary: ✓ Reviewed and evaluated the reasonableness of the Group's valuation methodology; ✓ Tested the accuracy of the underlying data for fair value measurement on a sample basis; ✓ Reviewed the appropriateness of assumptions used to measure the fair value of financial assets; ✓ Reviewed and evaluated the accuracy of valuation results of the financial assets provided by the Group.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those changed with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tong, Mei Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 March 2025

SECTION 11
FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024 (All amounts in RMB millions unless otherwise stated)

	Notes	31 December 2024	31 December 2023
ASSETS			
Property, plant and equipment	6	17,990	18,018
Investment properties	7	9,055	9,383
Right-of-use assets	8	847	881
Intangible assets	9	4,054	4,063
Investments in associates and joint ventures	10	30,245	5,174
Financial investments			
– Financial assets at fair value through profit or loss	11(1)	485,928	380,239
– Debt investments at amortised cost	11(2)	274,891	313,148
– Debt investments at fair value through other comprehensive income	11(3)	470,366	347,262
– Equity investments designated at fair value through other comprehensive income	11(4)	30,640	5,370
Term deposits	12	282,458	255,984
Statutory deposits	13	1,807	1,784
Financial assets purchased under agreements to resell		5,436	5,265
Derivative financial instruments		–	2
Reinsurance contract assets	14	10,812	9,802
Deferred tax assets	15	19,678	10,709
Other assets	16	9,658	14,385
Cash and cash equivalents		38,432	21,788
Total assets		1,692,297	1,403,257

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	Notes	31 December 2024	31 December 2023
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	*14*	**1,366,090**	1,146,497
Borrowings	*17*	**30,384**	20,262
Lease liabilities	*8*	**715**	760
Financial liabilities at fair value through profit or loss	*18*	**8,549**	3,592
Financial assets sold under agreements to repurchase	*19*	**171,588**	106,987
Derivative financial instruments		**4**	–
Other liabilities	*20*	**18,473**	19,985
Current income tax liabilities		**25**	26
Deferred tax liabilities	*15*	**200**	56
Total liabilities		**1,596,028**	1,298,165
Shareholders' equity			
Share capital	*21*	**3,120**	3,120
Reserves	*22*	**(15,056)**	9,823
Retained earnings	*22*	**108,176**	92,124
Equity attributable to owners of the Company		**96,240**	105,067
Non-controlling interests		**29**	25
Total equity		**96,269**	105,092
Total liabilities and equity		**1,692,297**	1,403,257

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

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 March 2025 and are signed on its behalf by:

Mr. Yang Yucheng
CHAIRMAN
EXECUTIVE DIRECTOR

Mr. Gong Xingfeng
EXECUTIVE DIRECTOR
PRESIDENT

SECTION 11
FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024 (All amounts in RMB millions unless otherwise stated)

		For the year ended 31 December	
	Notes	**2024**	2023
REVENUES			
Insurance revenue	*23*	**47,812**	48,045
Interest income	*24*	**31,917**	32,268
Other investment income	*25*	**51,215**	(9,260)
Including: Gains arising from the derecognition of financial assets measured at amortised cost	*25*	**2,890**	–
Other income	*26*	**1,100**	1,201
Total revenues		**132,044**	72,254
BENEFITS, CLAIMS AND EXPENSES			
Insurance service expenses	*27*	**(31,575)**	(33,252)
Net expenses from reinsurance contracts held		**(335)**	(767)
Finance expenses from insurance contracts issued	*28*	**(61,185)**	(26,800)
Less: Finance income from reinsurance contracts held	*28*	**338**	261
Net impairment losses on financial assets	*29*	**(3,415)**	(307)
Other expenses	*30*	**(3,903)**	(3,149)
Total benefits, claims and expenses		**(100,075)**	(64,014)
Share of profits and losses of associates and joint ventures		**528**	(639)
Net impairment losses on other assets	*31*	**(1,190)**	–
Other finance costs	*32*	**(3,166)**	(2,086)
Profit before income tax		**28,141**	5,515
Income tax expense	*15*	**(1,908)**	3,201
Net profit for the year		**26,233**	8,716
Net profit for the year attributable to:			
– Owners of the Company	*33*	**26,229**	8,712
– Non-controlling interests		**4**	4

SECTION 11
FINANCIAL STATEMENTS

	Notes	For the year ended 31 December 2024	2023
Net profit for the year		**26,233**	8,716
Items that will not be reclassified subsequently to profit or loss:		**3,240**	116
Changes in fair value on equity investments designated at fair value through other comprehensive income		**2,600**	121
Share of other comprehensive income of associates and joint ventures under the equity method		**900**	–
Insurance finance expenses from insurance contracts with direct participation features for which the Group holds the underlying items		**(260)**	(5)
Items that may be reclassified subsequently to profit or loss:		**(33,950)**	(14,691)
Changes in fair value on debt investments at fair value through other comprehensive income		**23,150**	7,345
Allowance for impairment losses on debt investments at fair value through other comprehensive income		**705**	(3)
Finance expenses from insurance contracts issued		**(58,266)**	(22,241)
Finance income from reinsurance contracts held		**555**	154
Share of other comprehensive income of associates and joint ventures under the equity method		**(94)**	49
Currency translation differences		**–**	5
Total other comprehensive income for the year, net of tax		**(30,710)**	(14,575)
Total comprehensive income for the year		**(4,477)**	(5,859)
Total comprehensive income for the year attributable to:			
– Owners of the Company		**(4,481)**	(5,863)
– Non-controlling interests		**4**	4
Earnings per share (RMB)			
Basic	*34*	**8.41**	2.79
Diluted	*34*	**8.41**	2.79

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 (All amounts in RMB millions unless otherwise stated)

	For the year ended 31 December 2024					
	Attributable to owners of the Company					
	Share capital	Reserves	Retained earnings	Total	Non-controlling Interests	Total equity
As at 1 January 2024	3,120	9,823	92,124	105,067	25	105,092
Net profit for the year	–	–	26,229	26,229	4	26,233
Other comprehensive income	–	(30,710)	–	(30,710)	–	(30,710)
Total comprehensive income	–	(30,710)	26,229	(4,481)	4	(4,477)
Dividends paid	–	–	(4,337)	(4,337)	–	(4,337)
Appropriation to reserves	–	5,840	(5,840)	–	–	–
Total transactions with owners	–	5,840	(10,177)	(4,337)	–	(4,337)
Others	–	(9)	–	(9)	–	(9)
As at 31 December 2024	3,120	(15,056)	108,176	96,240	29	96,269

SECTION 11
FINANCIAL STATEMENTS

	For the year ended 31 December 2023					
	Attributable to owners of the Company				Non-controlling Interests	Total equity
	Share capital	Reserves	Retained earnings	Total		
As at 1 January 2023	3,120	21,714	89,492	114,326	21	114,347
Net profit for the year	–	–	8,712	8,712	4	8,716
Other comprehensive income	–	(14,575)	–	(14,575)	–	(14,575)
Total comprehensive income	–	(14,575)	8,712	(5,863)	4	(5,859)
Dividends paid	–	–	(3,369)	(3,369)	–	(3,369)
Appropriation to reserves	–	2,711	(2,711)	–	–	–
Total transactions with owners	–	2,711	(6,080)	(3,369)	–	(3,369)
Others	–	(27)	–	(27)	–	(27)
As at 31 December 2023	3,120	9,823	92,124	105,067	25	105,092

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024 (All amounts in RMB millions unless otherwise stated)

	For the year ended 31 December	
	2024	2023
Operating activities		
Profit before income tax	**28,141**	5,515
Adjustments for:		
Investment income	**(83,132)**	(23,008)
Other finance costs	**3,166**	2,086
Changes in insurance contract liabilities	**141,630**	102,355
Changes in reinsurance contract assets	**(270)**	992
Depreciation and amortisation	**1,848**	1,888
Net impairment losses on financial assets	**3,415**	307
Net impairment losses on other assets	**1,190**	–
Losses of disposal of property, plant and equipment, intangible assets and other assets	**3**	1
Changes in operational assets and liabilities:		
Receivables and payables	**565**	1,471
Investment contracts	**(7)**	(361)
Income tax (paid)/received	**(259)**	302
Net cash flows from operating activities	**96,290**	91,548
Investing activities		
Proceeds from sales and maturities of financial investments	**572,273**	461,187
Purchases of financial investments	**(732,422)**	(620,617)
Proceeds from disposal of property, plant and equipment, intangible assets and other assets	**11**	29
Purchases of property, plant and equipment, intangible assets and other assets	**(1,100)**	(2,090)
Interests received	**34,036**	33,036
Dividends received	**8,857**	6,720
Financial assets purchased under agreements to resell, net	**(2,847)**	3,363
Changes from subsidiaries and structured entities	**1,046**	10,584
Term deposits, net and others	**(21,625)**	(48,861)
Net cash flows used in investing activities	**(141,771)**	(156,649)

SECTION 11
FINANCIAL STATEMENTS

	For the year ended 31 December	
	2024	2023
Financing activities		
Capital injected into structured entities by non-controlling interests	**7,834**	23,917
Payment of redemption for structured entities to non-controlling interests	**(10,817)**	(18,004)
Proceeds from issuance of asset funding plans	**–**	6,440
Payment of redemption for asset funding plans	**(6,440)**	(9,210)
Interests and dividends paid	**(5,129)**	(4,227)
Cash received from the issuance of capital supplementary bonds	**10,000**	10,000
Financial assets sold under agreements to repurchase, net	**67,011**	60,846
Payment of lease liabilities	**(430)**	(476)
Net cash flows from financing activities	**62,029**	69,286
Effects of exchange rate changes on cash and cash equivalents	**96**	17
Net increase in cash and cash equivalents	**16,644**	4,202
Cash and cash equivalents		
Beginning of the year	**21,788**	17,586
End of the year	**38,432**	21,788
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	**38,432**	21,788
Cash and cash equivalents at end of the year	**38,432**	21,788

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

SECTION 11
FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB million unless otherwise stated)

1. BACKGROUND AND PRINCIPAL ACTIVITIES

New China Life Insurance Company Ltd. (the "Company") was established as a joint stock limited company in September 1996 in Beijing, the People's Republic of China (the "PRC") with the authorisation of the State Council of the PRC and the approval by the People's Bank of China. The Company's initial registered capital on the date of incorporation was Renminbi ("RMB") 500 million. The registered capital was increased to RMB1,200 million in December 2000 and further increased to RMB2,600 million in March 2011, with the approval of the former China Insurance Regulatory Commission (the "former CIRC"). In December 2011, the Company completed its initial public offering of 158,540,000 A shares on the Shanghai Stock Exchange and issued 358,420,000 H shares on the Hong Kong Stock Exchange. In January 2012, the Company exercised the right of H share overallotment in overseas markets and issued 2,586,600 H shares of the overallotment shares. Upon the approval of the former CIRC, the Company's registered capital was increased to RMB3,120 million. The address of the Company's registered office is No.16 East Hunan Road (Zhongguancun Yanqing Park), Yanqing District, Beijing, the PRC. The Company is headquartered in Beijing.

The business scope of the Company is: life insurance in RMB and foreign currencies (including various life insurance, health insurance, and accident and casualty insurance); acting as an agent for domestic and foreign insurance institutions for insurance, verification and claim settlement; insurance consulting; and engaging in capital operations in accordance with relevant regulations. There has not been any major change of business scope of the Company during the reporting period.

As at 31 December 2024, the Company has equity interests in subsidiaries and consolidated structured entities as set out in Note 41. The Company, its subsidiaries and its consolidated structured entities are hereinafter collectively referred to as the "Group".

2. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

(1) Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(1) Basis of preparation (continued)

The consolidated financial statements have been prepared under the historical cost basis, except for financial instruments measured at fair value and insurance contract liabilities measured based on actuarial methods.

The preparation of the consolidated financial statements in conformity with the IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise professional judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(a) Amendments adopted by the Group for the first time for the financial year beginning on 1 January 2024

Standards/Amendments	Content
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(1) Basis of preparation (continued)

(b) New and amendments to IFRS Accounting Standards in issue but not yet effective

Standards/Amendments	Content
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 21	Lack of Exchangeability[2]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

The directors of the Company anticipate that the application of all the amendments to IFRS Accounting Standards will have no material impact on consolidated financial statements in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group contains control, and continue to be consolidated until the date that such control ceases.

Control is achieved when the Company:

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

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

If the Group loses control over subsidiaries, it derecognizes (i) the assets (including goodwill) and liabilities of subsidiaries, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(a) Subsidiaries

Subsidiaries are entities (including structured entities), directly or indirectly, controlled by the Company.

The Group uses the acquisition method of accounting, other than business combination under common control, to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of the fair value of the assets transferred, the liabilities assumed and the equity interests issued by the Group in return for the subsidiary. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated on consolidation unless they indicate impairment of the asset transferred.

The investments in subsidiaries are accounted for only in the Company's statement of financial position at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

(b) Transactions with non-controlling shareholders

The Group treats transactions with non-controlling shareholders as transactions with shareholders of the Group. For purchases from non-controlling shareholders, the difference between the consideration paid and the carrying value of share of the net assets of the subsidiary acquired is recorded in shareholders' equity. Gains or losses on disposal to non-controlling shareholders are also recorded in shareholders' equity.

When the Group ceases to have control, any retained interests in the entity is re-measured at its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a long-term interest between 20% and 50% of the equity voting rights. Significant influence is the power of participate in the financial and operating policy decisions of the investee.

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

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any) in both the Group's consolidated financial statements and the Company's separate financial statements. The Group's investments in associates and joint ventures include goodwill identified on acquisition, net of any accumulated impairment loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

(c) Associates and joint ventures (continued)

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or the joint venture, including any other unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture. Investments in associates and joint ventures are assessed for impairment.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising from investments in associates and joint ventures are recognised in the consolidated statement of comprehensive income.

(d) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

It depends on management judgment whether the Group, as the asset manager, is an agent or a principal for a structured entity. As an agent, the Group's mainly protects the interests of stakeholders and does not control the structural entity; on the contrary, as a principal, the Group mainly protects its interests of the Group and controls the structured entity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

(d) Structured entities (continued)

The Group has determined that all of its trust plans, debt investment plans, equity investment plans, asset management plans, asset funding plans, funds and private equity, except for those that are controlled, are investments in unconsolidated structured entities. Trust plans, equity investment plans, asset management plans and asset funding plans are managed by trust companies or asset managers who invest the funds in loans or equities in other companies. Debt investment plans are managed by asset managers and their major investment objectives are infrastructure and real estate funding projects. The major investment objective of funds is stocks and bonds, etc., whereas the major investment objective of private equity is unlisted equities in other companies. Trust plans, debt investment plans, equity investment plans, asset management plans and asset funding plans finance their operations by issuing beneficiary certificates which entitle the holder to a proportional stake in income of the respective investment products. Funds and private equity are managed by fund managers. The Group holds beneficiary certificates for the above types of investments.

(3) Segment reporting

The Group's segments information is presented in a manner consistent with the internal operating segments, the Group decides operating segments according to internal organization structure, management requirements, and internal management reporting policy.

Operating segment refers to the segment within the Group that satisfies the following conditions: i) the segment generates income and incurs costs from daily operating activities; ii) management evaluates the operating results of the segment to make resource allocation decisions and to evaluate the business performance; iii) the Group can obtain relevant financial information of the segment, including financial condition, operation results, cash flows and other financial performance indicators. If more than two segments possess similar economic characters and meet certain conditions, they are combined into one segment for disclosure.

(4) Foreign currency translation

Both the functional currency and the presentation currency of the Company are RMB. Transactions in foreign currency are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated using the spot exchange rate at the end of the reporting period. Gains or losses resulted from changes in exchange rates are recognised in profit or loss in the current period. Non-monetary assets or liabilities denominated in foreign currency measured at historical cost are translated using the spot exchange rate at the date of the transaction. The effect of exchange rate changes on cash is presented separately in the consolidated statement of cash flows.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(4) Foreign currency translation (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(5) Property, plant and equipment

Property, plant and equipment are stated at historical costs less accumulated depreciation and any accumulated impairment losses.

The historical costs of property, plant and equipment comprise its purchase price, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The cost of a major renovation is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will be received by the Group.

Depreciation is computed on a straight-line basis to write down the cost of each asset to its residual value over its estimated useful life. For impaired property, plant and equipment, the related depreciation expense is prospectively determined based upon the adjusted carrying amounts over its remaining useful lives.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(5) Property, plant and equipment (continued)

The estimated useful lives and the estimated residual values are as follows:

	Estimated useful lives	Estimated residual value	Annual depreciation rate
Buildings	15-45 years	5%	2.11%-6.33%
Office equipment	5-8 years	5%	11.88%-19.00%
Motor vehicles	5-8 years	5%	11.88%-19.00%

The assets' estimated useful lives, residual values and depreciation method are reviewed by the Group at the end of each year and adjusted if appropriate. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

Property, plant and equipment are derecognised when they are disposed of or put out of operation permanently, or no future economic benefits can be expected from operation or disposal. The gain or loss on sale, transfer, disposal or damage of property, plant and equipment is the proceeds less the carrying amount, adjusted for related taxes and expenses, and is included in profit or loss.

Construction in progress represents buildings and fixtures under construction and is recorded at cost. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for use. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount.

(6) Investment properties

Investment properties are properties that are held for rental income, capital appreciation, or both. Investment properties comprise buildings that are leased out. Investment properties are initially measured at cost. Cost of subsequent expenditures is included in the cost of investment properties if future economic benefits associated with such expenditures will probably flow to the Group and the relevant cost can be reliably measured. Other expenditures are expensed as incurred.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(6) Investment properties (continued)

The Group's investment properties are subsequently measured using the cost method. Depreciation on investment properties is computed on a straight-line basis to write down the cost of the assets to their residual values over their estimated useful lives. The estimated useful lives and the estimated residual values expressed as a percentage of cost are as follows:

	Estimated useful lives	Estimated residual value	Annual depreciation rate
Buildings	15-45 years	5%	2.11%-6.33%

When the purpose of investment properties changes to self-use, they are transferred to property, plant and equipment on the date of the change. When the purpose of self-use properties changes to rental income or capital appreciation, they are transferred to investment properties on the date of the change. The carrying value before transfer is the carrying value after transfer.

The Group reviews the estimated useful life, the estimated residual value, and the depreciation method at the end of every year, and makes appropriate adjustments if necessary. An impairment loss is recognised for the amount by which the investment property's carrying amount exceeds its recoverable amount.

Investment properties are de-recognised if they are disposed of or are put out of operation permanently, and no future economic benefits can be expected from disposal. The gain or loss on sale, transfer, disposal, or damage of investment properties is the proceeds less the carrying amount of the investment properties, adjusted for related taxes and expenses, and is included in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(7) Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(7) Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of the lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate ("IBR") at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value (i.e., original value of the asset is less than or equal to RMB40,000). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(7) Leases (continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying assets to the lessee, are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

(8) Intangible assets

Intangible assets are purchased computer software and land use rights, and are initially measured at actual costs. Land use rights are prepayments for land under PRC law for fixed periods, and are initially stated at cost and subsequently amortised on the straight-line basis over the lease terms. All lands related to the Group's land use right are located in Chinese Mainland. Computer software is amortised over their estimated useful lives using the straight-line method. The estimated lease terms or useful life, and amortization method are reviewed annually and adjusted as necessary. An impairment loss is recognised for the amount by which the intangible asset's carrying amount exceeds its recoverable amount.

Useful lives of intangible assets are listed below:

	Useful lives
Land use rights	15-40 years
Computer software and others	3-10 years

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(9) Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life – for example goodwill, are not subject to amortization and are tested annually for impairment. Assets other than financial assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are reviewed individually. When review of individual asset is impractical, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Group assesses at the end of each reporting period whether there is any objective evidence that its investments in associates and joint ventures are impaired. Such objective evidence includes whether there have been any significant adverse changes in the technological, market, economic or legal environment in which the associates and joint ventures operate or whether there has been a significant or prolonged decline in value below their cost. If there is an indication that an interest in an associate or a joint venture is impaired, the Group assesses whether the entire carrying amount of the investment (including goodwill) is recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount is higher than the higher of the investment's fair value less costs to sell or value in use. Any reversal of such impairment loss in subsequent periods is reversed through profit or loss.

(10) Financial Instruments

(a) Classification and measurement of financial assets

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under IAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(a) Classification and measurement of financial assets (continued)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI"), if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(a) Classification and measurement of financial assets (continued)

(i) Debt investments at amortised cost

Financial assets measured at amortised cost are subsequently measured with the effective interest method, and the gains or losses arising from amortisation or impairment are recognised in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debt investments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt investments classified as at FVTOCI as a result of interest income calculated using the effective interest method, foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt investments are recognised in OCI and accumulated under the heading of reserves. Impairment losses are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt investments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if debt investments had been measured at amortised cost. When these debt investments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(a) Classification and measurement of financial assets (continued)

(iii) Equity investments designated at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments which are not held for trading as at FVTOCI.

Equity investments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends on these equity investments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other investment income" line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net fair value gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other investment income" line item.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(b) Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9, including financial assets at amortised cost and debt investments at FVTOCI. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group assesses the ECL of financial assets with forward-looking information. 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for lease receivables and receivables that result from transactions within the scope of "IFRS 15 Revenue from contracts with customers" without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other financial assets, which are subjected to impairment under IFRS 9, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in credit risk since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(b) Impairment under ECL model (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;
- a significant change in the debtor's expected performance and repayment behavior;
- whether principal or interest on the financial instrument is past due.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(b) Impairment under ECL model (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(b) Impairment under ECL model (continued)

(iv) Measurement and recognition of ECL

ECL is measured based on the probability of default, loss given default ("LGD") and the exposure at default.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the reserve without reducing the carrying amounts of these financial assets. The loss allowance for other financial assets which are subject to impairment under IFRS 9 is recognised in profit or loss through a loss allowance account.

