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中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

Chairman's statement

Dear shareholders,

In the first half of 2025, global economic recovery faltered, with the world economic and trade system facing formidable challenges. In the face of mounting external pressures, China maintained an overall stable economic performance, contributing a valuable degree of certainty to the global economy. Domestically, the Chinese modernisation drive has been proceeded, with integrated development of technological innovation and industrial upgrading and New Quality Productive Forces gaining momentum. In particular, there has been growing demand for diversified financial services and risk solutions amid advancement of technological innovation, progress of industrial upgrade, steady growth of foreign trade and the emergence of the silver and digital economy, which, in turn, creates great opportunities for the insurance industry. At the same time, the industry itself is in a critical stage of transformation. Tightening supervision and risk prevention have featured even more prominently in the landscape of financial regulation. New policy initiatives, such as enforcing “consistency” between filed and actual commissions, accelerating the reform

of the life insurance tied-agent system and exploring long-cycle performance evaluation of commercial insurance companies, would further guide insurers towards high-quality development, foster rational market competitions and create an enabling environment for healthy and sustainable development of the industry.

CPIC stayed confident and consistent, and pressed ahead with its transformation. We made steadfast efforts to build long-term capabilities and pursue high-quality development, with steady improvement in business results and sustained increase in overall strength. In the first half of 2025, Group operating income totalled RMB200.496 billion, representing a 3.0% year-on-year growth, of which insurance revenue reached RMB141.824 billion, up by 3.5%, maintaining stable growth momentum. Group net profit^{note 1} amounted to RMB27.885 billion, rising 11.0% year on year; Group OPAT^{notes 1,2} RMB19.909 billion, a growth of 7.1% year on year. Group embedded value^{note 3} stood at RMB588.927 billion, up by 4.7% from the end of the previous year. Total assets under management rose steadily to RMB3,772.961 billion, up by 6.5% from the end of the previous year.

We optimised the mix of core businesses, with sustained improvement in operational resilience. In life insurance business, we steadily advanced the “2+N” channel strategy, with more diversified value contribution across channels. In the first half of the year, new business value grew rapidly, with value contribution from the agency channel and bancassurance channel reaching 60% and 37.8% respectively, indicating a more balanced mix; enhanced alignment of market interest rates and product pricing rates, accelerated product change and asset liability management, with pick-up in development of variable products, evidenced by substantial growth of regular-premium business of new participating policies. In property and casualty insurance, we proactively adapted to shifts of market cycles, optimised cost structures, reduced/eliminated high-risk and high-loss-ratio business, strengthened operational management, with declines in both loss and expense ratios, improvement in the combined ratio and significant growth of underwriting profit; we also enhanced accounts receivables management and achieved record net cash flows from operating activities. In health insurance, we capitalised on the opportunities arising from the integration of social and private insurance, promoted product innovation,

diversified product offerings for substandard risks and accelerated online business development. On the investment side, we seized opportunities of the H-share market, made full use of the dividend strategy in a low interest rate environment, which supported stable investment returns.

We embraced market trends and further enhanced service capabilities. In the context of the “5 Financial Priorities,” we continuously optimised the supply of products and services. Stepped up innovation in technology insurance and launched the “Kechuang Wuyou” integrated service solution for tech SMEs, serving 75,000 enterprises in the first half of the year. Strengthened funding support for technological innovation, with investment in the area reaching RMB119.7 billion as of the end of the reporting period. Enriched offerings of green financial products, with issuance of over 5.3 million NEV auto insurance policies and sustained growth of green investments. Expanded the coverage of inclusive insurance; issued 460 million insurance policies under terminal illness, long-term care, and Huiminbao programmes across 240 cities; provided RMB400 billion in agricultural insurance protection; provided risk cover to more than 2,700 transactions in domestic and foreign trade by small – and micro-enterprises. We further advanced the integration of “insurance + healthcare & elderly care,” with 10 “CPIC Home” retirement communities officially up and running in 9 Chinese cities, admitting more than 2,000 residents. We explored the “Longevity Retreat” home-based elderly care to enhance customer experience; our Xiamen Rehabilitation Hospital recently opened for business, adding impetus to the development of the healthcare ecosystem. We deepened presence in pension finance, with nearly double-digit growth in pension assets under management; successfully participated in the Xiong An Talent Annuity project, accelerated the development of private pension insurance, diversified product offerings and achieved significant growth in new premiums from private annuity insurance.