(c) Classification and measurement of financial liabilities

(i) Financial liabilities at FVTPL

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

(ii) Financial liabilities at amortised cost

Financial liabilities including borrowings, lease liabilities, financial assets sold under agreements to repurchase, and other liabilities are subsequently measured at amortised cost, using the effective interest method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(11) Cash and cash equivalents

Cash comprises cash on hand and demand deposits held in banks. Cash equivalents are short-term and highly liquid investments with original maturity of 90 days (90 days included) or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(12) Insurance contracts and investment contracts

(a) Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Group issues certain insurance contracts that allow policyholders to participate in investment returns with the Group, in addition to compensation for losses from insured risk. Participating contracts meet the definition of insurance contracts with direct participation features if the following three criteria are met:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items;
- A substantial proportion of the cash flows that the Group expects to pay to the policyholder is expected to vary with the change in the fair value of the underlying items.

The Group assesses whether the above conditions and criteria are met using its expectations at the issue date of the contracts.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(a) Definitions and classifications (continued)

The Group also issues investment contracts with discretionary participation features. Investment contracts with discretionary participation features provide the investor with the right to receive additional discretionary amounts contractually based on specified underlying items which are expected to be a significant portion of the total contractual benefits. These contracts are linked to the same pool of assets as insurance contracts and have economic characteristics similar to those of insurance contracts. The Group accounts for these contracts applying IFRS 17 with the variable fee approach (the "VFA") or general model.

(b) Key types of insurance contracts issued and reinsurance contracts held

The Group issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

(i) Participating Insurance

Participating insurance represents the issued insurance contracts for which the Group is obligated to pay a certain proportion of surplus generated from the operating results of the Group to policyholders.

The majority of participating insurance contracts issued by the Group meet the definition of insurance contracts with direct participation features. The Group also issues certain participating insurance contracts classified as investment contracts with discretionary participation features.

The Group accounts for these insurance contracts by applying the VFA.

(ii) Traditional Insurance

Traditional insurance represents life insurance contracts issued by the Group for which insurance premiums and policy benefits are determined at inception. Traditional insurance contracts do not have participation features.

The Group accounts for these insurance contracts by applying the general model except for some insurance contracts where the permitted premium allocation approach (the "PAA") simplification is applied.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(b) Key types of insurance contracts issued and reinsurance contracts held (continued)

(iii) Universal Insurance

Universal insurance represents insurance contracts with individual policy account and guaranteed minimum return, in addition to providing insurance coverage.

The majority of universal insurance contracts the Group issued are insurance contracts with indirect participation features. The Group also issues certain universal insurance contracts classified as investment contracts with discretionary participation features.

The Group accounts for these insurance contracts by applying the general model.

(iv) Unit-linked Insurance

Unit-linked insurance represents insurance contracts with both asset value in at least one investment account and insurance coverage.

The majority of unit-linked insurance contracts the Group issued are insurance contracts with direct participation features.

The Group accounts for these insurance contracts by applying the VFA.

(v) Reinsurance contracts held

The Group also holds reinsurance contracts to mitigate risk exposure arising from insurance contracts issued by the Group.

The Group accounts for these reinsurance contracts by applying the general model except for certain reinsurance contracts where the permitted PAA simplification is applied.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(c) Combining a set or series of contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually;
- The Group is unable to measure one contract without considering the other.

(d) Separating components from insurance and reinsurance contracts

In addition to the provision of the insurance coverage service, some insurance contracts issued by the Group have other components such as an investment component.

The Group assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other IFRS Accounting Standards. When these non-insurance components are non-distinct, they are accounted for together with the insurance component applying IFRS 17.

The Group issues certain life insurance policies which include an investment component under which the Group is required to repay to a policyholder in all circumstances, regardless of an insured event occurring.

In assessing whether an investment component is distinct and therefore required to be accounted for separately applying IFRS 9, the Group considers if the investment and insurance components are highly interrelated or not. In determining whether investment and insurance components are highly interrelated the Group assesses whether the Group is unable to measure one component without considering the other and whether the policyholder is unable to benefit from one component unless the other component is present, i.e., whether cancelling one component also terminates the other.

The Group applies IFRS 17 to account for non-distinct investment components as part of its insurance contracts.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(e) Level of aggregation

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

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the portfolio.

The Group divide portfolios of reinsurance contracts held applying the same principles above, except that the references to onerous contracts shall be replaced with a reference to contracts on which there is a net gain on initial recognition.

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

(f) Recognition

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received);
- The date when a group of contracts becomes onerous.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(f) Recognition (continued)

A group of reinsurance contracts held is recognised on the following dates:

- Reinsurance contracts held that provide proportionate coverage: Generally later of the beginning of the coverage period of the group of reinsurance contracts held, or the date on which any underlying insurance contract is initially recognised;

- Other reinsurance contracts held: The beginning of the coverage period of the group of reinsurance contracts held.

However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract held was entered into on or before that earlier date, then the group of reinsurance contracts held is recognised on that earlier date.

(g) Contract boundaries

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

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

A substantive obligation to provide insurance contract services ends when:

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

- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued

(i) Measurement on initial recognition for contracts other than PAA

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin (the "CSM") representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums;
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts;
- Payments to (or on behalf of) a policyholder that vary depending on returns on underlying items;
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs;
- Claim handling costs;
- Costs of providing contractual benefits in kind.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(i) Measurement on initial recognition for contracts other than PAA (continued)

Fulfilment cash flows within contract boundary (continued)

- Policy administration and maintenance costs, such as costs of premium billing and handling policy changes. Such costs also include recurring commission that are expected to be paid to intermediaries if a particular policyholder continues to pay the premiums within the boundary of the insurance contract;

- Transaction-based taxes;

- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities;

- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder;

- Costs incurred for providing investment-related service and investment-return service to policyholders;

- Other costs specifically chargeable to the policyholder under the terms of the contract.

Discount rates

The discount rate will be consistent with observable current market price for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, excluding the effects of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts. The Group has adopted the "bottom-up" approach, and the discount rate assumption is determined based on the risk-free interest rate curve with consideration of the impact of the liquidity and tax premium.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(i) Measurement on initial recognition for contracts other than PAA (continued)

Discount rates (continued)

The Group estimates the discount rate applicable to each group of contracts on initial recognition, which is based on recognised contracts. In the following reporting period, as new contracts are included in the group, the discount rate applicable to the group on initial recognition is revised from the start of the reporting period in which the new contracts are added to the group. The Group re-estimates the discount rate applicable to the group at initial recognition using a weighted average discount rate over the period the contracts in the group are issued.

Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. The Group has elected to disaggregate the change in the risk adjustment for non-financial risk between a change related to non-financial risk and the effect of the time value of money and changes in the time value of money.

CSM

The CSM represents unearned profit that the Group will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of the group;
- The amount of any derecognised asset for insurance acquisition cash flows allocated to the group;
- Any other asset or liability previously recognised for cash flows related to the group;
- Any cash flows that have already arisen on the contracts as of that date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(i) Measurement on initial recognition for contracts other than PAA (continued)

CSM (continued)

If a group of contracts is onerous, the Group recognises a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts.

The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service.

At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (the "LRC") as at that date and a current estimate of the liability for incurred claims (the "LIC").

The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows);

- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Changes in fulfilment cash flows (continued)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM.

Adjustments to the CSM

For insurance contracts without direct participation features, the following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised;

- The change in the estimate of the present value of expected future cash flows in the LRC, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised. All financial variables are locked in at initial recognition;

- Changes in the risk adjustment for non-financial risk relating to future service;

- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Adjustments to the CSM (continued)

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- Changes in the fulfilment cash flows relating to the LIC;
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For onerous contracts, any further increases in fulfilment cash flows relating to future coverage are recognised in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participation features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Adjustments to the CSM (continued)

- The changes in fulfilment cash flows related to future service, except:
  - Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous
  - Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts
- The effect of any currency exchange differences on the CSM;
- The amount recognised as insurance revenue by the allocation of the CSM in the period.

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract;

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Recognition of the CSM in profit or loss (continued)

- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future;
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.

Contracts with cash flows related to underlying items that do not meet the definition of direct participating contracts (indirect participating contracts)

The Group issues contracts with cash flows related to underlying items that do not meet the definition of direct participating contracts. This is due to a general right for the Group to adjust the cash flows in view of the return from the underlying items. However, these underlying items are not specified, and the Group has full discretion in forming the portfolios of underlying items that should be considered for adjusting the cash flows of these contracts for the associated financial variables.

This structure results in the VFA not being applicable to these contracts. Instead, the Group applies the general model when accounting for such contracts. The effects of financial variables do not impact the CSM measurement for a group of indirect participating contracts as changes in financial risk are recognised as part of total insurance finance income or expenses except for when the change triggers a change in the way the Group applies its discretion. In this instance, the change will adjust the CSM.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Contracts with cash flows related to underlying items that do not meet the definition of direct participating contracts (indirect participating contracts) – continued

The Group specifies at inception what they regard as their commitment under the contract. This enables the Group to calculate the amount recognised in total insurance finance income or expenses (for changes in assumptions related to financial risk on that commitment) and the amount adjusting the CSM (because of the exercise of discretion in relation to the entity's commitment). The commitment under the contract can be:

- A specified minimum return agreed under the contract;
- A discretionary amount relating to any surplus investment return on underlying items in excess of guaranteed minimum return.

The CSM of indirect participating contracts accretes interest at the original locked-in non-asset dependent discount rates determined for a group of contracts at initial recognition. Those changes in fulfilment cash flows related to future service that adjust the CSM are also measured at the original 'locked-in' discount rates determined on initial recognition.

(iii) Subsequent measurement for direct participating contracts (accounted for under the VFA)

The Group's obligation to the policyholders consists of the obligation to pay policyholders the fair value of the underlying items less a variable fee for future service provided under the insurance contract.

In determining the policyholder's share of returns from the underlying items and how substantial the degree of variability in total payments to the policyholder is due to returns from underlying items, the Group makes the assessment:

- Over the duration of the insurance contract;
- On a present value probability-weighted average basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(iii) Subsequent measurement for direct participating contracts (accounted for under the VFA) (continued)

The carrying amount of the CSM for direct participating contracts at the end of the reporting period is the carrying amount at the beginning of reporting period adjusted for:

- The effect of any new contracts added to the group;
- The change in the amount of the Group's share of the fair value of the underlying items except for:
  - The amount of CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments
  - The decrease in the amount of the Group's share of the fair value of the underlying items that exceeds the carrying amount of the CSM giving rise to a loss that makes the associated group of contracts onerous, or that results in a loss for an existing onerous group becoming more onerous
  - The increase in the amount of Group's share of the fair value of the underlying items that reverses a previously recognised loss on an onerous group of contracts
- The changes in fulfilment cash flows relating to future service, except:
  - The amount of the CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments
  - Such increases in the fulfilment cash flows that exceed the carrying amount of CSM and the group of contracts becomes onerous or more onerous
  - Such decreases in the fulfilment cash flows that reverse a previously recognised loss on an onerous group of contracts
- The effect of any currency exchange differences arising on the CSM;
- The amount recognised as insurance revenue by the allocation of the CSM in the period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(iv) Insurance contracts measured under the PAA

The Group generally uses the PAA to simplify the measurement of groups of contracts where the coverage period of each contract in the group of contracts is one year or less.

On initial recognition of each group of contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date and adjusted for amounts arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Group has elected the accounting policy choice to defer insurance acquisition cash flows through the LRC.

Subsequently, the carrying amount of the LRC is increased by any premiums received; and any amortisation of the insurance acquisition cash flows, and decreased by insurance acquisition cash flows paid; the amount recognised as insurance revenue for coverage provided; and any investment component paid or transferred to the LIC. On initial recognition of each group of contracts, the Group expects that the time gap between providing each part of the coverage and the related premium due date is not significant. Accordingly, the Group has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC as loss component. In subsequent periods, unless facts and circumstances indicate that the group of contracts is no longer onerous, the loss component is remeasured at each reporting date as the difference between the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) and the carrying amount of the LRC without loss component.

The Group recognises the LIC of a group of insurance contracts for the amount of the fulfilment cash flows relating to incurred claims.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(v) Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense;
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period;
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(v) Onerous contracts (continued)

The Group disaggregates the total finance income or expenses between profit or loss or OCI. For any subsequent changes in the fulfilment cash flows of the LRC, the total of insurance finance income or expenses is disaggregated between profit or loss or OCI and allocated on a systematic basis between the loss component and the LRC excluding the loss component.

Any subsequent decreases in fulfilment cash flows relating to future service allocated to the group (arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk) are allocated first to the loss component only. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service results in the establishment of the group's CSM.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component);
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component);
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component;
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted;

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(v) Onerous contracts (continued)

- For direct participating contracts only, subsequent decreases in the Group's share of the fair value of the underlying items, that result in or further increase the loss component;

- For direct participating contracts only, subsequent increases in the entity's share of the fair value of the underlying items that reduce the loss component until it is exhausted;

- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from changes in present value of future cash flows due to incurred insurance services expenses.

(i) Reinsurance contracts held

For groups of reinsurance contracts held, the Group applies the same accounting policies as that applied to insurance contracts without direct participation features, with the following modifications.

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(i) Reinsurance contracts held (continued)

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

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows;
- income recognised in profit or loss in respect of a loss recognised for onerous underlying contracts. A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held for the amount of income recognised;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless the changes result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss for the services received in the period.

Reinsurance contracts held measured under the PAA

The Group applies the same accounting principles to measure a group of insurance contracts or reinsurance contracts held under the PAA.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(j) Investment contracts with discretionary participation features

The Group recognises investment contracts with discretionary participation features at the date when the Group becomes a party to the contract. At initial recognition, similar to insurance contracts, the Group estimates the fulfilment cash flows based on the present value of expected future cash flows and a risk adjustment for non-financial risk. Any expected net inflows are accounted for as the initial CSM.

In estimating future cash flows, the Group considers the contract boundary which only includes cash flows if they result from a substantive obligation of the Group to deliver cash at a present or future date.

The Group discounts cash flows using discount rates that reflect the characteristics of the fulfilment cash flows.

The Group allocates the CSM over the group's whole duration period in a systematic way reflecting the transfer of investment services under a contract by the Group.

The Group measures investment contracts with discretionary participation features under the VFA or general model depending on if they meet the VFA criteria.

(k) Modification and derecognition

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(k) Modification and derecognition (continued)

On the derecognition of a contract in a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows that relate to future service, except where such changes are allocated to a loss component;
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because it is transferred to third party, then the CSM is also adjusted for the premium charged by the third party, unless the contract is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the issuer received the premium that it would have charged less any additional premium charged for the modification.

(l) Presentation

(i) Insurance revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services. For groups of insurance contracts measured under the general model and VFA, insurance revenue consists of the sum of the changes in the LRC due to:

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(l) Presentation (continued)

(i) Insurance revenue (continued)

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
  - Amounts allocated to the loss component
  - Repayments of investment components
  - Amounts that relate to transaction-based taxes collected on behalf of third parties
  - Insurance acquisition expenses
  - Amounts relating to risk adjustment for non-financial risk
- The change in the risk adjustment for non-financial risk, excluding:
  - Changes that relate to future service that adjust the CSM
  - Amounts allocated to the loss component
  - Amounts that relate to insurance finance income and expenses
- The amount of CSM for the services provided in the period;
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any.

Insurance revenue also includes the portion of premiums that relate to amortizing those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(I) Presentation (continued)

(ii) Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components;
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- Other directly attributable insurance service expenses incurred in the period;
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue;
- Loss component of onerous groups of contracts initially recognised in the period;
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

(iii) Income or expenses from reinsurance contracts held

Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers;
- An allocation of the premiums paid.

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(l) Presentation (continued)

(iii) Income or expenses from reinsurance contracts held (continued)

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to;
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held;
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

(iv) Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

For contracts applying the general model and contracts applying the VFA, the Group has chosen to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. For contracts applying the general model, the Group recognizes changes in insurance contract liabilities due to changes in financial variables including the discount rate in other comprehensive income. For the VFA model, the Group includes in profit or loss expenses or income that exactly match the income or expenses included in profit or loss for the underlying items, with the remaining amount recognised in other comprehensive income.

(v) Other expenses

Other expenses represent general expenses that are not directly attributable to insurance and reinsurance contract portfolios.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(m) Contracts existing at transition date

The Group adopts both the modified retrospective approach and the fair value approach when it is impracticable to use a retrospective approach in determining transition amounts at the IFRS 17 transition date.

(i) Contracts measured under the modified retrospective approach

The objective of this approach was to achieve the closest outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort. The Group applied each of the following modifications only to the extent that it did not have reasonable and supportable information to apply IFRS 17 retrospectively.

Contracts without direct participation features

For relevant groups of contracts without direct participation features,

- The future cash flows on initial recognition were estimated by adjusting the cash flows that were known to have occurred;

- The risk adjustment for non-financial risk on initial recognition was determined by adjusting the amount at 1 January 2022 for the expected release of risk before 1 January 2022. The expected release of risk was determined with reference to the release of risk for similar insurance contracts that the Group issued at 1 January 2022;

- When any of these modifications was used to determine the CSM (or the loss component) at initial recognition:

  – the amount of the CSM recognised in profit or loss before 1 January 2022 was determined by comparing the remaining coverage units at 1 January 2022 with the coverage units provided under the group of contracts before that date; and

  – the amount allocated to the loss component before 1 January 2022 determined using the proportion of the loss component relative to the total estimate of the present value of the future cash outflows and the risk adjustment for non-financial risk on initial recognition.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(m) Contracts existing at transition date (continued)

(i) Contracts measured under the modified retrospective approach (continued)

Contracts with direct participation features

For relevant groups of contracts with direct participation features,

- The Group determined the CSM (or the loss component) at 1 January 2022 by calculating a proxy for the total CSM for all services to be provided under the group that equal to the fair value of the underlying items at 1 January 2022 minus the fulfilment cash flows at 1 January 2022, adjusted for:

  – amounts charged to policyholders (including charges deducted from the underlying items) before 1 January 2022;

  – amounts paid before 1 January 2022 that would not have varied based on the underlying items;

  – the change in the risk adjustment for non-financial risk caused by the release from risk before 1 January 2022, which was estimated based on an analysis of similar contracts that the Group issued at 1 January 2022; and

  – insurance acquisition cash flows arising before 1 January 2022 that were allocated to the group.

- If the calculation resulted in a CSM, then the Group measured the CSM at 1 January 2022 by deducting the CSM related to services provided before 1 January 2022. The CSM related to services provided before 1 January 2022 was determined by comparing the coverage units at 1 January 2022 with the coverage units provided under the group of contracts before that date;

- If the calculation resulted in a loss component, then the Group adjusted the loss component to zero and increased the LRC excluding the loss component by the same amount at 1 January 2022;

- The amount of insurance finance income or expenses accumulated in the insurance finance reserve at 1 January 2022 was determined to be equal to the cumulative amount recognised in the other comprehensive income on the underlying items as applicable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(m) Contracts existing at transition date (continued)

(ii) Contracts measured under the fair value approach

For the groups of contracts that are measured under the fair value approach, the Group determined the CSM or loss component of the LRC at 1 January 2022 as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date.

The fair value of groups of contracts is primarily determined by using present value technique from the perspective of a market participant with considerations of the following:

- Estimate of future cash flows that a market participant would expect to incur or receive in fulfilling the liabilities;
- Time value of money, represented by the risk-free interest rate plus a spread based on the characteristic of the liabilities;
- Premiums that a market participant would require for bearing uncertainty inherent in the cash flows in relation to non-financial risks and compensation that a market participant would require to assume the obligations; and
- Other factors that a market participant would take into account in the circumstances.

To the extent possible, the Group maximised the use of relevant market data and information. For the unobservable inputs, the Group used the best information available in the circumstances, which might include the Group's own data.

For groups of contracts measured under the fair value approach,

- the discount rates on initial recognition were determined at 1 January 2022 instead of at the date of initial recognition;
- the amount of insurance finance income or expenses accumulated in the insurance finance reserve at 1 January 2022 was determined to be zero for contracts without direct participation features and to be equal to the cumulative amount recognised in the other comprehensive income on the underlying items for contracts with direct participation features as applicable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(13) Derivative instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gain or loss of derivative financial instruments is recognised in the consolidated statement of comprehensive income. Fair values are obtained from quoted market prices in active markets, taking into consideration recent market transactions or valuation techniques, including discounted cash flow models and option pricing models, as appropriate. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. The Group does not separately measure embedded derivatives that meet the definition of an insurance contract or embedded derivatives that are closely related to host insurance contracts including embedded options to surrender insurance contracts for a fixed amount (or an amount based on a fixed amount and an interest rate).

(14) Employee benefits

Employee benefits represent all forms of returns or reimbursement that the Group pays employees for their services or for termination of labor relationship. The compensation includes salaries, bonuses, allowances and subsidies, staff welfare expenses, social insurance and housing accumulation funds, labor union fees and employee education fees, etc.

All employees of the Group participate in social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the governmental authorities. According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated on a regulated basis, subject to a certain ceiling, and are paid to the labor and social welfare authorities. Contributions to the plans are expensed as incurred. These social security plans are defined contribution plans. There are no forfeited contributions in social security plans, because all contributions are fully attributable to employees at the time of the payment.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(14) Employee benefits (continued)

In addition to the above social security plans, the Group set up an annuity fund in January 2014, whereby the Group is required to contribute to the annuity fund according to certain contribution bases and percentages monthly. Contribution amounts calculated in accordance with the annuity fund are recognised as liabilities and are recorded as expenses during the period of which service is provided by the employees participating in the scheme. The annuity fund is defined contribution plan. Forfeited contributions by those employees who leave the annuity fund prior to the full vesting of their contributions are not used to reduce the existing level of contributions and are recoded in the employer account of the annuity fund to be attributed to the members of the annuity fund after fulfilling the approval procedures.

Other long-term employee benefits are all the other benefits besides short-term employee benefits, post-employment benefits and termination benefits, including long-term paid absences, other long-term service benefits, long-term disability benefits, long-term profit-sharing plan and long-term bonus, etc. Other long-term employee benefits provided by the Group are long-term bonus plans. For the long-term bonus plans, which are recognised in liabilities and are recorded as expenses when incurred.

(15) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

(16) Revenue recognition

(a) Insurance revenue

The recognition of insurance revenue is stated in Note 2(12)(l)(i).

(b) Interest income

Interest income for all financial instruments except for those classified as at FVTPL are recognised on an accrual basis using the effective interest method. Interest on financial instruments measured as at FVTPL is included in the "Other investment income" line item. The calculation of effective interest rate and interest income is stated in Note 2(10)(a).

(c) Other investment income

Other investment income is comprised of dividend income from equity financial assets, realised gains or losses from all financial investments, interest income from financial assets at FVTPL and net fair value gains or losses on financial assets at FVTPL. Dividend income is recognised when the right to receive dividend payment is established.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(16) Revenue recognition (continued)

(d) Other income

Other income is comprised of revenue generated from other operation activities except for the revenue above, including service management fees received under investment contracts.

(17) Commission and brokerage expenses

Commission and brokerage expenses are recognised in profit or loss when incurred.

(18) Income tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the net profit, except to the extent that it relates to goodwill generated from business combination and it relates to items recognised directly in other comprehensive income, where the tax is recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries or associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred income tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements at the end of the reporting period. Substantively enacted tax rates are used in the determination of deferred income tax.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be recognised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(18) Income tax (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(19) Government grants

Government grants are recognised by the Group when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount. A government grant related to income is accounted for as follows: (i) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss or offset against related expenses over the periods in which the related costs are recognised; or (ii) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses. A government grant relating to an asset shall be recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of. The Group adopted the gross method to recognize the government grants.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(20) Provisions

Provisions are recognised when there is a present obligation as a result of past transactions or events, and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Future operating losses should not be recognised as provisions. The initial measurement of provisions is based on the best estimate to the outflow of present obligation by considering relevant risks, uncertainty and time value of money, etc. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense. The Group reviews the carrying amount of provisions at the end of the reporting period and makes appropriate adjustments in order to reflect the current best estimate.

(21) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised in the statement of financial position but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably measured, it will then be recognised as a provision.

(22) Earnings per share

Basic earnings per share are calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease net earnings per share.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgments, estimates and assumptions made by the Group during the preparation of the consolidated financial statements would affect the reported amounts and disclosures of assets and liabilities, and the disclosure of contingent liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Group have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(1) Classification of financial assets

The judgements in determining the classification of financial assets mainly include the analysis of the contractual cash flows characteristics.

The contractual cash flows characteristics of financial assets refer to the cash flow attributes of the financial assets reflecting the economic characteristics of the relevant financial assets (i.e., whether the contractual cash flows generated by the relevant financial assets on a specified date solely represents the payments of principal and interest). The principal amount refers to the fair value of the financial asset at initial recognition. The principal amount may change throughout the lifetime of the financial assets due to prepayment or other reasons. The interest includes the time value of money, the credit risk associated with the outstanding principal amount for a specific period, other basic lending credit risks, and the consideration of costs and profits.

(2) Identification of investment components

The Group considers all terms of contracts it issues to determine whether there are amounts repayable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Group considers such payments to meet the definition of an investment component.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgments in applying accounting policies (continued)

(3) Separation of insurance components of an insurance contract

The Group issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the "single contract" unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Group considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately.

(4) Identification of portfolios

The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement.

(5) Assessment of the eligibility for meeting the criteria for direct participating contracts

Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of policyholders' share in the pool and the significance of those returns to the overall policyholder payments. The Group assesses whether a contract meets the definition of a direct participating contract using the Group's expectations existing at inception of the contract. In assessing the significance of the policyholder's share of returns from the underlying items and the degree of variability in total payments to the policyholder, the Group applies significant judgement.

(6) Selecting a method of allocation of coverage units

IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgments in applying accounting policies (continued)

(7) Assessment of control over structured entity

The Group applies its judgment to determine whether the control indicators set out in Note 2(2)(d) indicate that the Group controls structured entities such as debt investment plans, trust plans and asset management plans.

The Group issues certain structured entities (e.g. asset management plans and debt investment plans), and acts as a manager for such entities according to the contracts. In addition, the Group may be exposed to variability of returns as a result of holding shares of the structured entities. In addition, the Group may also hold structured entities (e.g. trust plans) initiated and managed by other asset management institutions. Determining whether the Group controls such structured entities usually focuses on the assessment of the aggregate economic interests of the Group in the entities (including any carried interests and expected management fees) and the decision-making rights on the entity. As at 31 December 2024, the Group has consolidated certain asset management plans and debt investment plans issued and managed by the Company's subsidiary, New China Asset Management Co., Ltd. ("Asset Management Company"), certain debt investment plans, etc. issued by third parties in the consolidated financial statements. Please refer to Note 41 for the details.

Key sources of estimation uncertainty

(1) Estimates used in measuring insurance contract liabilities and reinsurance contract assets

In measuring insurance contract liabilities and reinsurance contract assets, the Group uses assumptions about discount rates, mortality rates, morbidity rates, expense rates, policy dividend, lapse rates, etc. Estimates are made based on the most recent historical analysis and current and future economic conditions.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(1) Estimates used in measuring insurance contract liabilities and reinsurance contract assets (continued)

(a) Discount rate assumption

The discount rate will be consistent with observable current market price for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, excluding the effects of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts. The Group has adopted the "bottom-up" approach, and the discount rate assumption is determined based on the risk-free interest rate curve with consideration of the impact of the liquidity and tax premium.

As at 31 December 2024, the spot discount rate that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are 1.61%-4.75% (31 December 2023: 2.70%-4.70%).

(b) Mortality and morbidity assumptions

The Group bases its mortality assumption on the China Life Insurance Life Mortality Table (2010-2013), adjusts where appropriate to reflect the Group's historical mortality rate. The main source of uncertainty with life insurance contracts is epidemics, such as bird flu, AIDS and SARS, and wide-ranging lifestyle changes could result in deterioration in the future mortality rate, thus leading to an inadequate liability provision. Similarly, continuous advancements in medical care and social welfare could result in improvements in longevity that exceed the assumption used in the estimates to determine the liabilities for contracts where the Group is exposed to longevity risk.

The Group bases its morbidity assumptions on the China Life Insurance Major Diseases Experience Morbidity Rate Table (2020) for critical illness products on analysis of historical experience and expectations of future developments. There are two main sources of uncertainty. First, wide-ranging lifestyle changes could result in future deterioration in the morbidity rate. Second, future development of medical technologies and improved availability of medical facilities to policyholders may lead to early diagnosis of critical illnesses, which demands earlier payment of the critical illness benefits. Both could ultimately result in an inadequate liability provision if current morbidity assumptions do not properly reflect such secular trends.

Mortality and morbidity vary with the age of insured and types of contracts.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(1) Estimates used in measuring insurance contract liabilities and reinsurance contract assets (continued)

(c) Expenses assumptions

The Group's expenses assumptions are determined based on actual experience analysis, with consideration of future inflation, including assumptions of acquisition costs and maintenance costs. The purpose of the expense analysis is to allocate expenses directly attributable to insurance contract portfolios between acquisition and maintenance activities, and then to allocate these acquisition and maintenance expenses to various product categories to derive unit cost assumptions. The Group's expenses assumptions are affected by certain factors, such as inflation and market competition. The Group determines expenses assumptions based on the information obtained at the end of each reporting period.

(d) Policy dividend assumption

Policy dividend assumption is determined based upon contract terms, the investment yields of the participating account, dividend policy enacted by the Group, reasonable expectation of policyholders and other factors. Pursuant to relevant contract terms, the Group is obligated to pay to the policyholders of participating contracts at least 70% of distributable surplus.

(e) Lapse rate and other assumptions

The lapse rate and other assumptions are affected by certain factors, such as future macroeconomy, availability of financial substitutions, and market competition. The lapse rate and other assumptions are determined based on past experience, current conditions, future expectations and other information obtained at the end of each reporting period.

(f) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk.

The Group use confidence level technique for determining the risk adjustment for non-financial risk. As at 31 December 2024, the Group determines the risk adjustment for non-financial risk based on the 75% confidence level (31 December 2023: 75%).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(2) Measurement of the ECL

The measurement of the ECL for debt investments measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (such as the likelihood of counterparty default and corresponding losses). The considerations in the measurement of the expected credit losses mainly include:

- Significant increase in credit risk: ECL is measured as an allowance equal to 12m ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. The assessment of the credit risk and expected cash flows of the respective financial investment involves a high degree of estimation and uncertainty.

- Models and assumptions used: The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

- Forward-looking information: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other as well as the correlation between historical default rate and macro-economic factors. The Group estimates these forward-looking economic factors, such as GDP growth and Consumer Price Index etc. under different scenario.

- Probability of Default ("PD"): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- LGD: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The amount of the ECL varies depending on the estimation of the Group. Please refer to Note 11 for more details.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(3) Fair value of financial instruments

For financial instruments for which no active market exists, the Group determines fair value using valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information. Valuation techniques mainly include market approach and income approach, reference to the recent arm's length transactions, current market value of another instrument which is substantially the same, and by using the discounted cash flow analysis, etc.

When using valuation techniques to determine the fair value of financial instruments, the Group selects inputs that are consistent with the characteristics of the asset or liability that would be considered by a market participant in a transaction for the underlying asset or liability, giving priority to the use of relevant observable inputs where possible. Unobservable inputs are used where the relevant observable inputs are not available or practicable to obtain.

The Group regularly reviews the assumptions and estimates applied in the valuation methodologies and makes adjustments where necessary to make them reflect market conditions at the balance sheet date. The use of different valuation methods and assumptions may result in differences in fair value estimates.

Please refer to Note 4(4) for more details.

(4) Taxation

Due to the uncertainty of final tax treatment for various transactions during the normal course of business, the Group needs to exercise significant judgment when determining tax expenses. The Group recognizes tax liabilities based on estimates of whether there will be additional tax payments resulting from tax inspection. If there is any difference between the final result and previously recorded amounts, the difference will impact current tax and deferred tax.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Significant judgment is required to estimate the amount and timing of future taxable profit so as to determine, together with the tax planning strategies, the amount of deferred income tax assets to be recognised.

(5) Impairment assessment on investment in associates and joint ventures

An assessment is made at the end of each reporting period as to whether there is any indication that investments in associates have suffered an impairment loss. If any such indication showing the carrying amount of investment in associates and joint ventures may not recoverable, the impairment assessment is performed. An impairment exists when the carrying value of investments in associates and joint ventures exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of investments in associates and joint ventures. When value in use calculations are undertaken, the Group must estimate the expected future cash flows from investments in associates and joint ventures and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. RISK MANAGEMENT

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

(1) Insurance risk

(a) Types of insurance risk

The risk under any one insurance contract is the possibility that an insured event occurs and there is uncertainty about the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This occurs when the frequency or severity of claims and benefits exceeds the estimates. Insured events are random, and the actual number of claims and the amount of benefits paid will vary each year from estimates established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the more dispersive the risk will be, and the smaller the relative variability about the expected outcome will be. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of policies to reduce the variability of the expected outcome.

The Group offers long-term life insurance, critical illness insurance, annuity, accident and short-term health insurance products. Social and economic development, widespread changes in lifestyle, epidemics and medical technology development could have significant influence on the Group's insurance business. Insurance risk is also affected by policyholders' rights to terminate the contract, reduce premiums, refuse to pay premiums or exercise annuity conversion rights, etc. Thus, insurance risk is also subject to policyholders' behaviors and decisions.

The Group manages insurance risks through underwriting strategy, reinsurance agreements and claim management. The Group's reinsurance agreements include ceding on quota share basis, surplus basis or catastrophe excess of loss. The reinsurance agreements cover most of the products with risk responsibilities. These reinsurance agreements spread insured risk and stabilise financial results of the Group. However, the Group's responsibilities for direct insurance to policyholders are not relieved because of credit risk associated with the failure of reinsurance companies to fulfill their responsibilities.

The estimation of the present value of future cashflow for insurance contract liabilities and reinsurance contract assets represent the Group's expected exposure to insurance risk.

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(b) Concentration of insurance risk

Currently, the Group's insurance businesses are all conducted in the PRC and insurance risk in each area has insignificant differences. The Group's insurance contract liabilities of major insurance products are listed below:

Product Name	31 December 2024		31 December 2023	
	Amount	% of total	Amount	% of total
Huitianfu annuity insurance	64,693	4.74%	58,971	5.14%
Jixinggaozhao Type A endowment insurance (Participating)	64,609	4.73%	59,402	5.18%
Zunxiang Rensheng annuity insurance (Participating)	52,593	3.85%	49,125	4.28%
Furudonghai Type A whole life insurance (Participating)	52,408	3.84%	46,296	4.04%
Fuxiang Yisheng whole life annuity insurance (Participating)	48,081	3.52%	43,422	3.79%
Others	1,083,706	79.32%	889,281	77.57%
Total	1,366,090	100.00%	1,146,497	100.00%

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(c) Sensitivity analysis

(i) Sensitivity analysis for contracts not measured under PAA

Insurance contract liabilities not measured under PAA are calculated based on significant assumptions. Non-financial assumptions mainly include mortality and morbidity rates, lapse rates and expense rates. The analysis below is performed to demonstrate the reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on profit and equity before income tax.

		31 December 2024				31 December 2023			
	Change in	Profit before tax		Equity		Profit before tax		Equity	
	assumption	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Mortality and	+10%	(1,045)	(960)	(1,776)	(1,562)	(1,105)	(1,024)	(1,506)	(1,384)
Morbidity Rate	– 10%	1,080	985	2,091	1,823	1,124	1,031	1,726	1,575
Lapse Rate	+10%	633	612	2,606	2,534	340	321	1,940	1,897
	– 10%	(647)	(627)	(2,393)	(2,320)	(422)	(403)	(2,017)	(1,971)
Expense Rate	+10%	(765)	(765)	(1,434)	(1,434)	(771)	(771)	(1,149)	(1,149)
	– 10%	742	742	1,412	1,412	695	695	1,071	1,071

(ii) Sensitivity analysis for contracts measured under PAA

The change of claims amount for contracts measured under PAA may cause the change of loss ratio assumptions and in turn affect insurance contract liabilities.

All other variables being constant, if the loss ratio increases or decreases by 100bps, estimated profit before tax would decrease or increase by RMB8 million (2023: decrease or increase by RMB9 million), estimated pre-tax equity would decrease or increase by RMB8 million (2023: decrease or increase by RMB9 million).

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(d) Claims development analysis for contracts measured under PAA

Claims development analysis for contracts measured under PAA is as follows:

	Accident year					
Cumulative claims	2020	2021	2022	2023	**2024**	Total
End of current year	3,603	4,029	3,405	3,285	**3,431**	
1 year later	3,331	3,909	3,661	3,585		
2 years later	3,134	3,384	3,207			
3 years later	3,134	3,384				
4 years later	3,134					
Estimated accumulated claims expenses	3,134	3,384	3,207	3,585	**3,431**	16,741
Less: cumulative claims paid	(3,134)	(3,384)	(3,207)	(3,198)	**(1,993)**	(14,916)
Subtotal	–	–	–	387	**1,438**	1,825
Add: claims handling expenses, risk adjustment for non-financial risk and effect of discounting	–	–	–	19	**70**	89
Liability for incurred claims, gross	–	–	–	406	**1,508**	1,914

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(d) Claims development analysis for contracts measured under PAA (continued)

Claims development analysis for contracts measured under PAA net of reinsurance is as follows:

	Accident year					
Cumulative claims, net of reinsurance	2020	2021	2022	2023	**2024**	Total
End of current year	3,330	3,704	3,274	3,202	**3,368**	
1 year later	3,093	3,603	3,525	3,498		
2 years later	2,903	3,081	3,076			
3 years later	2,903	3,081				
4 years later	2,903					
Estimated accumulated claims expenses	2,903	3,081	3,076	3,498	**3,368**	15,926
Less: cumulative claims paid	(2,903)	(3,081)	(3,076)	(3,113)	**(1,976)**	(14,149)
Subtotal	–	–	–	385	**1,392**	1,777
Add: claims handling expenses, risk adjustment for non-financial risk and effect of discounting	–	–	–	19	**70**	89
Liability for incurred claims, net	–	–	–	404	**1,462**	1,866
Recoveries on liabilities for incurred claims	–	–	–	2	**46**	48
Liability for incurred claims, gross	–	–	–	406	**1,508**	1,914

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk

The Group's key financial risk is that proceeds from the sale of financial assets will not be sufficient to fund 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 Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management department, investment management department, accounting department and actuarial department are in close cooperation to identify, evaluate and avoid financial risk.

The Group manages financial risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations designed to reduce the risk of concentration in any one specific industry or issuer. The structure of the main investment portfolio held by the Group is disclosed in Note 11.

The sensitivity analyses below are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated (for example, changes in interest rate and fair values).

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to term deposits, debt financial assets, insurance contract issued and reinsurance contract held. Changes in the level of interest rates can have a significant impact on the Group's overall investment return. Many of the Group's insurance policies offer guaranteed returns to policyholders. These guarantees expose the Group to interest rate risk. The Group manages and tests interest rate risk through adjustments to portfolio asset allocation, and to the extent possible, by monitoring the mean duration of its assets and liabilities.

The sensitivity analysis for interest rate risk illustrates how the fair value of future cash flows of the financial investments and the balance of insurance contract liabilities will fluctuate because of changes in market interest rates at the reporting date.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

The analysis below is performed to demonstrate the reasonably possible movements if the market interest rates change by 50bps with all other variables held constant, showing increase/(decrease) on profit and equity before income tax.

	Change in market interest rates	31 December 2024 Profit before tax	31 December 2024 Equity	31 December 2023 Profit before tax	31 December 2023 Equity
Financial investments	+50bps	(1,783)	(32,922)	(1,350)	(17,315)
Financial investments	-50bps	1,836	36,080	1,390	18,978
Insurance contracts issued and reinsurance contracts held	+50bps	1,341	61,314	1,221	46,622
Insurance contracts issued and reinsurance contracts held	-50bps	(1,955)	(68,236)	(1,997)	(51,990)

(ii) Price risk

Price risk arises mainly from the price volatility of equity investments held by the Group. Prices of equity investments are determined by market forces. Most of the equity investments of the Group are in Chinese capital markets. The Group is subject to increased price risk largely because the PRC's capital markets are relatively volatile.

Additionally, the Group is also exposed to equity price risk from its direct participating insurance contracts and investment contracts with discretionary participation features, as well as from its indirect participating insurance contracts issued and reinsurance contracts held. The benefits under these contracts are linked to the fair value of the underlying items, including equity instruments.

The Group manages price risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations designed to reduce the risk of concentration in any one specific industry or issuer.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The analysis below is performed to show the impacts of changes in the prices of the Group's equity investments which have quoted prices in active markets by 10% with all other variables held constant, showing increase/(decrease) on profit and equity before income tax.

	Change in equity investments' prices	31 December 2024 Profit before tax	31 December 2024 Equity	31 December 2023 Profit before tax	31 December 2023 Equity
Equity investments	+10%	29,964	33,026	23,540	24,075
Equity investments	-10%	(29,964)	(33,026)	(23,540)	(24,075)
Insurance contract issued	+10%	(15,131)	(15,139)	(10,512)	(10,517)
Insurance contract issued	-10%	15,131	15,139	10,512	10,517

(iii) Currency risk

Currency risk arises from the volatility of fair values or future cash flows of financial instruments resulting from changes in foreign currency exchange rates. The Group's currency risk exposure mainly arises from cash and cash equivalents, term deposits, financial investments, insurance contract issued and reinsurance contract held denominated in currencies, such as the United States dollar, Hong Kong dollar, or European dollar, etc., other than the functional currencies of reporting entities.

For the identified currency risk, the Company took the following measures: (1) determine the risk level based on the analysis of internal and external information, so as to determine different preventive measures; (2) evaluate the possible frequency and degree of the loss of overseas investment in a certain period of time in the future, and use currency risk exposure analysis and other methods to evaluate the impact of exchange rate changes on the assets, liabilities and equity of the Group; and (3) evaluate the price risk of overseas investments comprehensively in accordance with the level and impact of currency risk, combined with the risk appetite, to select appropriate risk management tools to hedge risk.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

The following table summarizes financial assets denominated in currencies other than RMB, expressed in RMB equivalent:

31 December 2024	USD	HKD	EUR	Others	Total
Cash and cash equivalents	1,260	628	–	–	1,888
Financial assets at fair value through profit or loss	5,320	4,516	4,480	540	14,856
Term deposits	–	100	–	–	100
Debt investments at amortised cost	1,930	369	–	–	2,299
Debt investments at fair value through other comprehensive income	1,570	–	–	–	1,570
Equity investments designated at fair value through other comprehensive income	–	4,466	–	–	4,466
Total	10,080	10,079	4,480	540	25,179

31 December 2023	USD	HKD	EUR	Others	Total
Cash and cash equivalents	2,298	72	–	–	2,370
Financial assets at fair value through profit or loss	4,850	3,056	4,822	442	13,170
Term deposits	–	39	–	–	39
Debt investments at amortised cost	2,601	269	–	–	2,870
Debt investments at fair value through other comprehensive income	715	–	–	–	715
Equity investments designated at fair value through other comprehensive income	–	3,339	–	–	3,339
Total	10,464	6,775	4,822	442	22,503

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

The analysis below is performed to show the impacts if RMB had strengthened or weakened by 10% against USD and other foreign currencies with all other variables being constant, showing increase/(decrease) on profit and equity before income tax.

	Change in foreign currency exchange rate	31 December 2024 Profit before tax	31 December 2024 Equity	31 December 2023 Profit before tax	31 December 2023 Equity
Financial investments	+10%	**1,914**	**2,518**	1,845	2,250
Financial investments	-10%	**(1,914)**	**(2,518)**	(1,845)	(2,250)
Insurance contract issued	+10%	**(449)**	**(464)**	(287)	(317)
Insurance contract issued	-10%	**449**	**464**	287	317

(b) Credit risk

Credit risk is the risk that one party to a financial transaction or the issuer of a financial instrument will fail to discharge an obligation and cause another party to incur a financial loss. In terms of investment vehicles, a significant portion of the portfolio of the Group is government bonds, financial bonds, corporate bonds guaranteed by state-owned commercial banks and large industrial groups, bank deposits with state-owned or other national commercial banks, trust plans, debt investment plans and asset funding plans. In term of credit risk, the Group mainly uses credit concentration as a monitoring measure in order to ensure that the whole credit risk exposure is manageable.