We deepened technological innovation, with impressive results in core business empowerment. The application of large-scale AI models is growing exponentially, helping to optimise insurance processes, improve production efficiency and reshape the entire insurance value chain. We rolled out large models under specific scenarios, developing multiple solutions in key areas such as sales, operations and risk control. **In customer**

resources management, technology helped with customer needs identification and precise matching of products/services; instead of reaching out to customers indiscriminately, we can now conduct targeted, data-driven screening, avoiding redundant investments and significantly improving sales conversion and chances of up-sell. **In terms of operational efficiency**, AI now handles nearly half of all customer service requests; 16% of claims cases of health insurance are now settled automatically, with large models achieving 99% accuracy in liability assessment, and claims costs per case lowered by 47%. **As for risk detection**, we developed image-recognition-based tools for risk control of auto insurance claims, which effectively identifying fraudulent risk and allowing regional differences in claims, and cumulatively detected risk totaling tens of millions of yuan.

In the first half of the year, we were pleased to see more positive changes within the Company, as the intrinsic drivers for its high-quality development accumulated rapidly. We further optimised the Group's organisational structure, defined boundaries of responsibilities, streamlined decision-making processes and improved operational efficiency. We strengthened leadership and talent development, completed the succession of senior management of major subsidiaries, formulated medium – and long-term talent development plans to support career advancement of more professionals and young talent, as part of our effort to improve the human resources management system. As for senior executives, we strengthened term-based, contractual management, improved comprehensive performance appraisal and incentive mechanisms, ensured their accountability for operational targets so as to fully stimulate organisational vitality. We continued to enhance our integrated risk management framework, strengthened risk appetite transmission from head-office to front-line business units, and improved risk control in key areas. We proceeded with the building of demonstration zones for consumer rights protection and smart consumer protection initiatives. Both CPIC Life and CPIC P/C maintained a leading position at regulator's consumer protection evaluation, while our health insurance subsidiary also achieved top rankings among major industry peers.

In the first half of the year, we completed the distribution of dividends for 2024, paying out over RMB10.3 billion in cash dividends, maintaining a stable dividend level and sharing the “fruits” of the Company's development with investors. We also announced

our medium – to long-term dividend policy, which links dividends with growth of Group OPAT^{note 1}, while considering other factors such as positive investment contributions, underscoring our commitment to generating stable, sustainable and predictable returns to shareholders.

Today, China’s insurance industry is still in a strategic window for high-quality development. It will play an increasingly important part in China’s modernisation drive, with a clear mandate to support national strategies, safeguard national rejuvenation and improve people’s well-being, while contributing to the healthy and stable development of the economy and society.

Looking ahead, we will stay focused on the core business to live up to our missions and responsibilities; deepen reforms to promote the transition of growth drivers. In particular, we will advance the three Key Strategies of “health service & elderly care”, “internationalization” and “AI+” in a bid to foster new core competencies, coordinate between effective improvement in quality and reasonable growth of quantity and achieve high-quality development. The health & elderly care strategy will fully capture opportunities in the sector and build a sustainable ecosystem of premium services, enhancing abilities to meet customer needs across their entire life cycle. The strategy also aims to promote mutual development of healthcare services and core insurance business, such as health insurance and pension finance. The internationalization strategy, in the context of the Belt and Road Initiative and Shanghai’s effort to build itself into an international financial center, seeks to leverage Hong Kong as a “strategic stepping stone” and “launch base” for gradual integration into global markets, establish a coordinated model of domestic and overseas development, and enhance capacity for cross-border services and global asset allocation. The “AI+” strategy will build enterprise-level AI capabilities, promote large-scale application of AI technology under core business scenarios, and drive efficiency gains, process re-engineering, customer experience enhancement, and service model innovation.