In response to counterparties' credit risk, the Group mainly took the following measures: (1) Internal rating system was strictly implemented, and credit investment varieties were strictly controlled; (2) Accounting classification of investment varieties was clearly defined in the investment guidelines and assets with high credit risk were prevented from being classified as debt investments at amortised cost; (3) The bond market value was monitored, and the possible credit default were analysed and evaluated in order to enhance the predictability. In terms of counterparties, the majority of the Group's counterparties are state policy-related banks, state-owned, other national commercial banks or state-owned asset management companies. Therefore, the Group's overall exposure to credit risk is relatively low.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(b) Credit risk (continued)

Stage of financial instruments

The Group classifies financial instruments into three stages and makes provisions for ECL accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether the assets have been impaired.

- Stage 1: If no significant increase in credit risk since initial recognition is identified, the financial instrument is in "Stage 1". The impairment provisions are measured based on 12-month expected credit losses;
- Stage 2: If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The impairment provisions are measured based on expected credit losses on a lifetime basis;
- Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The impairment provisions are measured based on expected credit losses on lifetime basis.

Significant increase in credit risk

The assessment of significant increase in credit risk since initial recognition is performed at least on a quarterly basis for financial instruments held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of classifying financial instruments. The main considerations are regulatory and operating environment, internal and external credit risk rating, debt-servicing capacity, operating capabilities, contractual terms and repayment records. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the end of the reporting period and its risk of default at the date of initial recognition to determine changes in the risk of default over the expected lifetime of a financial instrument or a portfolio of financial instruments.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(b) Credit risk (continued)

Measurement of ECL

The key inputs used for measuring ECL are probability of default, LGD and exposure at default. These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

Forward-looking information

The calculation of ECL incorporates forward-looking information. The Group has performed historical data analysis and identified Gross Domestic Product ("GDP"), Consumer Price Index ("CPI") and other macro-economic indicators as impacting the ECL. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD.

Credit risk exposure

The carrying amount of financial assets on the Group's consolidated statement of financial position represents the maximum credit exposure without taking into account any collateral held or other credit enhancements attached. For the information on the gross carrying amount of major financial assets and provision for expected credit losses, please refer to Note 11(2) and (3) for details.

A policyholder usually has a maximum credit period of three months but a longer period can be granted on a discretionary basis. The Group's policies relate to a large number of diversified customers and therefore there is no significant credit risk.

For reinsurance contracts held, the Group is exposed to credit risk that the reinsurers fail to discharge an obligation resulting a financial loss to the Group. The Group believes these reinsurers have high credit quality and therefore there is no significant credit risk.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(b) Credit risk (continued)

Collateral and other credit enhancements

Financial assets purchased under agreements to resell are pledged by counterparts' debt financial assets of which the Group could take the ownership if the owner of the collateral defaults. Policy loans are pledged by their policies' cash value as collateral according to the terms and conditions of policy loan contracts and policy contracts signed between the Group and policyholders. The majority of debt investment plans and trust plans are guaranteed by third parties, collateral or by pledge as the source of funding for repayment.

Credit quality

The credit ratings of most of the bonds held by the Group are AA or above, and the credit ratings are assessed by qualified assessment agencies in Mainland China at the time of issuance. Most of the Group's bank deposits are with the four largest state-owned commercial banks and other commercial banks in the PRC. The majority of the Group's reinsurance agreements are with state-owned reinsurance companies or large international reinsurance companies. The Group believes these commercial banks and reinsurance companies have high credit quality. The trustees of trust plans or the asset managers of debt investment plans and asset funding plans are well-known trust companies and asset management companies in the PRC.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not have access to sufficient funds to meet its liabilities as they become due. In the normal course of business, the Group attempts to match investment assets to insurance contract liabilities through asset-liability management to reduce liquidity risk.

SECTION 11
FINANCIAL STATEMENTS

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(c) Liquidity risk (continued)

The table below presents a maturity analysis of the portfolios of major financial assets and financial liabilities in the Group based on the remaining contractual undiscounted cash flows.

			Undiscounted cash flows-Cash in/(Cash out)			
As at 31 December 2024	Carrying amount	No stated maturity	Within 1 year (including 1 year)	1-3 years (including 3 year)	3-5 years (including 5 year)	Over 5 years
Financial investments						
– Financial assets at fair value through profit or loss	485,928	355,762	13,041	59,203	47,477	18,619
– Debt investments at amortised cost	274,891	–	21,942	23,397	18,862	418,286
– Debt investments at fair value through other comprehensive income	470,366	–	33,972	64,735	54,264	507,518
– Equity investments designated at fair value through other comprehensive income	30,640	30,640	–	–	–	–
Term deposits	282,458	–	91,774	179,419	17,084	7,517
Statutory deposits	1,807	–	647	468	715	–
Financial assets purchased under agreements to resell	5,436	–	5,438	–	–	–
Cash and cash equivalents	38,432	–	38,432	–	–	–
Other assets	8,660	–	8,660	–	–	–
Total financial assets	1,598,618	386,402	213,906	327,222	138,402	951,940
Borrowings	30,384	–	(10,897)	(1,134)	(20,794)	–
Lease liabilities	715	–	(314)	(334)	(116)	(16)
Financial liabilities at fair value through profit or loss	8,549	(8,549)	–	–	–	–
Financial assets sold under agreements to repurchase	171,588	–	(171,639)	–	–	–
Derivative financial instruments	4	(4)	–	–	–	–
Other liabilities	10,174	–	(9,787)	(266)	(156)	(10)
Total financial liabilities	221,414	(8,553)	(192,637)	(1,734)	(21,066)	(26)

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(c) Liquidity risk (continued)

The table below presents a maturity analysis of the portfolios of major financial assets and financial liabilities in the Group based on the remaining contractual undiscounted cash flows. (continued)

As at 31 December 2023	Carrying amount	No stated maturity	Within 1 year (including 1 year)	1-3 years (including 3 year)	3-5 years (including 5 year)	Over 5 years
		Undiscounted cash flows-Cash in/(Cash out)				
Financial investments						
– Financial assets at fair value through profit or loss	380,239	284,506	18,773	29,363	50,233	11,108
– Debt investments at amortised cost	313,148	–	42,784	39,904	25,643	442,509
– Debt investments at fair value through other comprehensive income	347,262	–	50,890	72,648	53,070	321,118
– Equity investments designated at fair value through other comprehensive income	5,370	5,370	–	–	–	–
Term deposits	255,984	–	42,501	197,532	24,303	–
Statutory deposits	1,784	–	67	1,020	800	–
Financial assets purchased under agreements to resell	5,265	–	5,266	–	–	–
Derivative financial instruments	2	2	–	–	–	–
Cash and cash equivalents	21,788	–	21,788	–	–	–
Other assets	13,287	–	13,287	–	–	–
Total financial assets	1,344,129	289,878	195,356	340,467	154,049	774,735
Borrowings	20,262	–	(670)	(1,340)	(11,340)	(10,660)
Lease liabilities	760	–	(361)	(318)	(106)	(26)
Financial liabilities at fair value through profit or loss	3,592	(3,592)	–	–	–	–
Financial assets sold under agreements to repurchase	106,987	–	(107,010)	–	–	–
Other liabilities	12,735	–	(12,235)	(385)	(156)	(10)
Total financial liabilities	144,336	(3,592)	(120,276)	(2,043)	(11,602)	(10,696)

SECTION 11
FINANCIAL STATEMENTS

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(c) Liquidity risk (continued)

The table below presents a maturity analysis of the portfolios of insurance contracts and reinsurance contracts held based on the estimated timing of the remaining contractual undiscounted cash flows:

		Undiscounted cash flows-Cash in/(Cash out)						
31 December 2024	**Carrying amount**	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
Reinsurance contract assets	**10,812**	**1,217**	**223**	**185**	**211**	**216**	**10,816**	**12,868**
Insurance contract liabilities	**1,366,090**	**28,905**	**(844)**	**(33,597)**	**(42,741)**	**(86,370)**	**(2,174,660)**	**(2,309,307)**

		Undiscounted cash flows-Cash in/(Cash out)						
31 December 2023	Carrying amount	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Reinsurance contract assets	9,802	929	120	91	93	134	10,636	12,003
Insurance contract liabilities	1,146,497	31,010	7,831	(18,264)	(40,520)	(47,043)	(2,123,851)	(2,190,837)

The cash flows presented in the table above are undiscounted expected cash flows based on future benefit payments, taking into account policyholders' future premiums or deposits. The above estimated results are affected by a number of assumptions. These assumptions relate to mortality, morbidity, lapse rates, non-life insurance loss ratios, expense assumptions, and other assumptions. Actual results may differ from estimates. Although all policyholders can exercise their right to surrender immediately and concurrently based on the terms of the contract, the Group disclosed undiscounted estimated cash flows in the above table based on experience and future expectations.

As at 31 December 2024, assuming the insurance contracts of carrying amount of RMB1,363,507 million (31 December 2023: RMB1,144,021 million) were surrendered immediately, the amounts of cash flow repayable on demand are RMB995,332 million (31 December 2023: RMB897,039 million).

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(d) Disclosures about interests in unconsolidated structured entities

The Group's interests in the unconsolidated structured entities are recorded as financial assets at fair value through profit or loss, debt investments at amortised cost, debt investments at FVTOCI. These structured entities typically raise funds by issuing securities or other beneficiary certificates. The purpose of these structured entities is primarily to generate management service fees or provide finance for public and private infrastructure construction.

These investments held by structured entities that the Group has interests in are guaranteed by third parties with higher credit ratings or by pledging, or the borrowers are with higher credit ratings.

The Group has not provided any guarantee or financing support to the structured entities that the Group has interests in or sponsored.

The unconsolidated structured entities that the Group has sponsored but had no interest were mainly asset management plans, debt investment plans, endowment annuity products, occupational annuity products and enterprise annuity products, etc.. The unconsolidated structured entities were sponsored by the Group for collecting management service fees, which were recorded as other income. The Group has not transferred any assets to these structured entities.

i) The unconsolidated structured entities that the Group has interests in

The Group believes that the maximum risk exposure approximates the carrying amount of interests in these unconsolidated structured entities. The size of the unconsolidated structured entities, the carrying amount of the related assets recognised in the consolidated financial statements and the maximum risk exposure are as below:

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(d) Disclosures about interests in unconsolidated structured entities (continued)

i) The unconsolidated structured entities that the Group has interests in (continued)

	Unconsolidated structured entities			
31 December 2024	**Size**	**Carrying amount of assets**	**Maximum exposure of risk**	**Interest held by the Group**
Funds managed by third parties	Note 1	126,324	126,324	Investment income
Trust plans managed by third parties	Note 1	17,912	17,912	Investment income
Debt investment plans managed by affiliated entities	12,133	2,030	2,030	Investment income and service fee
Debt investment plans managed by third parties	Note 1	16,533	16,533	Investment income
Others managed by affiliated entities (Note 2)	380,332	12,141	12,141	Investment income and service fee
Others managed by third parties (Note 2)	Note 1	40,164	40,164	Investment income

	Unconsolidated structured entities			
31 December 2023	Size	Carrying amount of assets	Maximum exposure of risk	Interest held by the Group
Funds managed by third parties	Note 1	84,632	84,632	Investment income
Trust plans managed by third parties	Note 1	40,765	40,765	Investment income
Debt investment plans managed by affiliated entities	27,747	16,080	16,080	Investment income and service fee
Debt investment plans managed by third parties	Note 1	23,094	23,094	Investment income
Others managed by affiliated entities (Note 2)	546,225	12,649	12,649	Investment income and service fee
Others managed by third parties (Note 2)	Note 1	53,693	53,693	Investment income

Note 1: Funds, trust plans, debt investment plans and others managed by third parties are sponsored by third party financial institutions and the information related to size of these structured entities are not publicly available.

Note 2: Others included bank wealth investment product, asset management plans, private equity investments, equity investment plans, unlisted equity and asset funding plans, etc.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(d) Disclosures about interests in unconsolidated structured entities (continued)

i) The unconsolidated structured entities that the Group has interests in (continued)

As at 31 December 2024, the size of the unconsolidated structured entities that the Group sponsored but had no interest was RMB36,633 million (31 December 2023: RMB34,044 million), which were mainly asset management plans, debt investment plans, endowment annuity products, occupational annuity products and enterprise annuity products etc., sponsored by the Group for collecting management service fees. In 2024, the management service fees from these structured entities were RMB89 million (2023: RMB59 million), which were recorded as other income. The Group has not transferred any assets to these structured entities.

(e) Matching risk of assets and liabilities

The Group uses asset-liability management techniques to manage assets and liabilities. The techniques used include the scenario analysis method, the cash flow matching method and the immunity method. The Group uses the above techniques to understand the existing risk and the complex relationship from multiple perspectives, considering the timing and amount of future cash outflow and attributes of liabilities, to comprehensively and dynamically manage the Group's assets and liabilities and its solvency. The Group takes measures to enhance its solvency, including capital contribution by shareholders, issuing subordinated bonds and capital supplementary bonds, arranging reinsurance, improving the performance of branches, optimising business structure, and establishing a competitive cost structure.

(3) Capital management

The Company's objectives for managing capital, which is the actual capital calculated as the difference between admitted assets and admitted liabilities as defined by the former China Banking and Insurance Regulatory Commission (the "former CBIRC", taken placed by the National Administration of Financial Regulation in May 2023), are to comply with the insurance capital requirements of the former CBIRC to meet the minimum capital and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital requirements by assessing shortfalls, if any, between actual capital and minimum capital on a regular basis. The Company continuously and proactively monitors the business structure, and the asset quality and allocation so as to enhance the profitability in relation to solvency margin.

4. RISK MANAGEMENT (CONTINUED)

(3) Capital management (continued)

The table below summarises the core and comprehensive solvency margin ratios, core capital, actual capital and minimum capital of the Company:

	As at 31 December 2024	As at 31 December 2023
Core capital	**156,883**	145,069
Actual capital	**275,089**	257,252
Minimum capital	**126,447**	92,393
Core solvency margin ratio	**124.07%**	157.01%
Comprehensive solvency margin ratio	**217.55%**	278.43%

According to the evaluation results of capitalizable risks and four types of non-capitalizable risks, which comprise of operational risk, strategic risk, reputation risk and liquidity risk, the former CBIRC evaluates the integrated solvency risk of insurance companies and supervises insurance companies in categories. According to the National Administration of Financial Regulation Solvency Supervision Information System, the comprehensive risk assessment result of the Company in the third quarter of 2024 is AA.

(4) Fair value hierarchy

Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair values of financial instruments. For financial instruments where there is no active market, fair value is determined using valuation techniques.

As at 31 December 2024 and 2023, the Group's financial assets mainly include cash and cash equivalents, financial assets at FVTPL, debt investments at amortised cost, debt investments at FVTOCI, equity investments designated at FVTOCI, derivative financial instruments, term deposits, statutory deposits and financial assets purchased under agreements to resell.

The Group's financial liabilities mainly include financial liabilities at FVTPL, financial assets sold under agreements to repurchase, derivative financial instruments, borrowings and other liabilities in 2023 and 2024.

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

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.

Level 2 fair value is based on valuation techniques using significant inputs, other than level 1 quoted prices, that are observable for the asset being measured, either directly or indirectly, for substantially the full term of the assets through corroboration with observable market data. Observable inputs generally used to measure the fair value of financial assets classified as level 2 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.

For level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities traded among the Chinese interbank market are classified as level 2 when they are valued at recent quoted price from the Chinese interbank market or from valuation service providers. Substantially most financial instruments classified within level 2 of the fair value hierarchy are debt investments denominated in RMB. Fair value of debt investments denominated in RMB is determined based upon the valuation results by the China Central Depository & Clearing Co., Ltd. and China Securities Index Co., Ltd. All significant inputs are observable in the market.

Under certain conditions, the Group may not receive any price from independent third-party pricing service providers. In this instance, the Group may choose to apply internally developed values to the assets being measured. In such cases, the valuations are generally classified as level 3. Key inputs involved in internal valuation are not based on observable market data, and reflect assumptions made by management based on judgments and experience.

Level 3 fair value is based on the Group's valuation models, such as discounted cash flows and comparable companies approach. The Group also considers the original transaction price, recent transactions of the same or similar instruments and completed third-party transactions in comparable instruments. It adjusts the model as deemed necessary for factors such as extension, early redemption, liquidity, default risk and changes in market, economic or company specific conditions.

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4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

The following table provides the significant unobservable inputs used for financial assets at fair value classified as level 3 as at 31 December 2024 and 31 December 2023:

As at 31 December 2024	Fair value	Valuation technique	Significant unobservable inputs	Range	Relationship between unobservable inputs and fair value
Financial assets at FVTPL					
– Stocks	1	Asian option model	Liquidity discount	3.28%-6.08%	The higher the liquidity discount, the lower the fair value
– Stocks	77	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Trust plans	9,688	Discounted cash flow method	Discount rate	3.34%-5.81%	The higher the discount rate, the lower the fair value
– Debt investment plans	3,402	Discounted cash flow method	Discount rate	5.80%	The higher the discount rate, the lower the fair value
– Asset funding plans	1,088	Discounted cash flow method	Discount rate	5.60%	The higher the discount rate, the lower the fair value
– Equity investment plans	20,174	Discounted cash flow method	Discount rate	3.06%-7.10%	The higher the discount rate, the lower the fair value
– Unlisted equity investments	7,337	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Private equity investments	14,065	Fund net assets	Net assets	/	The higher the net assets, the higher the fair value
– Structured deposits	364	Discounted cash flow method	Discount rate	5.85%-8.40%	The higher the discount rate, the lower the fair value
Debt investments at FVTOCI					
– Trust plans	3,216	Discounted cash flow method	Discount rate	4.34%-8.68%	The higher the discount rate, the lower the fair value
– Debt investment plans	5,018	Discounted cash flow method	Discount rate	3.86%-6.53%	The higher the discount rate, the lower the fair value
– Asset funding plans	200	Discounted cash flow method	Discount rate	2.99%-5.30%	The higher the discount rate, the lower the fair value
Equity investments designated at FVTOCI					
– Unlisted equity investments	22	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

The following table provides the significant unobservable inputs used for financial assets at fair value classified as level 3 as at 31 December 2024 and 31 December 2023:(continued)

As at 31 December 2023	Fair value	Valuation technique	Significant unobservable inputs	Range	Relationship between unobservable inputs and fair value
Financial assets at FVTPL					
– Stocks	277	Asian option model	Liquidity discount	1.68%-9.60%	The higher the liquidity discount, the lower the fair value
– Stocks	76	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Trust plans	10,418	Discounted cash flow method	Discount rate	4.15%-7.23%	The higher the discount rate, the lower the fair value
– Debt investment plans	3,400	Discounted cash flow method	Discount rate	5.80%	The higher the discount rate, the lower the fair value
– Asset funding plans	1,024	Discounted cash flow method	Discount rate	5.60%	The higher the discount rate, the lower the fair value
– Equity investment plans	12,139	Discounted cash flow method	Discount rate	3.54%-5.60%	The higher the discount rate, the lower the fair value
– Unlisted equity investments	7,629	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Private equity investments	13,315	Fund net assets	Net assets	/	The higher the net assets, the higher the fair value
Debt investments at FVTOCI					
– Trust plans	15,645	Discounted cash flow method	Discount rate	4.33%-8.68%	The higher the discount rate, the lower the fair value
– Debt investment plans	11,578	Discounted cash flow method	Discount rate	3.86%-6.56%	The higher the discount rate, the lower the fair value
– Asset funding plans	1,610	Discounted cash flow method	Discount rate	4.08%-5.30%	The higher the discount rate, the lower the fair value
Equity investments designated at FVTOCI					
– Unlisted equity investments	19	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(a) Assets and liabilities measured at fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value as at 31 December 2024 and 31 December 2023:

As at 31 December 2024	Inputs to fair value measurement Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Assets				
Financial assets at FVTPL	293,638	136,094	56,196	485,928
Debt investments at FVTOCI	1,569	460,363	8,434	470,366
Equity investments designated at FVTOCI	30,618	–	22	30,640
Total	325,825	596,457	64,652	986,934
Liabilities				
Financial liabilities at FVTPL	–	8,549	–	8,549
Derivative financial instruments	–	4	–	4
Total	–	8,553	–	8,553

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(a) Assets and liabilities measured at fair value (continued)

	Inputs to fair value measurement			
As at 31 December 2023	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Assets				
Financial assets at FVTPL	184,547	147,414	48,278	380,239
Debt investments at FVTOCI	533	317,896	28,833	347,262
Equity investments designated at FVTOCI	5,351	–	19	5,370
Derivative financial instruments	–	2	–	2
Total	190,431	465,312	77,130	732,873
Liabilities				
Financial liabilities at FVTPL	–	3,592	–	3,592
Total	–	3,592	–	3,592

The Group recognised transfers between each level at the time when the transfers occurred. The transfers between Level 1 and Level 2 are mainly caused by changes of market conditions that affect whether the Group could obtain quoted prices (unadjusted) in active markets.

During the year ended 31 December 2024, no financial instruments measured at fair value were transferred between Level 1 and Level 2 (during the year ended 31 December 2023: Same).

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4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(a) Assets and liabilities measured at fair value (continued)

The changes in Level 3 financial assets are analysed below:

	Financial assets at FVTPL	Debt investments at FVTOCI	Equity investments designated at FVTOCI	Total
1 January 2024	**48,278**	**28,833**	**19**	**77,130**
Purchase	**10,059**	**192**	**–**	**10,251**
Recognised in profit or loss	**(48)**	**(90)**	**–**	**(138)**
Recognised in other comprehensive income	**–**	**(942)**	**3**	**(939)**
Maturity/disposals	**(2,093)**	**(19,559)**	**–**	**(21,652)**
31 December 2024	**56,196**	**8,434**	**22**	**64,652**

	Financial assets at FVTPL	Debt investments at FVTOCI	Equity investments designated at FVTOCI	Total
1 January 2023	69,262	40,915	12	110,189
Purchase	2,555	4,464	–	7,019
Recognised in profit or loss	(358)	(20)	–	(378)
Recognised in other comprehensive income	–	(207)	7	(200)
Maturity/disposals	(23,181)	(16,319)	–	(39,500)
31 December 2023	48,278	28,833	19	77,130

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(b) Assets and liabilities for which fair values are disclosed

The carrying amounts of assets and liabilities not measured at fair value approximate to their fair values, except for the assets and liabilities disclosed in the following tables.

	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Debt investments at amortised cost	660	321,561	18,133	340,354
Investment properties	–	–	11,888	11,888
Total	660	321,561	30,021	352,242
Liabilities				
Borrowings	–	30,687	–	30,687
Investment contract liabilities	–	–	857	857
Total	–	30,687	857	31,544

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Debt investments at amortised cost	570	300,517	47,513	348,600
Investment properties	–	–	13,090	13,090
Total	570	300,517	60,603	361,690
Liabilities				
Borrowings	–	20,210	–	20,210
Investment contract liabilities	–	–	864	864
Total	–	20,210	864	21,074

5. SEGMENT INFORMATION

(1) Operating segments

The Group operates in three operating segments:

(i) Traditional insurance

Traditional insurance is insurance business without participation features. Traditional insurance mainly includes traditional life insurance, health insurance and accident insurance. Reinsurance related to traditional insurance is included in traditional insurance.

(ii) Participating insurance

Participating insurance is insurance business with direct participation features. Reinsurance related to participating insurance business is included in participating insurance.

(iii) Other business

Other business of the Group mainly includes universal life business, investment management business and unallocated other income and expenses of the Group.

(2) Allocation basis of income and expense

Insurance service revenue and expenses, investment income directly attributable to segments will be allocated directly to each segment. Fixed and variable overheads directly attributable to insurance contracts will be allocated to each segment on a systematic and rational basis. Other expenses that are not directly attributable to insurance and reinsurance contract portfolios are not allocated but assigned to other business operating segments directly.

(3) Allocation basis of assets and liabilities

Insurance business assets and liabilities, investment assets and liabilities directly attributable to operating segments will be directly allocated to each segment. Other assets and liabilities including statutory deposits, investment properties, property, plant and equipment, intangible assets, right-of-use assets, borrowings, lease liabilities and other liabilities are not allocated but assigned to other business operating segments directly.

(4) Information about major customers and locations

Substantially all of the Group's revenues are derived from its operations in the PRC. Substantially all of the Group's assets are located in the PRC. All of the Group's operating revenues are deemed as external except for those presented as inter-segment revenue.

5. SEGMENT INFORMATION (CONTINUED)

(5) Segment analysis

	For the year ended 31 December 2024				
	Traditional Insurance	Participating Insurance	Others	Elimination	Total
REVENUES					
Insurance revenue	40,313	7,168	331	–	47,812
Interest income	14,214	15,962	1,741	–	31,917
Other investment income	21,637	25,678	3,900	–	51,215
Other income	82	7	1,894	(883)	1,100
Total revenues	76,246	48,815	7,866	(883)	132,044
BENEFITS, CLAIMS AND EXPENSES					
Insurance service expenses	(28,144)	(4,157)	(157)	883	(31,575)
Net expenses from reinsurance contracts held	(335)	–	–	–	(335)
Finance expenses from insurance contracts issued	(20,250)	(37,870)	(3,065)	–	(61,185)
Less: Finance income from reinsurance contracts held	338	–	–	–	338
Net impairment losses on financial assets	(1,521)	(1,576)	(318)	–	(3,415)
Other expenses	–	–	(3,903)	–	(3,903)
Total benefits, claims and expenses	(49,912)	(43,603)	(7,443)	883	(100,075)
Share of profits and losses of associates and joint ventures	662	(134)	–	–	528
Net impairment losses on other assets	(1,137)	(53)	–	–	(1,190)
Other finance costs	(764)	(1,377)	(1,025)	–	(3,166)
Profit before income tax	25,095	3,648	(602)	–	28,141
Other segment information:					
Capital expenditure	–	–	1,100	–	1,100
Depreciation and amortisation	(1,348)	(199)	(301)	–	(1,848)

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5. SEGMENT INFORMATION (CONTINUED)

(5) Segment analysis (continued)

	For the year ended 31 December 2023				
	Traditional Insurance	Participating Insurance	Others	Elimination	Total
REVENUES					
Insurance revenue	40,922	6,912	211	–	48,045
Interest income	13,857	16,541	1,870	–	32,268
Other investment income	(4,617)	(4,769)	126	–	(9,260)
Other income	74	15	1,847	(735)	1,201
Total revenue	50,236	18,699	4,054	(735)	72,254
BENEFITS, CLAIMS AND EXPENSES					
Insurance service expenses	(28,635)	(5,119)	(233)	735	(33,252)
Net expenses from reinsurance contracts held	(767)	–	–	–	(767)
Finance expenses from insurance contracts issued	(13,896)	(11,270)	(1,634)	–	(26,800)
Less: Finance income from reinsurance contracts held	261	–	–	–	261
Net impairment losses on financial assets	(306)	5	(6)	–	(307)
Other expenses	–	–	(3,149)	–	(3,149)
Total benefits, claims and expenses	(43,343)	(16,384)	(5,022)	735	(64,014)
Share of profits and losses of associates and joint ventures	(638)	(1)	–	–	(639)
Other finance costs	(409)	(783)	(894)	–	(2,086)
Profit before income tax	5,846	1,531	(1,862)	–	5,515
Other segment information:					
Capital expenditure	–	–	2,090	–	2,090
Depreciation and amortisation	(1,385)	(248)	(255)	–	(1,888)

5. SEGMENT INFORMATION (CONTINUED)

(5) Segment analysis (continued)

Segment assets and liabilities as at 31 December 2024 and 31 December 2023:

As at 31 December 2024	Traditional Insurance	Participating Insurance	Others	Elimination	Total
Segment assets	**776,658**	**750,826**	**164,949**	**(136)**	**1,692,297**
Segment liabilities	**696,106**	**745,628**	**154,430**	**(136)**	**1,596,028**

As at 31 December 2023	Traditional Insurance	Participating Insurance	Others	Elimination	Total
Segment assets	577,792	685,087	140,430	(52)	1,403,257
Segment liabilities	512,438	681,601	104,178	(52)	1,298,165

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Office equipment	Motor vehicles	Construction in progress	Total
Cost					
As at 1 January 2024	17,724	2,047	103	2,039	21,913
Additions	–	153	4	792	949
Transfers upon completion	118	57	–	(175)	–
Transfer from/(to) investment properties, net (Note 7)	182	–	–	(45)	137
Transfer to intangible assets (Note 9)	–	–	–	(322)	(322)
Transfer to other assets	–	–	–	(10)	(10)
Transfer to construction in progress	(100)	–	–	60	(40)
Disposals	–	(76)	(24)	–	(100)
As at 31 December 2024	17,924	2,181	83	2,339	22,527
Accumulated depreciation					
As at 1 January 2024	(2,660)	(1,174)	(61)	–	(3,895)
Charges for the year	(492)	(209)	(10)	–	(711)
Transfer from investment properties, net (Note 7)	(62)	–	–	–	(62)
Transfer to construction in progress	40	–	–	–	40
Disposals	–	71	20	–	91
As at 31 December 2024	(3,174)	(1,312)	(51)	–	(4,537)
Net book value					
As at 1 January 2024	15,064	873	42	2,039	18,018
As at 31 December 2024	14,750	869	32	2,339	17,990

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings	Office equipment	Motor vehicles	Construction in progress	Total
Cost					
As at 1 January 2023	17,515	1,534	116	1,877	21,042
Additions	19	101	–	1,307	1,427
Transfers upon completion	377	301	–	(678)	–
Transfer to investment properties, net (Note 7)	(32)	–	–	(91)	(123)
Transfer to intangible assets (Note 9)	–	–	–	(376)	(376)
Transfer to other assets	(16)	–	–	–	(16)
Disposals	(2)	(26)	(13)	–	(41)
Reclassification	(137)	137	–	–	–
As at 31 December 2023	17,724	2,047	103	2,039	21,913
Accumulated depreciation					
As at 1 January 2023	(2,219)	(1,019)	(54)	–	(3,292)
Charges for the year	(463)	(174)	(19)	–	(656)
Transfer to investment properties, net (Note 7)	17	–	–	–	17
Transfer to other assets	1	–	–	–	1
Disposals	–	23	12	–	35
Reclassification	4	(4)	–	–	–
As at 31 December 2023	(2,660)	(1,174)	(61)	–	(3,895)
Net book value					
As at 1 January 2023	15,296	515	62	1,877	17,750
As at 31 December 2023	15,064	873	42	2,039	18,018

The Group was in the process of obtaining the legal title in respect of the ownership of buildings with an aggregate net book value of approximately RMB150 million as at 31 December 2024 (31 December 2023: RMB155 million). As at 31 December 2024 and 2023, the Group has no property, plant and equipment under finance lease and held for sale, and no significant idle property, plant and equipment.

7. INVESTMENT PROPERTIES

	For the year ended 31 December	
	2024	2023
Cost		
Beginning of the year	**11,139**	11,016
Transfer (to)/from property, plant and equipment, net (Note 6)	**(137)**	123
End of the year	**11,002**	11,139
Accumulated depreciation		
Beginning of the year	**(1,756)**	(1,463)
Transfer to/(from) property, plant and equipment, net (Note 6)	**62**	(17)
Charges for the year	**(253)**	(276)
End of the year	**(1,947)**	(1,756)
Net book value		
Beginning of the year	**9,383**	9,553
End of the year	**9,055**	9,383

Rental income from investment properties is recognised in "Other income" (Note 26).

According to the asset valuation report issued by JLL (Beijing) Real Estate Assets Appraisal & Consultancy Co., Ltd., the fair value of investment properties as at 31 December 2024 was RMB11,888 million(31 December 2023: RMB13,090 million).

The techniques used for the valuation of investment properties include the income approach and sales comparison approach. The fair value of investment properties is categorised within Level 3. Key inputs used in measuring fair value of investment properties include capitalization rate, market rent and unit price. As at 31 December 2024, capitalization rate used in valuation ranges from 4.5% to 6.0% (31 December 2023: 4.5% to 7.0%), market rent used ranges from RMB51 to RMB504 per square meter (31 December 2023: RMB53 to RMB504 per square meter), unit price used ranges from RMB7,109 to RMB68,700 per square meter (31 December 2023: RMB7,648 to RMB69,000 per square meter). An increase in capitalization rate, decrease in market rent and unit price would result in decrease in the fair value of investment properties, and vice versa.

The Group has obtained the legal title in respect of the ownership of buildings as at 31 December 2024 and 2023.

The investment properties held by the Group has no impairment as at 31 December 2024 and 2023.

8. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings and others used in its operations. Leases of buildings generally have lease terms between 1 and 10 years, while others generally have lease terms between 1 and 5 years.

The Group's right-of-use assets include right-of-use assets disclosed in note 8(1) and the land use rights disclosed in Note 9.

(1) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings	Others	Total
Cost			
As at 1 January 2024	1,850	4	1,854
Additions	483	–	483
Terminations	(652)	(1)	(653)
As at 31 December 2024	1,681	3	1,684
Accumulated depreciation			
As at 1 January 2024	(971)	(2)	(973)
Charges for the year	(405)	–	(405)
Terminations	540	1	541
As at 31 December 2024	(836)	(1)	(837)
Net book value			
As at 1 January 2024	879	2	881
As at 31 December 2024	845	2	847

8. LEASES (CONTINUED)

The Group as a lessee (continued)

(1) Right-of-use assets (continued)

	Buildings	Others	Total
Cost			
As at 1 January 2023	1,970	4	1,974
Additions	471	1	472
Terminations	(591)	(1)	(592)
As at 31 December 2023	1,850	4	1,854
Accumulated depreciation			
As at 1 January 2023	(986)	(2)	(988)
Charges for the year	(455)	(1)	(456)
Terminations	470	1	471
As at 31 December 2023	(971)	(2)	(973)
Net book value			
As at 1 January 2023	984	2	986
As at 31 December 2023	879	2	881

8. LEASES (CONTINUED)

The Group as a lessee (continued)

(2) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Buildings	Others	Total
As at 1 January 2024	759	1	760
Additions and terminations	368	–	368
Accretion of interest recognised during the year	17	–	17
Payment	(430)	–	(430)
As at 31 December 2024	714	1	715
Current	294	–	294
Non-current	420	1	421

	Buildings	Others	Total
As at 1 January 2023	854	1	855
Additions	360	1	361
Accretion of interest recognised during the year	20	–	20
Payment	(475)	(1)	(476)
As at 31 December 2023	759	1	760
Current	336	–	336
Non-current	423	1	424

8. LEASES (CONTINUED)

The Group as a lessee (continued)

(3) The amounts recognised in expenditure in relation to leases are as follows:

	2024	2023
Interest on lease liabilities	17	20
Depreciation expense of right-of-use assets	405	456
Expense relating to short-term leases and low value assets	58	68
Total expenditure	480	544

(4) For the year ended 31 December 2024, the total cash outflow for leases was RMB488 million (for the year ended 31 December 2023: RMB544 million) and future cash outflows relating to leases that have not yet paid are RMB780 million (for the year ended 31 December 2023: RMB811 million).

The Group as a lessor

The Group leases its investment properties (Note 7) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. Rental income recognised by the Group during the year was RMB321 million (for the year ended 31 December 2023: RMB413 million), details of which are included in Note 26 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	As at 31 December 2024	As at 31 December 2023
Within 1 year (including 1 year)	253	211
Between 1 year and 2 years (including 2 years)	193	125
Between 2 and 3 years (including 3 years)	130	69
Between 3 and 4 years (including 4 years)	94	39
Between 4 and 5 years (including 5 years)	58	32
More than 5 years	285	25
Total	1,013	501

9. INTANGIBLE ASSETS

	Computer software and others	Land use rights	Total
Cost			
As at 1 January 2024	3,175	3,396	6,571
Additions	83	–	83
Transfer from property, plant and equipment (Note 6)	322	–	322
As at 31 December 2024	3,580	3,396	6,976
Accumulated amortization			
As at 1 January 2024	(1,867)	(641)	(2,508)
Amortization	(329)	(85)	(414)
As at 31 December 2024	(2,196)	(726)	(2,922)
Net book value			
As at 1 January 2024	1,308	2,755	4,063
As at 31 December 2024	1,384	2,670	4,054

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9. INTANGIBLE ASSETS (CONTINUED)

	Computer software and others	Land use rights	Total
Cost			
As at 1 January 2023	2,732	3,396	6,128
Additions	67	–	67
Transfer from property, plant and equipment (Note 6)	376	–	376
As at 31 December 2023	3,175	3,396	6,571
Accumulated amortization			
As at 1 January 2023	(1,571)	(555)	(2,126)
Amortization	(296)	(86)	(382)
As at 31 December 2023	(1,867)	(641)	(2,508)
Net book value			
As at 1 January 2023	1,161	2,841	4,002
As at 31 December 2023	1,308	2,755	4,063

The Group has obtained the legal titles in respect of the entire ownership of land use rights as at 31 December 2024 and 2023.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	For the year ended 31 December	
	2024	2023
Beginning of the year	**5,174**	5,820
Additions	**25,000**	5
Dividend from investments in associates and joint ventures	**(33)**	(44)
Share of profit or loss	**528**	(639)
Share of other comprehensive income	**775**	66
Share of other reserves	**(12)**	(36)
Currency translation differences	**3**	2
Impairment losses	**(1,190)**	–
End of the year	**30,245**	5,174

Details of investments in associates and joint ventures are as follows:

	As at 31 December 2024	As at 31 December 2023
Associates		
China Jinmao Holdings Group Limited ("China Jinmao")	**1,639**	2,990
Allinpay Network Services Co., Ltd. ("ALL IN PAY")	**783**	761
Beijing Zijin Century Real Estate Co., Ltd. ("Zijin Century")	**732**	700
New China Capital International Limited ("New China Capital International")	**164**	151
Beijing MJ Health Screening Center Co., Ltd.	**12**	7
Joint ventures		
Honghu Zhiyuan (Shanghai) Private Equity Investment Fund Co., Ltd. ("Honghu Zhiyuan")	**26,358**	–
New China Life Excellent Health Investment Management Co., Ltd. ("New China Health")	**550**	560
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. ("Guofeng Xinghua")	**7**	5
Total	**30,245**	5,174

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10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Details of investments in associates and joint ventures:

Name of entity	Type of legal entity	Place of incorporation/ registration and business	Particulars of issued shares held	Percentage of ownership interest: For the financial year ended 31 December 2024	Percentage of ownership interest: For the financial year ended 31 December 2023	Principal activities	Measurement method
Associates							
China Jinmao [1]	Company limited by shares	Hong Kong, the PRC	N/A	9.03%	9.03%	Real estate development	Equity
ALL IN PAY [2]	Company limited by shares	Shanghai, the PRC	RMB1,460 million	9.07%	9.07%	3rd-party payment, etc.	Equity
Zijin Century	Other limited liability company	Beijing, the PRC	RMB2,500 million	24%	24%	Real estate development, etc.	Equity
New China Capital International	Limited liability company	Cayman Islands	N/A	39.86%	39.86%	Asset management	Equity
Beijing MJ Health Screening Center Co., Ltd.	Limited liability company	Beijing, the PRC	USD4 million	30%	30%	Medical services, etc.	Equity
Joint ventures							
Honghu Zhiyuan [3]	Other limited liability company	Beijing, the PRC	RMB50,000 million	50%	N/A	Asset management, etc.	Equity
New China Health	Other limited liability company	Beijing, the PRC	RMB1,127 million	45%	45%	Asset management, etc.	Equity
Guofeng Xinghua [4]	Other limited liability company	Beijing, the PRC	RMB10 million	50%	50%	Asset management, etc.	Equity

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Details of investments in associates and joint ventures:(continued)

(1) According to the Articles of the Association of China Jinmao, the Group appointed a director to the board of directors of China Jinmao, and thus exercised significant influence on China Jinmao. Therefore, the Group measures China Jinmao as an associate of the Group through equity method.

(2) The Company was approved to appoint one director to ALL IN PAY on 15 July 2022 and thereafter exercised significant influence on it. Therefore, it was accounted for as an associated company using the equity method.

(3) On 29 November 2023, the Board of the Company approved the formation of Honghu Zhiyuan as a joint investment for the Company and China Life Insurance Company Limited (the "China Life"), with each party intending to contribute RMB25 billion. The formation of the fund is to increase the investment in long-duration assets in line with the Company's investment strategy. The Extraordinary General Meeting held on 27 February 2024 considered and approved the investment. On 1 March 2024, relevant regulatory procedures for formation of the fund were completed. According to the articles of corporation of Honghu Zhiyuan, the Company and China Life have joint control of Honghu Zhiyuan and therefore, the Company accounted for Honghu Zhiyuan as a joint venture measured under equity method.

(4) On 22 December 2023, New China Life Asset Management Company and China Life Asset Management Company each invested RMB5 million to establish a joint venture, Guofeng Xinghua. The daily operations and investment decisions of Guofeng Xinghua must be mutually agreed upon by both parties before they can be executed. Honghu Zhiyuan entrusts the management of its major investment business to Guofeng Xinghua, the Group accounted for Guofeng Xinghua as a joint venture measured under equity method.

There are no contingent liabilities relating to the Group's interests in the associates and joint ventures.

Excepting for China Jinmao, the above investments in associates and joint ventures are all non-public entities, and there is no quoted market price available.

As at the last trading day for the year ended 31 December 2024, the stock price of China Jinmao was HKD0.98 per share. The carrying amount of China Jinmao exceeded its fair value. Management performed impairment test accordingly considering such impairment indicator exists. The recoverable amount of the interest in China Jinmao is determined based on the present value of expected future cash flows for five years, with subsequent extrapolation to perpetuity. The key assumptions used for evaluation include discount rate and perpetual growth rate. The discount rate determined by the Group that based on the weighted average cost of capital and the capital asset pricing model is 6.65%(31 December 2023: 7.04%). The perpetual growth rate determined that based on inflation levels with prudence considerations is 1%(31 December 2023: 1%). The management made an impairment provision of RMB1,190 million on such investment after performing impairment testing (31 December 2023: none).

Except China Jinmao, ALL IN PAY and New China Capital International, the English names of the associates and joint ventures represent the best effort by management of the Group in translating their Chinese names as they do not have official English names.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Material associate investment

The following tables illustrate the summarised financial information in respect of the material associate investment in the consolidated financial statements:

	As at/For the year ended 31 December	
	2024	2023
China Jinmao		
Current assets	**193,055**	187,151
Non-current assets	**216,201**	219,968
Total assets	**409,256**	407,119
Current liabilities	**173,329**	176,090
Non-current liabilities	**127,649**	121,192
Total liabilities	**300,978**	297,282
Equity attributable to shareholders of China Jinmao	**53,575**	39,291
Less:Perpetual bonds	**(15,196)**	–
Equity attributable to ordinary share holders of China Jinmao	**38,379**	39,291
Group's share of net assets of the associates	**3,465**	3,547
Adjustments	**(636)**	(557)
Book value of the investment in China Jinmao	**2,829**	2,990
Allowance for impairment losses	**(1,190)**	–
Carrying amount of the investment in China Jinmao	**1,639**	2,990
Revenues	**59,053**	72,404
Profit/(loss) for the year	**2,200**	(4,858)
Total comprehensive income attributable to shareholders of China Jinmao	**274**	(7,785)
Dividends received	**33**	39

China Jinmao is a material associate investment of the Group accounted for using the equity method.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Material joint venture investment

The following tables illustrate the summarised financial information in respect of the material joint venture investment in the consolidated financial statements:

	As at 31 December 2024/ For the period from 28 February 2024 to 31 December 2024
	2024
Honghu Zhiyuan	
Total assets	53,376
Total liabilities	660
Total equity	52,716
Group's share of net assets of the joint venture	26,358
Carrying amount of the investment in Honghu Zhiyuan	26,358
Revenues	1,261
Profit for the year	917
Total comprehensive income	2,716

Honghu Zhiyuan is a material joint venture investment of the Group accounted for using the equity method.

11. FINANCIAL INVESTMENTS

(1) Financial assets at fair value through profit or loss

	As at 31 December 2024	As at 31 December 2023
Bonds		
Government bonds	178	740
Financial bonds	18,675	6,373
Corporate bonds	15,172	12,705
Subordinated bonds	94,261	62,306
Stocks	140,715	91,299
Funds	126,324	84,632
Equity investment plans	20,174	12,139
Asset management plans	15,302	37,107
Private equity investments	14,065	13,315
Trust plans	9,688	10,418
Unlisted equity investments	7,337	7,629
Certificates of deposit	1,880	13,609
Others (i)	22,157	27,967
Total	485,928	380,239
Listed	218,531	127,945
Unlisted	267,397	252,294
Total	485,928	380,239

(i) Others mainly include preferred shares, perpetual bonds, bank wealth investment products, debt investment plans, asset funding plans and structured deposits.