Next, we will adhere to the principle of “pursuing progress while maintaining stable fundamentals”, uphold the core values of “integrity, prudence, pursuit of excellence and

win-win innovation”, and fully leverage the role of insurance as “a cushion of economic shocks” and “a social stabiliser”. We will further deepen reforms to unleash vitality, and move firmly towards the vision of “a top-notch insurance and financial services group with market leadership and global competitiveness”. We will strive to be a pioneer in serving national strategies, a leader in industry high-quality development and an example of excellence, opening a new chapter for our future development and contributing to the Chinese modernisation.

Notes:

1. Attributable to shareholders of the parent.
2. Figures for the same period of the preceding year were restated.
3. Consolidated data of CPIC Life and CPIC Life (HK), the comparative period figures were restated on a consistent basis for accurate comparison.

Review and analysis of operating results

Business overview

I. Key businesses

We provide, through our subsidiaries, a broad range of risk protection solutions, wealth management and asset management services. In particular, we provide life/health insurance products & services through CPIC Life, property and casualty insurance products & services through CPIC P/C and CPIC Anxin Agricultural, and health insurance products & health management services through CPIC Health. We manage insurance funds, including third-party assets, through our investment arm, CPIC AMC. We provide retirement financial solutions and other related asset management service via Changjiang Pension, carry out private equity fund management and related consulting services through CPIC Capital, and also engage in mutual fund management business through CPIC Fund. We provide market-oriented technological empowerment service via CPIC Technology.

In the first half of 2025, China’s insurance market^{note} realised a primary premium income of RMB3.74 trillion, up by 5.3% from the same period of 2024. Of this, premiums from life/health insurance companies amounted to RMB2.77 trillion, a growth of 5.4%, and that from property and casualty insurance companies RMB0.96 trillion, up by 5.1%. Measured by primary premium income, CPIC Life and CPIC P/C are both China’s 3rd largest insurers for life and property and casualty insurance, respectively.

Note: Data for insurance industry came from the official website of NFRA.

II. Main items on consolidated financial statements with change of over 30% and reasons

Unit: RMB million

Balance sheet items	30 June 2025	31 December 2024	Changes (%)	Main reason for the changes
Cash at bank and on hand	46,404	29,357	58.1	Timing difference
Securities purchased under agreements to resell	21,349	10,905	95.8	Timing difference
Long-term equity investments	13,148	22,520	(41.6)	Change from joint ventures to subsidiaries
Investment properties	28,396	8,951	217.2	Impact of change from joint ventures to subsidiaries
Construction in progress	3,357	2,489	34.9	Purchase and construct properties
Right-of-use assets	1,837	2,921	(37.1)	Impact of change from joint ventures to subsidiaries
Deferred income tax assets	6,919	3,464	99.7	Increase in deductible temporary differences
Premium received in advance	6,192	18,044	(65.7)	Timing difference
Taxes payable	4,283	2,480	72.7	Timing difference
Insurance premium reserves	652	129	405.4	Timing difference and growth in insurance business
Lease liabilities	1,638	2,722	(39.8)	Impact of change from joint ventures to subsidiaries
Deferred income tax liabilities	2,707	7,362	(63.2)	Decrease in taxable temporary differences
Other liabilities	67,830	47,987	41.4	Increase in dividends payable and payables related to asset-backed securities
Other comprehensive income/(loss)	(12,390)	14,917	(183.1)	Change in fair value of financial investments at fair value through other comprehensive income due to capital market fluctuation
Income statement items	January to June 2025	January to June 2024	Changes (%)	Main reason for the changes
Investment income	21,671	6,893	214.4	Increase in gains from securities trading, etc.
Gains arising from changes in fair value	5,856	20,945	(72.0)	Fluctuation of market value of financial assets at fair value through profit or loss
Reinsurance finance income for reinsurance contracts held	715	1,036	(31.0)	Change in financial assumption
Interest expenses	(2,217)	(1,192)	86.0	Increase in interest expenses of securities sold under agreements to repurchase
Other comprehensive income/(loss)	(27,500)	2,455	(1,220.2)	Change in fair value of financial investments at fair value through other comprehensive income due to capital market fluctuation