11. FINANCIAL INVESTMENTS (CONTINUED)

(2) Debt investments at amortised cost

	As at 31 December 2024	As at 31 December 2023
Bonds		
Government bonds	**246,842**	260,108
Financial bonds	**3,851**	3,724
Corporate bonds	**7,963**	8,651
Subordinated bonds	**622**	622
Debt investment plans	**11,958**	24,582
Trust plans	**6,090**	14,789
Asset funding plans	**465**	1,147
Subtotal	**277,791**	313,623
Less: Allowance for impairment losses	**(2,900)**	(475)
Total	**274,891**	313,148
Listed	**121,413**	122,009
Unlisted	**153,478**	191,139
Total	**274,891**	313,148

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11. FINANCIAL INVESTMENTS (CONTINUED)

(2) Debt investments at amortised cost (continued)

For the year ended 31 December 2024, movements of the allowance for impairment losses on debt investments at amortised cost are as follows:

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit-impaired)	Stage 3 (Lifetime ECL-credit-impaired)	Total
1 January 2024				
Allowance for impairment losses	**87**	**2**	**386**	**475**
Transfer to:				
– Stage 2	**(55)**	**55**	**–**	**–**
(Reversal)/charge for the year	**(26)**	**857**	**1,594**	**2,425**
31 December 2024				
Allowance for impairment losses	**6**	**914**	**1,980**	**2,900**
31 December 2024				
Total balance	**268,988**	**6,303**	**2,500**	**277,791**

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit-impaired)	Stage 3 (Lifetime ECL-credit-impaired)	Total
1 January 2023				
Allowance for impairment losses	91	–	76	167
Transfer to:				
– Stage 2	(2)	2	–	–
– Stage 3	–	(1)	1	–
(Reversal)/charge for the year	(2)	1	309	308
31 December 2023				
Allowance for impairment losses	87	2	386	475
31 December 2023				
Total balance	309,739	1,384	2,500	313,623

11. FINANCIAL INVESTMENTS (CONTINUED)

(3) Debt investments at fair value through other comprehensive income

	As at 31 December 2024	As at 31 December 2023
Bonds		
Government bonds	352,705	209,259
Financial bonds	57,741	54,418
Corporate bonds	40,275	43,289
Subordinated bonds	11,211	11,463
Debt investment plans	5,018	11,578
Trust plans	3,216	15,645
Asset funding plans	200	1,610
Total	470,366	347,262
Listed	180,442	127,754
Unlisted	289,924	219,508
Total	470,366	347,262

As at 31 December 2024, the total allowance for impairment losses recognised in debt financial assets at fair value through other comprehensive income is RMB2,511 million(31 December 2023: RMB1,570 million).

11. FINANCIAL INVESTMENTS (CONTINUED)

(3) Debt investments at fair value through other comprehensive income (continued)

For the year ended 31 December 2024, movements of the allowance for impairment losses on debt investments at FVTOCI are as follows:

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit-impaired)	Stage 3 (Lifetime ECL-credit-impaired)	Total
1 January 2024				
Allowance for impairment losses	**42**	**4**	**1,524**	**1,570**
Transfer to:				
– Stage 2	**(2)**	**2**	**–**	**–**
(Reversal)/charge for the year	**(19)**	**325**	**635**	**941**
31 December 2024				
Allowance for impairment losses	**21**	**331**	**2,159**	**2,511**
31 December 2024				
Carrying value	**466,484**	**2,332**	**1,550**	**470,366**

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit-impaired)	Stage 3 (Lifetime ECL-credit-impaired)	Total
1 January 2023				
Allowance for impairment losses	50	–	1,524	1,574
Transfer to:				
– Stage 2	(2)	2	–	–
(Reversal)/charge for the year	(6)	2	–	(4)
31 December 2023				
Allowance for impairment losses	42	4	1,524	1,570
31 December 2023				
Carrying value	342,499	2,572	2,191	347,262

11. FINANCIAL INVESTMENTS (CONTINUED)

(4) Equity investments designated at fair value through other comprehensive income

	As at 31 December 2024	As at 31 December 2023
Listed stocks	30,618	5,351
Unlisted equity investments	22	19
Total	30,640	5,370

(i) For equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognise them in such category at initial recognition.

(ii) There was no disposal of equity investments designated at FVTOCI in the current period.

(iii) In the current year, dividend income from equity investments designated at FVTOCI was RMB1,170 million(for the year ended 31 December 2023: RMB383 million).

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12. TERM DEPOSITS

The due dates of the term deposits are as follows:

Maturity	As at 31 December 2024	As at 31 December 2023
Within 1 year (including 1 year)	**88,554**	41,184
After 1 year but within 3 years (including 3 years)	**170,349**	190,735
After 3 years but within 5 years (including 5 years)	**16,143**	24,138
After 5 years	**7,504**	–
Subtotal	**282,550**	256,057
Less: loss allowances	**(92)**	(73)
Total	**282,458**	255,984

13. STATUTORY DEPOSITS

The due dates of the statutory deposits are as follows:

Maturity	As at 31 December 2024	As at 31 December 2023
Within 1 year (including 1 year)	**672**	59
After 1 year but within 3 years (including 3 years)	**426**	965
After 3 years but within 5 years (including 5 years)	**709**	760
Total	**1,807**	1,784

According to the relevant regulations issued by the former CBIRC, statutory deposits can only be used by insurance companies to discharge debt upon liquidation.

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

(1) Insurance contract liabilities

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts.

	Contracts not measured under the PAA				Contracts measured under the PAA				
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		
2024	Excluding loss component	Loss component	Liability for incurred claims	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening liabilities	1,124,597	7,621	11,803	1,144,021	611	161	1,662	42	2,476
Opening assets	–	–	–	–	–	–	–	–	–
Net opening balance	1,124,597	7,621	11,803	1,144,021	611	161	1,662	42	2,476
Insurance revenue									
Contracts under the modified retrospective approach	(34,629)	–	–	(34,629)	–	–	–	–	–
Contracts under the fair value approach	(1,988)	–	–	(1,988)	–	–	–	–	–
Other contracts	(7,509)	–	–	(7,509)	(3,686)	–	–	–	(3,686)
Insurance revenue	(44,126)	–	–	(44,126)	(3,686)	–	–	–	(3,686)
Insurance service expenses									
Incurred claims and other insurance service expenses	–	(393)	18,050	17,657	–	(763)	3,363	31	2,631
Amortisation of insurance acquisition cash flows	9,174	–	–	9,174	1,075	–	–	–	1,075
Losses and reversals of losses on onerous contracts	–	69	–	69	–	824	–	–	824
Adjustment to liabilities for incurred claims	–	–	285	285	–	–	(112)	(28)	(140)
Insurance service expenses	9,174	(324)	18,335	27,185	1,075	61	3,251	3	4,390
Insurance service result	(34,952)	(324)	18,335	(16,941)	(2,611)	61	3,251	3	704
Insurance finance income or expenses	138,992	156	–	139,148	–	–	–	–	–
Total changes in the statement of comprehensive income	104,040	(168)	18,335	122,207	(2,611)	61	3,251	3	704
Investment components	(62,962)	–	62,962	–	(369)	–	369	–	–
Cash flows									
Premiums received	189,002	–	–	189,002	3,824	–	–	–	3,824
Insurance acquisition cash flows	(11,463)	–	–	(11,463)	(1,008)	–	–	–	(1,008)
Claims and other insurance service expenses paid	–	–	(80,558)	(80,558)	–	–	(3,413)	–	(3,413)
Other Cash flows	298	–	–	298	–	–	–	–	–
Total cash flows	177,837	–	(80,558)	97,279	2,816	–	(3,413)	–	(597)
Closing liabilities	1,343,512	7,453	12,542	1,363,507	447	222	1,869	45	2,583
Closing assets	–	–	–	–	–	–	–	–	–
Net closing balance	1,343,512	7,453	12,542	1,363,507	447	222	1,869	45	2,583

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

	Contracts not measured under the PAA				Contracts measured under the PAA				
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		
2023	Excluding loss component	Loss component	Liability for incurred claims	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening liabilities	993,427	5,990	10,754	1,010,171	573	143	2,252	52	3,020
Opening assets	–	–	–	–	–	–	–	–	–
Net opening balance	993,427	5,990	10,754	1,010,171	573	143	2,252	52	3,020
Insurance revenue									
Contracts under the modified retrospective approach	(37,414)	–	–	(37,414)	–	–	–	–	–
Contracts under the fair value approach	(1,754)	–	–	(1,754)	–	–	–	–	–
Other contracts	(4,990)	–	–	(4,990)	(3,887)	–	–	–	(3,887)
Insurance revenue	(44,158)	–	–	(44,158)	(3,887)	–	–	–	(3,887)
Insurance service expenses									
Incurred claims and other insurance service expenses	–	(208)	17,005	16,797	–	(630)	2,991	18	2,379
Amortisation of insurance acquisition cash flows	9,011	–	–	9,011	1,265	–	–	–	1,265
Losses and reversals of losses on onerous contracts	–	1,722	–	1,722	–	648	–	–	648
Adjustment to liabilities for incurred claims	–	–	1,388	1,388	–	–	70	(28)	42
Insurance service expenses	9,011	1,514	18,393	28,918	1,265	18	3,061	(10)	4,334
Insurance service result	(35,147)	1,514	18,393	(15,240)	(2,622)	18	3,061	(10)	447
Insurance finance income or expenses	56,344	117	–	56,461	–	–	–	–	–
Total changes in the statement of comprehensive income	21,197	1,631	18,393	41,221	(2,622)	18	3,061	(10)	447
Investment components	(56,533)	–	56,533	–	(261)	–	261	–	–
Cash flows									
Premiums received	178,641	–	–	178,641	4,067	–	–	–	4,067
Insurance acquisition cash flows	(12,849)	–	–	(12,849)	(1,146)	–	–	–	(1,146)
Claims and other insurance service expenses paid	–	–	(73,877)	(73,877)	–	–	(3,912)	–	(3,912)
Other Cash flows	714	–	–	714	–	–	–	–	–
Total cash flows	166,506	–	(73,877)	92,629	2,921	–	(3,912)	–	(991)
Closing liabilities	1,124,597	7,621	11,803	1,144,021	611	161	1,662	42	2,476
Closing assets	–	–	–	–	–	–	–	–	–
Net closing balance	1,124,597	7,621	11,803	1,144,021	611	161	1,662	42	2,476

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for contracts not measured under PAA.

			CSM				
2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	Total
Opening liabilities	966,344	8,673	147,488	9,728	11,788	169,004	1,144,021
Opening assets	–	–	–	–	–	–	–
Net opening balance	**966,344**	**8,673**	**147,488**	**9,728**	**11,788**	**169,004**	**1,144,021**
Changes that relate to current service							
CSM recognised for services provided	–	–	(13,240)	(1,100)	(1,327)	(15,667)	(15,667)
Change in risk adjustment for non-financial risk for risk expired	–	(810)	–	–	–	–	(810)
Experience adjustments	(818)	–	–	–	–	–	(818)
Total changes that relate to current service	**(818)**	**(810)**	**(13,240)**	**(1,100)**	**(1,327)**	**(15,667)**	**(17,295)**
Changes that relate to future service							
Contracts initially recognised in the year	(11,859)	1,261	–	–	10,997	10,997	399
Changes in estimates that adjust the CSM	(4,167)	(493)	331	2,628	1,701	4,660	–
Changes in estimates that do not adjust the CSM	(238)	(92)	–	–	–	–	(330)
Total changes that relate to future service	**(16,264)**	**676**	**331**	**2,628**	**12,698**	**15,657**	**69**
Changes that relate to past service							
Adjustments to liabilities for incurred claims	278	7	–	–	–	–	285
Total changes that relate to past service	**278**	**7**	**–**	**–**	**–**	**–**	**285**
Insurance service result	(16,804)	(127)	(12,909)	1,528	11,371	(10)	(16,941)
Insurance finance income or expense	130,921	1,354	6,084	157	632	6,873	139,148
Total changes in the statement of comprehensive income	**114,117**	**1,227**	**(6,825)**	**1,685**	**12,003**	**6,863**	**122,207**
Cash flows							
Premiums received	189,002	–	–	–	–	–	189,002
Insurance acquisition cash flows	(11,463)	–	–	–	–	–	(11,463)
Claims and other insurance service expenses paid	(80,558)	–	–	–	–	–	(80,558)
Other cash flows	298	–	–	–	–	–	298
Total cash flows	**97,279**	**–**	**–**	**–**	**–**	**–**	**97,279**
Closing liabilities	1,177,740	9,900	140,663	11,413	23,791	175,867	1,363,507
Closing assets	–	–	–	–	–	–	–
Net closing balance	**1,177,740**	**9,900**	**140,663**	**11,413**	**23,791**	**175,867**	**1,363,507**

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14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for contracts not measured under PAA. (continued)

2023	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM: Contracts under modified retrospective approach	CSM: Contracts under fair value approach	CSM: Other contracts	CSM: Subtotal	Total
Opening liabilities	826,465	8,389	159,889	8,397	7,031	175,317	1,010,171
Opening assets	–	–	–	–	–	–	–
Net opening balance	826,465	8,389	159,889	8,397	7,031	175,317	1,010,171
Changes that relate to current service							
CSM recognised for services provided	–	–	(13,445)	(850)	(827)	(15,122)	(15,122)
Change in risk adjustment for non-financial risk for risk expired	–	(845)	–	–	–	–	(845)
Experience adjustments	(2,383)	–	–	–	–	–	(2,383)
Total changes that relate to current service	(2,383)	(845)	(13,445)	(850)	(827)	(15,122)	(18,350)
Changes that relate to future service							
Contracts initially recognised in the year	(5,288)	717	–	–	6,167	6,167	1,596
Changes in estimates that adjust the CSM	3,030	(174)	(4,103)	2,088	(841)	(2,856)	–
Changes in estimates that do not adjust the CSM	102	24	–	–	–	–	126
Total changes that relate to future service	(2,156)	567	(4,103)	2,088	5,326	3,311	1,722
Changes that relate to past service							
Adjustments to liabilities for incurred claims	1,356	32	–	–	–	–	1,388
Total changes that relate to past service	1,356	32	–	–	–	–	1,388
Insurance service result	(3,183)	(246)	(17,548)	1,238	4,499	(11,811)	(15,240)
Insurance finance income or expense	50,433	530	5,147	93	258	5,498	56,461
Total changes in the statement of comprehensive income	47,250	284	(12,401)	1,331	4,757	(6,313)	41,221
Cash flows							
Premiums received	178,641	–	–	–	–	–	178,641
Insurance acquisition cash flows	(12,849)	–	–	–	–	–	(12,849)
Claims and other insurance service expenses paid	(73,877)	–	–	–	–	–	(73,877)
Other cash flows	714	–	–	–	–	–	714
Total cash flows	92,629	–	–	–	–	–	92,629
Closing liabilities	966,344	8,673	147,488	9,728	11,788	169,004	1,144,021
Closing assets	–	–	–	–	–	–	–
Net closing balance	966,344	8,673	147,488	9,728	11,788	169,004	1,144,021

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table provides an analysis of insurance contracts initially recognised in the year:

	Contracts issued		
2024	**Onerous contracts initially recognised in the year**	**Other contracts**	**Total**
Insurance acquisition cash flows	**1,301**	**11,375**	**12,676**
Claims payable, expenses and others	**13,666**	**101,171**	**114,837**
Present value of future cash outflows	**14,967**	**112,546**	**127,513**
Present value of future cash inflows	**(14,584)**	**(124,788)**	**(139,372)**
Risk adjustment for non-financial risk	**16**	**1,245**	**1,261**
CSM	**–**	**10,997**	**10,997**
Losses recognised on initial recognition	**399**	**–**	**399**

	Contracts issued		
2023	Onerous contracts initially recognised in the year	Other contracts	Total
Insurance acquisition cash flows	4,405	7,395	11,800
Claims payable, expenses and others	45,260	45,148	90,408
Present value of future cash outflows	49,665	52,543	102,208
Present value of future cash inflows	(48,195)	(59,301)	(107,496)
Risk adjustment for non-financial risk	126	591	717
CSM	–	6,167	6,167
Losses recognised on initial recognition	1,596	–	1,596

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14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table details the composition and the fair value of underlying items of the Group's direct participating contracts.

	Fair value	
	31/12/2024	31/12/2023
Assets		
Cash and cash equivalents	**13,706**	8,334
Financial assets purchased under agreements to resell	**211**	1,246
Term deposits	**162,871**	167,304
Financial assets at fair value through profit or loss	**229,374**	174,219
Debt investments at fair value through other comprehensive income	**320,930**	311,460
Debt investments at amortised cost	**4,194**	8,417
Equity investments designated at fair value through other comprehensive income	**80**	53
Other assets	**10,209**	6,034
Subtotal	**741,575**	677,067
Liabilities		
Financial assets sold under agreements to repurchase	**83,207**	66,808
Other liabilities	**4,732**	3,984
Subtotal	**87,939**	70,792
Total	**653,636**	606,275

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets

The following table shows the reconciliation from the opening to the closing balances of the asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

2024	Contracts not measured under the PAA				Contracts measured under the PAA				
	Remaining coverage component				Remaining coverage component		Incurred claims component		
	Excluding loss recovery component	Loss recovery component	Incurred claims component	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Opening assets	8,737	25	944	9,706	42	1	53	–	96
Opening liabilities	–	–	–	–	–	–	–	–	–
Net opening balance	8,737	25	944	9,706	42	1	53	–	96
Allocation of reinsurance premiums paid	(1,850)	–	–	(1,850)	(68)	–	–	–	(68)
Recoveries on incurred claims and other incurred reinsurance service expenses	–	(6)	1,337	1,331	–	(3)	66	–	63
Recoveries of losses on onerous group of underlying contracts and reversal of such losses	–	7	–	7	–	2	–	–	2
Adjustment to recoveries on liabilities for incurred claims related to past service	–	–	190	190	–	–	(10)	–	(10)
Recoveries on insurance service expenses	–	1	1,527	1,528	–	(1)	56	–	55
Net income (expenses) from reinsurance contracts held	(1,850)	1	1,527	(322)	(68)	(1)	56	–	(13)
Finance income or expenses from reinsurance contracts	1,077	1	–	1,078	–	–	–	–	–
Total changes in the statement of comprehensive income	(773)	2	1,527	756	(68)	(1)	56	–	(13)
Investment components	(768)	–	768	–	(68)	–	68	–	–
Cash flows									
Premiums paid	2,383	–	–	2,383	131	–	–	–	131
Recoveries received from reinsurers	–	–	(2,118)	(2,118)	–	–	(129)	–	(129)
Total cash flows	2,383	–	(2,118)	265	131	–	(129)	–	2
Closing assets	9,579	27	1,121	10,727	37	–	48	–	85
Closing liabilities	–	–	–	–	–	–	–	–	–
Net closing balance	9,579	27	1,121	10,727	37	–	48	–	85

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table shows the reconciliation from the opening to the closing balances of the asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance. (continued)

	Contracts not measured under the PAA				Contracts measured under the PAA				
	Remaining coverage component				Remaining coverage component		Incurred claims component		
2023	Excluding loss recovery component	Loss recovery component	Incurred claims component	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Opening assets	9,189	22	1,126	10,337	60	2	191	–	253
Opening liabilities	–	–	–	–	–	–	–	–	–
Net opening balance	9,189	22	1,126	10,337	60	2	191	–	253
Allocation of reinsurance premiums paid	(2,371)	–	–	(2,371)	(77)	–	–	–	(77)
Recoveries on incurred claims and other incurred reinsurance service expenses	–	(2)	1,427	1,425	–	(6)	79	–	73
Recoveries of losses on onerous group of underlying contracts and reversal of such losses	–	4	–	4	–	5	–	–	5
Adjustment to recoveries on liabilities for incurred claims related to past service	–	–	189	189	–	–	(15)	–	(15)
Recoveries on insurance service expenses	–	2	1,616	1,618	–	(1)	64	–	63
Net income (expenses) from reinsurance contracts held	(2,371)	2	1,616	(753)	(77)	(1)	64	–	(14)
Finance income or expenses from reinsurance contracts	465	1	–	466	–	–	–	–	–
Total changes in the statement of comprehensive income	(1,906)	3	1,616	(287)	(77)	(1)	64	–	(14)
Investment components	(887)	–	887	–	(91)	–	91	–	–
Cash flows									
Premiums paid	2,341	–	–	2,341	150	–	–	–	150
Recoveries received from reinsurers	–	–	(2,685)	(2,685)	–	–	(293)	–	(293)
Total cash flows	2,341	–	(2,685)	(344)	150	–	(293)	–	(143)
Closing assets	8,737	25	944	9,706	42	1	53	–	96
Closing liabilities	–	–	–	–	–	–	–	–	–
Net closing balance	8,737	25	944	9,706	42	1	53	–	96

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for reinsurance contracts not measured under PAA.

2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM: Contracts under modified retrospective approach	CSM: Contracts under fair value approach	CSM: Other contracts	CSM: Subtotal	Total
Opening assets	5,990	1,277	–	1,712	727	2,439	9,706
Opening liabilities	–	–	–	–	–	–	–
Net opening balance	5,990	1,277	–	1,712	727	2,439	9,706
Changes that relate to current service							
CSM recognised for the year	–	–	–	(25)	(76)	(101)	(101)
Change in risk adjustment for non-financial risk for risk expired	–	(90)	–	–	–	–	(90)
Experience adjustments	(328)	–	–	–	–	–	(328)
Total changes that relate to current service	(328)	(90)	–	(25)	(76)	(101)	(519)
Changes that relate to future service							
Contracts initially recognised in the year	(139)	30	–	–	109	109	–
Changes in estimates that adjust the CSM	1,147	(2)	–	(1,156)	11	(1,145)	–
Changes in estimates that do not adjust the CSM	7	–	–	–	–	–	7
Changes in loss recovery component and reversal of such changes	–	–	–	(1)	1	–	–
Total changes that relate to future service	1,015	28	–	(1,157)	121	(1,036)	7
Changes that relate to past service							
Adjustment to recoveries on liabilities for incurred claims related to past service	190	–	–	–	–	–	190
Total changes that relate to past service	190	–	–	–	–	–	190
Net expenses from reinsurance contracts held	877	(62)	–	(1,182)	45	(1,137)	(322)
Finance income or expenses from reinsurance contracts	843	140	–	68	27	95	1,078
Total changes in the statement of comprehensive income	1,720	78	–	(1,114)	72	(1,042)	756
Cash flows							
Premiums paid	2,383	–	–	–	–	–	2,383
Recoveries received from reinsurers	(2,118)	–	–	–	–	–	(2,118)
Total cash flows	265	–	–	–	–	–	265
Closing assets	7,975	1,355	–	598	799	1,397	10,727
Closing liabilities	–	–	–	–	–	–	–
Net closing balance	7,975	1,355	–	598	799	1,397	10,727

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14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for reinsurance contracts not measured under PAA. (continued)

2023	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	
Opening assets	9,045	1,543	–	36	(287)	(251)	10,337
Opening liabilities	–	–	–	–	–	–	–
Net opening balance	9,045	1,543	–	36	(287)	(251)	10,337
Changes that relate to current service							
CSM recognised for the year	–	–	–	(132)	(77)	(209)	(209)
Change in risk adjustment for non-financial risk for risk expired	–	(93)	–	–	–	–	(93)
Experience adjustments	(644)	–	–	–	–	–	(644)
Total changes that relate to current service	(644)	(93)	–	(132)	(77)	(209)	(946)
Changes that relate to future service							
Contracts initially recognised in the year	(37)	55	–	–	(18)	(18)	–
Changes in estimates that adjust the CSM	(2,610)	(312)	–	1,807	1,115	2,922	–
Changes in loss recovery component and reversal of such changes	–	–	–	–	4	4	4
Total changes that relate to future service	(2,647)	(257)	–	1,807	1,101	2,908	4
Changes that relate to past service							
Adjustment to recoveries on liabilities for incurred claims related to past service	189	–	–	–	–	–	189
Total changes that relate to past service	189	–	–	–	–	–	189
Net expenses from reinsurance contracts held	(3,102)	(350)	–	1,675	1,024	2,699	(753)
Finance income or expenses from reinsurance contracts	391	84	–	1	(10)	(9)	466
Total changes in the statement of comprehensive income	(2,711)	(266)	–	1,676	1,014	2,690	(287)
Cash flows							
Premiums paid	2,341	–	–	–	–	–	2,341
Recoveries received from reinsurers	(2,685)	–	–	–	–	–	(2,685)
Total cash flows	(344)	–	–	–	–	–	(344)
Closing assets	5,990	1,277	–	1,712	727	2,439	9,706
Closing liabilities	–	–	–	–	–	–	–
Net closing balance	5,990	1,277	–	1,712	727	2,439	9,706

14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table provides an analysis of reinsurance contracts held initially recognised in the period.

2024	Reinsurance contracts held: Contracts purchased with a net gain	Reinsurance contracts held: Other reinsurance contracts	Total
Present value of future cash outflows	**(198)**	**(1,020)**	**(1,218)**
Present value of future cash inflows	**253**	**826**	**1,079**
Risk adjustment for non-financial risk	**8**	**22**	**30**
CSM	**(63)**	**172**	**109**
Total	**–**	**–**	**–**

2023	Reinsurance contracts held: Contracts purchased with a net gain	Reinsurance contracts held: Other reinsurance contracts	Total
Present value of future cash outflows	(937)	(761)	(1,698)
Present value of future cash inflows	1,011	650	1,661
Risk adjustment for non-financial risk	32	23	55
CSM	(103)	88	(15)
Total	3	–	3

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14. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(3) Contractual service margin

For insurance contracts where the premium allocation method is not used, the CSM for insurance contracts issued by the Group and reinsurance contracts ceded is expected to be amortised to the income statement over the remaining period as follows:

31 December 2024	Within 1 year	In 1 to 3 years	In 4 to 5 years	Over 5 years	Total
Contracts issued	14,641	25,855	22,025	113,346	175,867
Reinsurance contracts	120	245	216	816	1,397

31 December 2023	Within 1 year	In 1 to 3 years	In 4 to 5 years	Over 5 years	Total
Contracts issued	13,743	25,562	22,744	106,955	169,004
Reinsurance contracts	181	361	327	1,570	2,439

15. TAXATION

Deferred income 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. Most of the income taxes shown below are taxes incurred in the PRC.

(1) The amount of income tax charged/(credited) to the net profit represents:

	For the year ended 31 December	
	2024	2023
Current tax	264	202
Deferred tax	1,644	(3,403)
Total income tax	1,908	(3,201)

15. TAXATION (CONTINUED)

(2) The reconciliation between the Group's effective tax rate and the mainly applicable tax rate of 25% in the PRC is as follows:

	For the year ended 31 December	
	2024	2023
Profit before income tax	**28,141**	5,515
Tax computed at the statutory tax rate in China	**7,035**	1,379
Effect of different tax rates used by subsidiaries	**(5)**	(1)
Non-taxable income (i)	**(5,345)**	(4,695)
Expenses not deductible for tax purposes (i)	**136**	61
Effect of unrecognised deferred tax assets arising from deductible tax losses	**71**	62
Use of deductible tax losses of prior years	**(1)**	(1)
Adjustments in respect of current tax of previous periods	**17**	(6)
Income tax computed at effective tax rate	**1,908**	(3,201)

(i) Non-taxable income mainly includes interest income from government bonds, and dividend income from applicable equity financial assets, etc. Expenses not deductible for tax purposes mainly include those expenses such as supplementary medical insurance, penalties, donations and entertainment expenses that do not meet the criteria for deduction under relevant tax regulations issued by the tax authority.

15. TAXATION (CONTINUED)

(3) Deferred tax assets and liabilities before and after offsetting are as follows:

	As at 31 December 2024	As at 31 December 2023
Deferred tax assets	40,248	18,021
Deferred tax liabilities	(20,770)	(7,368)
Net deferred tax assets	19,678	10,709
Net deferred tax liabilities	(200)	(56)

(4) Deferred income tax assets are recognised for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable income is probable. The amount of deductible unused tax losses for which no deferred tax asset is recognised is as follows:

	As at 31 December 2024	As at 31 December 2023
2024	–	131
2025	107	111
2026	105	105
2027	244	244
2028	248	248
2029	285	–
Total	989	839

15. TAXATION (CONTINUED)

(5) The movements in deferred tax assets and deferred tax liabilities during the year are as follows:

	Financial assets	Insurance liabilities	Others	Total
Net deferred tax assets				
As at 1 January 2023	(1,905)	1,299	3,051	2,445
Credit to net profit	1,489	(5,749)	7,662	3,402
Credit to other comprehensive income	(2,488)	7,364	(16)	4,860
Credit to other reserve	–	2	–	2
As at 31 December 2023	(2,904)	2,916	10,697	10,709
Credit to net profit	**(7,970)**	**(4,854)**	**11,199**	**(1,625)**
Credit to other comprehensive income	**(8,694)**	**19,252**	**31**	**10,589**
Credit to other reserve	**–**	**–**	**5**	**5**
As at 31 December 2024	**(19,568)**	**17,314**	**21,932**	**19,678**

	Financial assets	Insurance liabilities	Others	Total
Net deferred tax liabilities				
As at 1 January 2023	(9)	–	(48)	(57)
Credit to net profit	7	–	(6)	1
Credit to other comprehensive income	–	–	–	–
As at 31 December 2023	(2)	–	(54)	(56)
Credit to net profit	**(19)**	**–**	**–**	**(19)**
Credit to other comprehensive income	**(125)**	**–**	**–**	**(125)**
As at 31 December 2024	**(146)**	**–**	**(54)**	**(200)**

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16. OTHER ASSETS

	As at 31 December 2024		
	Book value balance	Provision for impairment	Net book value
Investment clearing account (1)	8,185	–	8,185
Prepaid and deferred expenses	458	–	458
Receivable from off-balance sheet repurchase transactions	874	(874)	–
Asset management fee receivables	190	–	190
Others	967	(142)	825
Total	10,674	(1,016)	9,658

	As at 31 December 2023		
	Book value balance	Provision for impairment	Net book value
Investment clearing account (1)	12,890	–	12,890
Prepaid and deferred expenses	510	–	510
Receivable from off-balance sheet repurchase transactions	874	(874)	–
Asset management fee receivables	158	–	158
Prepaid income tax	6	–	6
Others	936	(115)	821
Total	15,374	(989)	14,385

	As at 31 December 2024	As at 31 December 2023
Current	9,322	14,013
Non-current	336	372
Total	9,658	14,385

(1) Investment clearing account

Investment clearing account balance represents unsettled investment receivables in transit as at the end of the reporting period.

17. BORROWINGS

Upon the approval by the former CBIRC and the People's Bank of China, on 11 May 2020, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 13 May 2020, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 3.3% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 4.3% per annum beginning in the sixth year until the maturity date.

Upon the approval by the National Administration of Financial Regulation and the People's Bank of China, on 2 November 2023, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 6 November 2023, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 3.4% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 4.4% per annum beginning in the sixth year until the maturity date.

Upon the approval by the National Administration of Financial Regulation and the People's Bank of China, on 18 June 2024, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 20 June 2024, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 2.27% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 3.27% per annum beginning in the sixth year until the maturity date.

The repayments of principals and interests of the capital supplementary bonds are subordinated to policy liabilities and other liabilities but prior to the Company's equity capital.

The fair value of borrowings as at 31 December 2024 was RMB30,687 (2023: RMB20,210) million, which are within Level 2 of the fair value hierarchy.

18. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2024	As at 31 December 2023
Payable to the third-party investors of controlled structured entities	**8,549**	3,592

Payable to the third-party investors of controlled structured entities are the portions owned by the external investors in the consolidated structured entities (asset management plans). Such financial liabilities are designated at fair value upon initial recognition, and all realised or unrealised gains or losses are recognised in net profit.

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19. FINANCIAL ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

	As at 31 December 2024	As at 31 December 2023
By market		
Inter-bank market	**42,509**	19,913
Stock exchange	**129,079**	87,074
Total	**171,588**	106,987
By collateral		
Bonds	**171,588**	106,987

Maturity:

	As at 31 December 2024	As at 31 December 2023
Within 3 months (including 3 months)	**171,588**	106,987

As at 31 December 2024, bonds with par value of RMB44,937 million (31 December 2023: RMB20,544 million) were pledged as collateral for financial assets sold under agreements to repurchase resulting from repurchase transactions entered into by the Group in the inter-bank market. The collateral is restricted from trading during the period of the repurchase transaction.

For debt repurchase transactions through the stock exchange, the Group is required to deposit certain exchange-traded bonds into a collateral pool and the fair values converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balances of the related repurchase transactions.

As at 31 December 2024, the amount of financial assets deposited in the collateral pool amounted to RMB259,146 million (31 December 2023: RMB220,409 million). The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool in a short period of time under the condition that the value of certain bonds is no less than the balance of the related repurchase transactions.

20. OTHER LIABILITIES

	As at 31 December 2024	As at 31 December 2023
Investment clearing account	7,443	3,711
Salary and welfare payable(1)	5,315	3,915
Commission and brokerage payable	1,756	1,571
Investment contract liabilities	857	864
Deferred income	457	470
External suppliers payable	379	547
Payable to the third party investors of controlled structured entities	211	414
Unallocated receipts	184	176
Unrealised output value added tax	156	158
Taxes payable other than income tax	149	99
Security deposits by agent for holding the Company's documents	137	139
Construction cost payable	136	146
Repayment payable for non-insurance contracts	118	102
Insurance security fund payable	61	59
Payables related to asset-backed securities(2)	–	6,487
Others	1,114	1,127
Total	18,473	19,985
Current	17,275	18,742
Non-current	1,198	1,243
Total	18,473	19,985

(1) Total remuneration of employees for the year ended December 2024 amounted to RMB6,398 million (for the year ended 2023: RMB5,056 million).

(2) The Group securitised part of policy loans and issued asset-backed securities with an amount of RMB4,000 million and RMB3,000 million in February 2023 and June 2023, respectively. The term is one year. The Group held subordinated shares of the asset-backed securities with a total amount of RMB560 million. The subordinated shares are not transferable until the principal and interest of the senior shares are repaid. Since the Group retains almost all the risks and rewards of ownership of the policy loans, the Group continues to recognize these policy loans. These asset-backed securities were matured in 2024.

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21. SHARE CAPITAL

All shares of the Company issued are fully paid common shares. The par value per share is RMB1.

The Company's number of shares is as follows:

	As at 31 December 2024	As at 31 December 2023
Number of shares registered, issued and fully paid at RMB1 per share (in million)	3,120	3,120

22. RESERVES AND RETAINED EARNINGS

	Reserves						
	Share premium (a)	Other reserve	Other comprehensive income	Surplus reserve (b)	Reserve for general risk (c)	Total	Retained earnings (d)
As at 1 January 2023	23,964	42	(36,518)	19,809	14,417	21,714	89,492
Net profit for the year	–	–	–	–	–	–	8,712
Other comprehensive income	–	–	(14,575)	–	–	(14,575)	–
Others	–	(27)	–	–	–	(27)	–
Dividends paid	–	–	–	–	–	–	(3,369)
Appropriation to reserve	–	–	–	1,912	799	2,711	(2,711)
As at 31 December 2023	23,964	15	(51,093)	21,721	15,216	9,823	92,124
Net profit for the year	–	–	–	–	–	–	26,229
Other comprehensive income	–	–	(30,710)	–	–	(30,710)	–
Others	–	(9)	–	–	–	(9)	–
Dividends paid	–	–	–	–	–	–	(4,337)
Appropriation to reserve	–	–	–	3,318	2,522	5,840	(5,840)
As at 31 December 2024	23,964	6	(81,803)	25,039	17,738	(15,056)	108,176

22. RESERVES AND RETAINED EARNINGS (CONTINUED)

(a) Share premium

Share premium represents the excess of the paid-in capital over the par value of shares issued.

(b) Surplus reserve

Surplus reserve consists of the statutory surplus reserve and the discretionary surplus reserve.

(i) Statutory surplus reserve

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of the net profit for the year to the statutory surplus reserve. The Company can cease appropriation when the statutory surplus reserve reaches more than 50% of the registered capital. The statutory surplus reserve can be used to make up losses or increase the Company's share capital upon approval.

The Company appropriated RMB2,520 million for the year ended 31 December 2024 to the statutory surplus reserve (for the year ended 31 December 2023: RMB798 million).

(ii) Discretionary surplus reserve ("DSR")

After making necessary appropriations to the statutory surplus reserve, the Company and its subsidiaries in the PRC may also appropriate a portion of their net profit to the DSR upon the approval of the shareholders in general meetings. The DSR may be used to offset accumulated losses, if any, and may be converted into capital.

Approved at the shareholders' general meeting on 28 June 2024, the Company appropriated RM B798 million to the DSR. Approved at the shareholders' general meeting on 28 June 2023, the Company appropriated RMB1,114 million to the DSR.

(c) Reserve for general risk

Pursuant to "Financial Standards of Financial Enterprises – Implementation Guide" issued by the Ministry of Finance of the PRC on 20 March 2007, for the year ended 31 December 2024, the Group appropriated RMB2,522 million to the general reserve for future uncertain disasters, which cannot be used for dividend distribution or share capital increment (for the year ended 31 December 2023: RMB799 million).

22. RESERVES AND RETAINED EARNINGS (CONTINUED)

(d) Distributable profit

According to the Articles of Association of the Company, the amount of retained earnings available for distribution of the Company should be the lower of the amount determined under PRC GAAP and the amount determined under IFRS Accounting Standards. Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2024, a final dividend of RMB0.85 per ordinary share (inclusive of tax) totalling RMB2,652 million was declared and paid in 2024. Pursuant to a resolution passed at the shareholders' general meeting on 6 November 2024, an interim dividend of RMB0.54 per ordinary share (inclusive of tax) totalling RMB1,685 million.

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2023, a final dividend of RMB1.08 per ordinary share (inclusive of tax) totalling RMB3,369 million was declared and paid in 2023.

23. INSURANCE REVENUE

	For the year ended 31 December	
	2024	2023
Contracts not measured under the PAA		
Expected incurred claims and other insurance service expenses	**18,475**	19,180
CSM recognised for services provided	**15,667**	15,122
Recovery of insurance acquisition cash flows	**9,174**	9,011
Change in risk adjustment for non-financial risk for risk expired	**810**	845
Contracts measured under the PAA	**3,686**	3,887
Total	**47,812**	48,045

24. INTEREST INCOME

	For the year ended 31 December	
	2024	2023
Interest income from:		
– Cash and cash equivalents	**280**	276
– Term deposits	**8,747**	8,504
– Statutory deposits	**60**	66
– Debt investments at amortised cost	**10,596**	10,822
– Debt investments at FVTOCI	**12,161**	12,453
– Financial assets purchased under agreements to resell	**73**	147
Total	**31,917**	32,268

25. OTHER INVESTMENT INCOME

	For the year ended 31 December	
	2024	2023
Fair value gains/(losses)		
– Financial assets at FVTPL	**35,724**	(5,931)
– Derivatives financial instruments	**(6)**	(4)
– Financial liabilities at FVTPL	**(281)**	(189)
Net realised (losses)/gains		
– Financial assets at FVTPL	**(3,365)**	(12,713)
– Debt investments at FVTOCI	**3,213**	217
– Debt investments at amortised cost	**2,890**	–
– Derivatives financial instruments	**(5)**	–
Interest income		
– Financial assets at FVTPL	**4,437**	2,912
Dividend income		
– Financial assets at FVTPL	**7,438**	6,065
– Equity investments designated at FVTOCI	**1,170**	383
Total	**51,215**	(9,260)

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26. OTHER INCOME

	For the year ended 31 December	
	2024	2023
Management fee income	**440**	435
Rental income from investment properties	**321**	413
Exchange gains	**80**	113
Government grants	**18**	50
Others	**241**	190
Total	**1,100**	1,201

27. INSURANCE SERVICE EXPENSES

	For the year ended 31 December	
	2024	2023
Contracts not measured under the PAA		
Incurred claims and other incurred insurance service expenses	**17,657**	16,797
Amortisation of insurance acquisition cash flows	**9,174**	9,011
Losses on onerous groups of contracts and reversal of such losses	**69**	1,722
Adjustment to the LIC	**285**	1,388
Subtotal	**27,185**	28,918
Contracts measured under the PAA		
Incurred claims and other incurred insurance service expenses	**2,631**	2,379
Amortisation of insurance acquisition cash flows	**1,075**	1,265
Losses on onerous groups of contracts and reversal of such losses	**824**	648
Adjustment to the LIC	**(140)**	42
Subtotal	**4,390**	4,334
Total	**31,575**	33,252

28. NET INVESTMENT INCOME AND INSURANCE FINANCE INCOME AND EXPENSES

	For the year ended 31 December	
	2024	2023
Interest income	**31,917**	32,268
Other investment income	**51,215**	(9,260)
Share of profits and losses of associates and joint ventures	**528**	(639)
Foreign exchange gains	**80**	113
Net impairment losses on financial assets	**(3,415)**	(307)
Net impairment losses on other assets (Note 31)	**(1,190)**	–
Others	**(2,310)**	(1,411)
Total investment income recognised in profit or loss	**76,825**	20,764
Total investment income recognised in OCI	**36,049**	10,016
Total net investment income	**112,874**	30,780
Insurance finance expenses from insurance contracts issued		
Interest accreted	**22,337**	14,557
Effect of changes in interest rates and other financial assumptions	**54,106**	21,754
Changes in fulfilment cash flows and CSM of contracts measured applying VFA due to changes in fair value of underlying items	**62,705**	20,150
Insurance finance expenses from insurance contracts issued	**139,148**	56,461
Total insurance finance expenses from insurance contracts issued recognised in profit or loss	**61,185**	26,800
Total insurance finance expenses from insurance contracts issued recognised in OCI	**77,963**	29,661
Insurance finance income from reinsurance contracts held		
Interest accreted	**(338)**	(261)
Effect of changes in interest rates and other financial assumptions	**(740)**	(205)
Total finance income from reinsurance contracts held	**(1,078)**	(466)
Total finance income from reinsurance contracts held recognised in profit or loss	**(338)**	(261)
Total finance income from reinsurance contracts held recognised in OCI	**(740)**	(205)

29. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	For the year ended 31 December	
	2024	2023
Impairment loss recognised/(reversed) in respect of:		
– Debt investments at amortised cost	**2,425**	308
– Debt investments at FVTOCI	**941**	(4)
– Term deposits	**19**	1
– Others	**30**	2
Total	**3,415**	307

30. OTHER EXPENSES

	For the year ended 31 December	
	2024	2023
Commission and brokerage expenses	**9,516**	10,753
Payroll and welfare	**8,982**	7,378
Depreciation and amortisation	**1,848**	1,888
Insurance security fund (i)	**532**	517
Electronic equipment operation fee	**348**	307
Operating lease	**341**	327
Travel and conference expenses	**307**	288
Taxes and surcharges	**289**	270
Miscellaneous expenses	**181**	185
Postage	**100**	103
Others	**1,122**	1,017
Subtotal	**23,566**	23,033
Minus:		
Amounts attributed to insurance acquisition cash flows	**12,471**	13,995
Amounts attributed to insurance service expenses	**7,192**	5,889
Total other expenses	**3,903**	3,149

(i) The Group has paid the insurance security fund in accordance with the "Administrative Measures for Insurance Security Fund" (Order no.7 [2022] issued by the former CBIRC, the Ministry of Finance of the PRC and the People's Bank of China) and the "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Matters related to the Payment of Insurance Protection Fund" (No. 2 [2023] issued by the General Office of the former CBIRC). The fund contribution is equal to the product of the business income and the fund rate, which is equal to the sum of the base rate and the risk differential rate.

31. NET IMPAIRMENT LOSSES ON OTHER ASSETS

	For the year ended 31 December	
	2024	2023
Investments in associates	**1,190**	–

32. OTHER FINANCE COSTS

	For the year ended 31 December	
	2024	2023
Interest expenses for financial assets sold under agreements to repurchase	**2,310**	1,411
Interest expenses for the capital supplementary bonds and asset-backed securities	**839**	655
Interest expenses for lease liabilities	**17**	20
Total	**3,166**	2,086

33. NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The net profit attributable to shareholders of the Company for the year ended 31 December 2024 was RMB26,229 million (for the year ended 31 December 2023: RMB8,712 million) which is included in the consolidated financial statements of the Group.