III. Core competitiveness

As a leading integrated insurance group in China, we stay focused on the core business of insurance, with commitment to value and profitability; continuously strengthen our core competencies; deepen the ecosystem of “insurance + healthcare + elderly care”, which builds distinctive advantages in high-quality services. With steady growth of overall business results, consolidation of market standings and sustained improvement of comprehensive strength, we have made increased contribution to China’s social and economic development and people’s well-being, further cemented our market leadership and brand influence.

Focus

We stay focused on insurance, with relatively balanced development of various business segments. We are in a position to leverage the synergy across business segments to meet customers’ diverse needs. Our life/health insurance business is committed to boosting people’s welfare via diversified products/service offerings centering on “health protection, retirement provision and wealth management”; build competitive advantage in channel diversification, with efforts to foster a career-based, professional sales force and improve customer resources management (CRM) capabilities. The property and casualty insurance business, committed to serving the New Development Pattern, promotes product innovation for technology and China’s green transformation, steps up support for the Rural Invigoration and Belt and Road Initiatives, further strengthens climate-related risk management capability and strives to improve the risk reduction system. As for investment, we adhere to value, long-term, prudent and responsible investing, continuously strengthen the long-term mechanism for coordination of assets and liabilities, intensify precise control of cost of liabilities, improve capabilities for Strategic Asset Allocation (SAA), refine the asset allocation framework across market cycles based on profiles of liabilities so as to facilitate steady value growth of the Company.

Prudence

We persist in sustainable development, with sound systems of corporate governance, performance evaluation and risk management. We continuously improve the corporate

governance structure with legal entities shouldering the primary responsibility; optimise relevant rules and policies of the Shareholders' Meeting, the Board of Directors and senior management to ensure a clear division of responsibilities and checks and balances, with well-coordinated operation of relevant governance bodies. We establish and refine the performance evaluation system and incentive & restraint mechanisms balancing the current period and long term, development and risk management, which cements the foundation of high-quality development and stimulates organisational vitality. We continuously improve the risk management system, adopt a pro-active, "look-through" approach towards risk management and compliance, so as to ensure healthy, sustainable development of the Company.

Innovation

We are customer-oriented and forge ahead with transformation & innovation in a bid to foster new drivers for high-quality development. We put in place an ecosystem of "preventive care, diagnosis, treatment, rehabilitation and elderly care"; boost the integration of insurance products and healthcare services to meet customers' needs across their entire life cycles. We diversify the health insurance product matrix, with an upgrade of capabilities from insuring only those under social medical insurance to out-of-pocket expenses, and from insuring only pre-existing conditions to existing illnesses. We advance digitalisation in an all-around way, building the industry's first fully independent and controllable infrastructure which supports optimisation of 100-billion-parameter large models, and training a 65-billion-parameter large model for the insurance sector. We develop an intelligent disaster prevention and loss reduction service system, an end-to-end smart assistance system for CRM, and an intelligent claims settlement solution. The integration of "insurance + service + technology" effectively promotes business model innovation, enhances customer experience and improves operational efficiency.

Responsibility

We uphold the philosophy of "insurance for people", align ourselves with China's social and economic development, and strive to create value for customers, employees, shareholders and the society. We strengthen the system of consumer rights protection to

enhance consumer experience, with increased visibility of “Responsible, Smart and Caring” CPIC Service. We optimise the human resources management system, step up training and development of young talent, enhance professional team-building to facilitate employees’ career advancement. We provide employees with access to an innovative learning platform in a bid to enhance the sense of fulfillment, belonging and satisfaction among employees. We are committed to protecting shareholder interests, continue to improve transparency in information disclosure, and strive to generate stable, sustainable and predictable returns to shareholders. We push for integration of ESG philosophy into the full process of business management, support green, low-carbon economic and social transition, cement our win-win cooperation with partners both upstream and downstream, so as to fulfill our corporate social responsibilities.

Performance overview

We stayed focused on the core business of insurance, pursued value growth and long-termism, deepened the customer-oriented strategic transformation, and delivered positive overall business results, with sustained growth of comprehensive strength. CPIC Life pressed ahead with the Changhang Transformation, proceeded with channel diversification, optimised product mix, and achieved solid value growth; CPIC P/C continued to improve business mix, pursued high-quality development in an all-around way, with marked improvement in underwriting profitability and steady growth of premium income; asset management persisted in asset liability management (ALM) across market cycles, enhanced professional investment expertise and reported sound investment results.

I. Performance highlights

During the reporting period, Group operating income amounted to RMB200.496 billion, up by 3.0% year on year, of which, insurance revenue reached RMB141.824 billion, a growth of 3.5%. Group net profit^{note 1} reached RMB27.885 billion, up by 11.0% year on year, with Group OPAT^{notes 1,2,3} of RMB19.909 billion, a growth of 7.1%. Group EV^{note 4} amounted to RMB588.927 billion, an increase of 4.7% from the end of 2024. Of this, Group value

of in-force business^{notes 4,5} amounted to RMB223.433 billion, up by 4.9%. Life insurance business^{note 4} delivered RMB9.544 billion in new business value (NBV), up by 5.6% year on year, or 32.3% on a comparable basis, with an NBV margin of 15.0%, up by 0.4pt on a comparable basis. Property and casualty insurance business^{note 6} recorded an underwriting combined ratio of 96.4%, down by 0.7pt from the first half of 2024. Comprehensive investment yield^{note 7} on Group investment assets went down by 0.6pt year on year to 2.4%.

Life insurance business^{note 4} reported rapid NBV growth on a comparable basis, with steady growth of OPAT

- NBV reached RMB9.544 billion, up by 5.6% year on year, or 32.3% on a comparable basis, with an NBV margin of 15.0%, up by 0.4pt on a comparable basis.
- Written premiums amounted to RMB193.470 billion, up by 13.1% year on year.
- OPAT^{note 2} of life insurance business reached RMB15.000 billion, a year-on-year growth of 5.0%; contractual service margin amounted to RMB346.362 billion, up by 1.2% from the end of 2024.
- Deepened product mix restructuring and optimisation, with notable increase in the share of variable products; enhanced business quality management, with policy persistency staying ratio at high levels.

Underwriting profitability of property and casualty business^{note 6} continued to improve, with steady top-line growth

- Underwriting combined ratio was 96.4%, down by 0.7pt from the same period of 2024. Of this, underwriting expense ratio stood at 26.7%, down by 0.7pt, and underwriting loss ratio 69.7%, staying flat.
- Primary premium income amounted to RMB114.186 billion, a year-on-year increase of 0.9%.
- Auto insurance deepened presence in NEV business and stepped up precise management to improve its resilience; non-auto business focused on business mix optimisation and enhanced the risk reduction system.

Persisted in strategic asset allocation based on profiles of liabilities, with solid investment performance

- The share of debt category financial assets stood at 75.0%, down by 0.9pt from the end of 2024; that of equity category financial assets 14.8%, up by 0.3pt from the end of 2024, and of this, core equity^{note 8} accounted for 11.8% of total investment assets, an increase of 0.6pt from the end of the preceding year.
- Comprehensive investment yield^{note 7} of Group investment assets reached 2.4%, down by 0.6pt year on year. Total investment yield^{note 7} was 2.3%, down by 0.4pt, with net investment yield^{note 7} of 1.7%, down by 0.1pt.
- Group AuM amounted to RMB3,772.961 billion, an increase of 6.5% from the end of 2024. Of this, third-party AuM amounted to RMB848.233 billion, a growth of 5.0%.