34. EARNINGS PER SHARE

(1) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares issued during the year.

	For the year ended 31 December	
	2024	2023
Net profit for the year attributable to owners of the Company (RMB in million)	**26,229**	8,712
Weighted average number of ordinary shares issued (in million)	**3,120**	3,120
Basic earnings per share (RMB)	**8.41**	2.79

(2) Diluted

The Company has no dilutive potential ordinary shares. Diluted earnings per share are the same as basic earnings per share for the year ended 31 December 2024 (for the year ended 31 December 2023: same).

35. DIVIDENDS

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2024, a final dividend of RMB0.85 per ordinary share (inclusive of tax) totalling RMB2,652 million was declared. Pursuant to a resolution passed at the shareholders' general meeting on 6 November 2024, an interim dividend of RMB0.54 per ordinary share (inclusive of tax) totalling RMB1,685 million was declared.

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2023, a final dividend of RMB1.08 per ordinary share (inclusive of tax) totalling RMB3,369 million was declared.

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

(1) Related parties

(a) Subsidiaries

Refer to Note 41 for the basic and related information of subsidiaries.

(b) Associates and joint venture

Refer to Note 10 for the basic and related information of associates and joint venture.

(c) Other related parties

The table set forth below summarises the significant related parties of the Company:

Significant related parties	Relationships
Central Huijin Investment Ltd. ("Huijin")	Shareholder that has significant influence over the Company
China Baowu Steel Group Corporation Limited	Shareholder that has significant influence over the Company
Hwabao WP Fund Management Co., Ltd. ("Hwabao WP Fund")	Company under indirect control of the shareholder that has significant influence over the Company

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Significant transactions with related parties

	For the year ended 31 December	
	2024	2023
Transactions between the Group and other related parties		
– Interest from bonds issued by Huijin	**22**	22
– Investment income arising from investing fund of Hwabao WP Fund	**1**	–
Transactions between the Group and its associates		
– Dividends declared from China Jinmao	**33**	39
– Investment income arising from investing trust plans related to China Jinmao	**–**	59
– Dividends declared from ALL IN PAY	**–**	5
Transactions between the Group and its joint venture		
– Health check and service fee paid to New China Health	**19**	22
– Rent earned from New China Health	**8**	12
Transactions between the Company and its subsidiaries		
– Investment management fee to Asset Management Company	**819**	674
– Additional capital contribution to Hefei New China Life Supporting Construction Operation Management Co., Ltd. ("Hefei Supporting Operation")	**210**	76
– Investment management fee to New China Asset Management (Hong Kong) Co., Ltd. ("Asset Management Company (Hong Kong)")	**64**	61
– Rent and property fee paid to Xinhua Haoran (Beijing) Property Management Co., Ltd. ("Xinhua Haoran")	**41**	32
– Rent paid to Hefei Supporting Operation	**32**	24
– Additional capital contribution to Xinhua Village Seniors Operation Management (Beijing) Co., Ltd. ("Xinhua Seniors Operation")	**30**	–
– Rent earned from Asset Management Company	**24**	23
– IT service fee paid to New China Electronic Commerce Co., Ltd. ("Electronic Commerce")	**21**	21
– Conference and training fees paid to Xinhua Yiyue Health Care Industry (Beijing) Co., LTD. ("Xinhua Yiyue Health Care")	**9**	7
– Rent earned from New China Pension Co., Ltd. ("New China Pension")	**7**	8
– Health check fee paid to New China Excellent Rehabilitation Hospital Co., Ltd. ("Rehabilitation Hospital")	**3**	3
– Management service fee paid to Guangzhou Yuerong Project Construction Management Co., Ltd. ("Guangzhou Yuerong")	**2**	2
– Management fee for annuity account paid to New China Pension	**1**	1
– Additional capital contribution to Xinhua Yiyue Health Care	**–**	268

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Significant transactions with related parties (continued)

The above significant transactions with related parties did not constitute the continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

The investment management fees to Asset Management Company and Asset Management Company (Hong Kong), annuity account management fees paid to New China Pension are calculated based on the negotiated service charge rate and the scale of investments. All other transactions are calculated based on the negotiated price between transaction parties.

(3) Related party balances

	The Group	
	As at 31 December 2024	As at 31 December 2023
Balances with related parties		
Debt investments at FVTOCI		
Huijin	**649**	636
Other payables		
New China Health	**4**	–
Other receivables		
New China Health	**15**	4

	The Company	
	As at 31 December 2024	As at 31 December 2023
Payables to subsidiaries		
Asset Management Company	**109**	31
Electronic Commerce	**22**	22
Asset Management Company (Hong Kong)	**12**	15
Hefei Supporting Operation	**–**	7
Guangzhou Yuerong	**–**	5
Xinhua Haoran	**–**	1

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(3) Related party balances (continued)

No impairment has been made for receivables from related parties as at 31 December 2024 (31 December 2023: nil).

The balances between the Company and its subsidiaries have been eliminated in the consolidated statement of financial position.

(4) Key management's remuneration

Key management members include directors, supervisors and senior management team members. Key management members' remuneration incurred by the Company is as follows:

	For the year ended 31 December	
	2024	2023
Payroll and welfare	**15**	25

The performance bonus for the key management members in 2024 has not yet been finalized and will be separately disclosed later.

(5) Transactions with state-owned enterprises

Under International Accounting Standard 24 (Amendment) ("IAS 24 (Amendment)") "Related Party Disclosures", business transactions between state-owned enterprises controlled by the PRC government are within the scope of related party transactions. The Group's key business is insurance related and 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 were 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 parties and has applied the IAS 24 (Amendment) exemption and disclosed only qualitative information.

As at 31 December 2024, most of the bank deposits were with state-owned banks, the issuers of debt financial assets held by the Group were mainly state-owned enterprises; most investments were entrusted to state-owned enterprises. For the year ended 31 December 2024, a large portion of its group insurance business of the Group was with state-owned enterprises; the majority of bancassurance brokerage charges were paid to state-owned banks and postal office; almost all of the reinsurance agreements of the Group were entered into with a state-owned reinsurance company; and most of the bank deposits interest income was from state-owned banks.

37. CHANGES IN LIABILITIES ARING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities are set out below:

	Financial assets sold under agreements to repurchase	Borrowings	Lease liabilities	Other liabilities-Payables related to asset-backed securities
As at 1 January 2024	**106,987**	**20,262**	**760**	**6,487**
Changes from financing cash flows	**62,291**	**9,330**	**(430)**	**(6,534)**
New leases	**–**	**–**	**368**	**–**
Interest expenses	**2,310**	**792**	**17**	**47**
As at 31 December 2024	**171,588**	**30,384**	**715**	**–**

	Financial assets sold under agreements to repurchase	Borrowings	Lease liabilities	Other liabilities-Payables related to asset-backed securities
As at 1 January 2023	43,610	10,211	855	9,228
Changes from financing cash flows	61,966	9,670	(476)	(3,015)
New leases	–	–	361	–
Interest expenses	1,411	381	20	274
As at 31 December 2023	106,987	20,262	760	6,487

38. CONTINGENCIES

The Group is involved in estimations for contingencies and legal proceedings in the ordinary course of business, including but not limited to, being the plaintiff or the defendant in litigation and arbitration. Legal proceedings mostly involve claims on the Group's insurance policies, other claims, and litigation matters. Provision has been made for probable losses of the Group, including those claims where management can reasonably estimate the outcome of the lawsuits taking into account any legal advice.

No provision has been made for pending assessments, lawsuits or possible violations of contracts when the outcome cannot be reasonably estimated or management believes the probability is low or remote. For these pending lawsuits, management also believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group or any of its subsidiaries.

As at 31 December 2024, except for the items described above, all kinds of estimations and contingencies resulting from insurance services within the scope of this report, the Group does not have any significant contingency that needs description.

39. COMMITMENTS

(1) Capital commitments

The Group had capital commitments for the purchase of property, plant and equipment and software, etc. Management confirms that the Group has sufficient future income or funding to fulfil these capital commitments.

	As at 31 December 2024	As at 31 December 2023
Contracted, but not provided for	**1,694**	2,784
Total	**1,694**	2,784

(2) Investment commitments

As at 31 December 2024, a total amount of RMB3,534 million was disclosed as investment commitments contracted but not provided for (31 December 2023: RMB12,144 million).

40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of Financial Position of the Company

	31 December 2024	31 December 2023
ASSETS		
Property, plant and equipment	12,491	12,525
Investment properties	8,728	9,064
Right-of-use assets	809	865
Intangible assets	2,216	2,197
Investments in subsidiaries	53,882	37,026
Investments in associates and joint ventures	29,857	4,801
Financial investments		
– Financial assets at fair value through profit or loss	445,729	356,144
– Debt investments at amortised cost	267,531	301,009
– Debt investments at fair value through other comprehensive income	473,259	354,536
– Equity investments designated at fair value through other comprehensive income	29,765	5,352
Term deposits	273,457	250,043
Statutory deposits	778	754
Financial assets purchased under agreements to resell	3,321	4,328
Derivative financial instruments	–	2
Reinsurance contract assets	10,812	9,802
Deferred tax assets	19,546	10,305
Other assets	6,534	13,508
Cash and cash equivalents	34,378	19,614
Total assets	1,673,093	1,391,875

40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Statement of Financial Position of the Company (continued)

	31 December 2024	31 December 2023
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	1,364,235	1,145,668
Borrowings	30,384	20,262
Lease liabilities	678	743
Financial assets sold under agreements to repurchase	169,734	104,276
Other liabilities	16,167	18,340
Total liabilities	1,581,198	1,289,289
Shareholders' equity		
Share capital	3,120	3,120
Reserves	(15,779)	9,939
Retained earnings	104,554	89,527
Total equity	91,895	102,586
Total liabilities and equity	1,673,093	1,391,875

40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	For the year ended 31 December 2024					
	Share Premium	Other Reserves	Other Comprehensive Income	Surplus Reserve	Reserve for General Risk	Total
As at 1 January 2024	**23,962**	**15**	**(50,941)**	**21,721**	**15,182**	**9,939**
Other comprehensive income	–	–	(31,547)	–	–	(31,547)
Others	–	(9)	–	–	–	(9)
Appropriation to reserves	–	–	–	3,318	2,520	5,838
As at 31 December 2024	**23,962**	**6**	**(82,488)**	**25,039**	**17,702**	**(15,779)**

	For the year ended 31 December 2023					
	Share Premium	Other Reserves	Other Comprehensive Income	Surplus Reserve	Reserve for General Risk	Total
As at 1 January 2023	23,962	42	(36,589)	19,809	14,384	21,608
Other comprehensive income	–	–	(14,352)	–	–	(14,352)
Others	–	(27)	–	–	–	(27)
Appropriation to reserves	–	–	–	1,912	798	2,710
As at 31 December 2023	23,962	15	(50,941)	21,721	15,182	9,939

41. INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2024 are as follows:

	Place of incorporation/ registration and business	Principal activities	Type of legal entity	Registered share capital	Percentage of equity attributable to the Company	
					Direct	Indirect
Asset Management Company	Beijing, China	Asset management	Limited company	RMB500 million	99.40%	–
Asset Management Company (Hong Kong)	Hong Kong, China	Asset management	Limited company	HKD50 million	40%	59.64%
Xinhua Yiyue Health Care(i)	Beijing, China	Service	Limited company	RMB1,843 million	100%	–
Xinhua Jiayue Health Care Industry (Beijing) Co., LTD(ii)	Beijing, China	Elderly care services and enterprise management	Limited company	RMB964 million	100%	–
Xinhua Seniors Operation (iii)	Beijing, China	Service	Limited company	RMB260 million	100%	–
Electronic Commerce	Beijing, China	Electronic commerce	Limited company	RMB200 million	100%	–
Guangzhou Yuerong	Guangzhou, China	Real estate property investment and management	Limited company	RMB10 million	100%	–
Hefei Supporting Operation (iv)	Hefei, China	Service	Limited company	RMB3,200 million	100%	–
New China Pension	Shenzhen, China	Insurance service	Limited company	RMB5 billion	99.80%	0.20%
Xinhua Village Seniors Investment Management (Hainan) Co., Ltd.	Qionghai, China	Real estate property development and training	Limited company	RMB1,908 million	100%	–
Xinhua Haoran	Beijing, China	Real estate lease and property management	Limited company	RMB500 million	100%	–
Rehabilitation Hospital	Beijing, China	Medical service	Limited company	RMB170 million	100%	–

(i) Xinhua Yiyue Health Care Industry (Beijing) Co., LTD., formerly known as New China Village Health Technology (Beijing) Co., Ltd., completed the registration of industrial and commercial change on 30 December 2024, and changed the company name.

(ii) Xinhua Jiayue Health Care Industry (Beijing) Co., LTD., formerly known as Xinhua Village Seniors Service (Beijing) Co., Ltd., completed the registration of industrial and commercial change on 16 December 2024, and changed the company name.

(iii) As at 10 January 2024, the Company paid an amount of RMB30 million as capital injection to Seniors Operation. Up to 31 December 2024, the Company's accumulated capital contributions to Xinhua Seniors Operation achieved RMB95 million.

(iv) As at 31 January 2024, the Company paid an amount of RMB210 million as capital injection to Hefei Supporting Operation. Up to 31 December 2024, the Company's accumulated capital contributions to Hefei Supporting Operation was RMB2,740 million.

Except for above mentioned, there was no significant change in investments in subsidiaries for the year ended 31 December 2024.

All subsidiaries of the Company are unlisted, there are no issued share capital or debt securities.

All companies comprising the Group have adopted 31 December as their financial year end date.

41. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the Company's principal controlled structured entities as at 31 December 2024 are as follow:

	Principal activities	Registered/ Committed share capital	Percentage of equity attributable to the Group
Kunhua (Tianjin) Equity Investment Partnership (Limited partnership)	Private equity funds	RMB8,193 million	99.99%
New China Asset Management – Mingmiao No.3 Asset Management Product	Asset management plan	RMB4,911 million	30.25%
New China Asset Management – Mingyan No.1 Asset Management Product	Asset management plan	RMB4,187 million	69.28%
New China Asset Management – Mingmiao No.2 Asset Management Product	Asset management plan	RMB2,704 million	100%
New China Asset Management – Mingyi No.27 Asset Management Product	Asset management plan	RMB2,086 million	100%
New China- Wanke Wuhan Plant and Equipment Debt Investment Plan	Debt investment plan	RMB2,040 million	100%
New China Asset Management – Mingyi No.36 Asset Management Product	Asset management plan	RMB1,868 million	100%
New China-Urban Construction Development Infrastructure and Property Debt Investment Plan (First Phase)	Debt investment plan	RMB1,800million	100%
New China Asset Management – Mingyi No.20 Asset Management Product	Asset management plan	RMB1,790 million	100%
New China-Wanke Logistics Infrastructure and Property Debt Investment Plan (Third Phase)	Debt investment plan	RMB1,577 million	100%
New China-Urban Construction Development Infrastructure and Property Debt Investment Plan (Second Phase)	Debt investment plan	RMB1,500 million	100%
Zhong Ou AMC New China Life High Dividend Strategy Single Asset Management Plan	Asset management plan	RMB1,500 million	100%
New China Asset Management – Select Hong Kong Stock Connect No.1 Asset Management Product	Asset management plan	RMB1,307 million	67.57%
New China- Wanke Kunming Debt Investment Plan (First Phase)	Debt investment plan	RMB1,100 million	100%
New China- Xi'an Electronic Valley Construction Infrastructure and Property Debt Investment Plan	Debt investment plan	RMB1,000 million	83.80%

All subsidiary and consolidated structured entities undertakings are included in the consolidation. There are no significant restrictions on the use of assets or the discharge of liabilities of all subsidiaries and consolidated structured entities. The non-controlling interests of subsidiaries are immaterial to the Group, while the non-controlling interests of consolidated structured entities are recorded in financial liabilities at FVTPL or other liabilities.

The English names of certain subsidiaries represent the best effort made by the management of the Company in translating their Chinese names as they do not have official English names.

42. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

(1) Directors' emoluments

The directors receive compensation in the form of directors' fees, salaries, allowances and benefits in kind, bonuses, pension scheme contributions, employee benefits and others. Bonuses represent the variable components in the directors' compensation which are linked to the performance of the Group and each of the individual directors.

The aggregate amounts of emoluments of directors of the Company for the year ended 31 December 2024 are as follows (in RMB thousands):

	2024						
Name	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	Total
Yucheng Yang	–	1,710	–	270	5	–	1,985
Xingfeng Gong (i)	–	1,310	–	222	5	–	1,537
Hong Zhang (ii)	–	1,251	–	184	5	–	1,440
Yi Yang(iii) (iv)	–	–	–	–	–	–	–
Xingda He(iv)	–	–	–	–	–	–	–
Xue Yang(iv)	–	–	–	–	–	–	–
Aimin Hu(iv)	–	–	–	–	–	–	–
Qiqiang Li(iv)	–	–	–	–	–	–	–
Yiu Tim Ma	270	–	–	–	–	–	270
Guanrong Lai	270	–	–	–	–	–	270
Xu Xu	320	–	–	–	–	–	320
Yongqing Guo	320	–	–	–	–	–	320

During the year, no director waived or has agreed to waive any emoluments.

(i) The Company held the 25th meeting of the 8th Board of Directors on 30 September 2024 and agreed to elect Mr. Xingfeng Gong to serve as the executive director of the 8th Board of Directors of the Company. Approved by the National Administration of Financial Regulation, Mr. Xingfeng Gong has been serving as the President from December 2024.

(ii) Resigned as executive director, president and all other positions on 30 September 2024.

(iii) Resigned as non-executive director on 2 December 2024.

(iv) These directors did not receive compensations from the Company.

42. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(1) Directors' emoluments (continued)

The aggregate amounts of emoluments of directors of the Company for the year ended 31 December 2023 are as follows (in RMB thousands):

	2023						
Name	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	Total
Yucheng Yang(i)	–	172	–	13	–	–	185
Hong Zhang	–	1,671	1,353	400	10	–	3,434
Quan Li(ii)	–	1,329	1,378	286	5	–	2,998
Yi Yang(iv)	–	–	–	–	–	–	–
Xingda He(iv)	–	–	–	–	–	–	–
Xue Yang(iv)	–	–	–	–	–	–	–
Aimin Hu(iv)	–	–	–	–	–	–	–
Qiqiang Li(iv)	–	–	–	–	–	–	–
Yiu Tim Ma	270	–	–	–	–	–	270
Guanrong Lai	248	–	–	–	–	–	248
Xu Xu	293	–	–	–	–	–	293
Yongqing Guo	293	–	–	–	–	–	293
Jianxin Geng(iii)	267	–	–	–	–	–	267

During the year, no director waived or has agreed to waive any emoluments.

(i) The Company held the 10th meeting of the 8th Board of Directors on 10 October 2023 and agreed to elect Mr. Yang Yucheng to serve as the Chairman of the 8th Board of Directors of the Company. Approved by the National Administration of Financial Regulation, Mr. Yang Yucheng has been serving as the Chairman from 18 December 2023.

(ii) Resigned as chairman, executive director and all other positions on 22 August 2023.

(iii) Resigned as independent non-executive director on 18 September 2023.

(iv) These directors did not receive compensations from the Company.

SECTION 11
FINANCIAL STATEMENTS

42. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(2) Supervisors' emoluments

The aggregate amounts of emoluments of supervisors of the Company for the year ended 31 December 2024 are as follows (in RMB thousands):

	2024					
Name	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	Total
Debin Liu(i)	–	–	–	–	–	–
Jiannan Yu(i)	–	–	–	–	–	–
Chongsong Liu	1,444	745	382	10	–	2,581
Zhongzhu Wang(i)	–	–	–	–	–	–

(i) These supervisors do not receive compensation from the company.

The aggregate amounts of emoluments of supervisors of the Company for the year ended 31 December 2023 are as follows (in RMB thousands):

	2023					
Name	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	Total
Debin Liu(i)	–	–	–	–	–	–
Jiannan Yu(i)	–	–	–	–	–	–
Chongsong Liu	1,394	2,288	328	8	–	4,018
Zhongzhu Wang(i)	–	–	–	–	–	–

(i) These supervisors do not receive compensation from the company.

42. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(3) Five highest paid individuals

For the year ended 31 December 2024, the five individuals whose emoluments were the highest in the Group include 0 (for the year ended 31 December 2023: 0) director and the directors' emoluments were reflected in the analysis presented above.

For the year ended 31 December 2024, details of remuneration of the 5 (for the year ended 31 December 2023: 5) highest paid individuals are as follows (in RMB thousands):

	For the year ended 31 December	
	2024	2023
Salaries, allowances and benefits in kind	**8,984**	11,735
Bonuses	**883**	864
Pension scheme contributions	**1,940**	2,015
Employee benefits	**41**	55
Others	**–**	772
Total	**11,848**	15,441

The emoluments of the 5 highest paid individuals fell within the following bands:

	As at 31 December	
	2024	2023
HK$2,000,001 – HK$2,500,000	**3**	–
HK$2,500,001 – HK$3,000,000	**2**	3
HK$3,500,001 – HK$4,000,000	**–**	1
HK$5,000,001 – HK$5,500,000	**–**	1
HK$5,500,001 – HK$6,000,000	**–**	–
HK$7,500,001 – HK$8,000,000	**–**	–
HK$8,500,001 – HK$9,000,000	**–**	–
HK$11,500,001 – HK$12,000,000	**–**	–

No emoluments have been paid by the Group to the directors, supervisors or highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

43. EVENTS AFTER THE REPORTING PERIOD

Pursuant to a resolution approved at the meeting of the Board of Directors on 27 March 2025, an annual dividend of RMB2.53 per ordinary share (inclusive of tax) totalling RMB7,893 million was proposed, after providing the statutory surplus reserve, discretionary surplus reserve and reserve for general risk. After deducting the interim dividend of RMB0.54 per ordinary share (inclusive of tax), a final dividend of RMB1.99 per ordinary share (inclusive of tax) totalling RMB6,208 million was proposed. The profit distribution plan shall become effective upon the approval of the shareholders' general meeting.

44. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved and authorised for issue by the Board of Directors on 27 March 2025.