Notes:

1. Attributable to shareholders of the parent.
2. Figures for the same period of the preceding year were restated.
3. OPAT is based on net profit on the financial statements, while excluding certain P/L items with short-term volatility and material one-off items which management does not consider to be part of the Company's day-to-day business operation. Of this, short-term investment volatility applies to business of CPIC P/C, CPIC Life and CPIC Health, etc., while excluding business based on VFA; it refers to the difference between actual investment income and long-term investment assumptions, while considering the impact of income tax. Material one-off items include the difference between deductible amounts for pre-tax profit of the current period and the average deductible amounts for pre-tax profit from the preceding years.
4. Consolidated data of CPIC Life and CPIC Life (HK), the comparative period figures were restated on a consistent basis for accurate comparison.
5. Based on the Group's share of value of in-force life insurance business after solvency.
6. Consolidated data of CPIC P/C, CPIC Anxin Agricultural and CPIC HK.
7. Net/total investment yield, or comprehensive investment yield was not annualised.
8. Stocks and equity funds included.

II. Key performance indicators

Unit: RMB million

Indicators	As at 30 June 2025/ for the period between January and June in 2025	As at 31 December 2024/ for the period between January and June in 2024	Changes (%)
Key value indicators			
Group embedded value ^{note 1}	588,927	562,250	4.7
Value of in-force business ^{notes 1,2}	223,433	212,957	4.9
Group net assets ^{note 3}	281,871	291,417	(3.3)
NBV of CPIC Life ^{notes 1,4}	9,544	7,213	32.3
NBV margin of CPIC Life (%) ^{notes 1,4}	15.0	14.7	0.4pt
Underwriting combined ratio of CPIC P/C (%)	96.3	97.1	(0.8pt)
Group comprehensive investment yield (%) ^{note 5}	2.4	3.0	(0.6pt)
Key operating indicators			
Insurance revenue	141,824	137,019	3.5
CPIC Life ^{note 1}	42,274	41,863	1.0
CPIC P/C	96,831	93,076	4.0
Group number of customers ('000) ^{note 6}	181,382	183,176	(1.0)
Average number of insurance policies per customer	2.35	2.34	0.4
Monthly average agent number ('000)	183	183	–
Surrender rate of CPIC Life (%) ^{note 1}	0.8	0.9	(0.1pt)
Total investment yield (%) ^{note 5}	2.3	2.7	(0.4pt)
Net investment yield (%) ^{note 5}	1.7	1.8	(0.1pt)
Third-party AuM	848,233	808,203	5.0
Key financial indicators			
Net profit attributable to shareholders of the parent	27,885	25,132	11.0
CPIC Life ^{note 1}	20,699	20,058	3.2
CPIC P/C	5,733	4,792	19.6
Basic earnings per share (RMB) ^{note 3}	2.90	2.61	11.0
Net assets per share (RMB) ^{note 3}	29.30	30.29	(3.3)
Comprehensive solvency margin ratio (%)			
CPIC Group	264	256	8pt
CPIC Life	215	210	5pt
CPIC P/C	241	222	19pt

Notes:

- Figures for CPIC Life include CPIC Life (HK), the comparative period figures were restated on a consistent basis for accurate comparison.
- Based on the Group's share of life business's value of in-force business after solvency.
- Attributable to shareholders of the parent.
- Figures for the same period of the previous year were restated based on valuation assumptions as at the end of 2024.
- Net/total investment yield, or comprehensive investment yield was not annualised.
- The Group number of customers refers to the number of applicants and insureds who hold at least one insurance policy within the insurance period issued by one or any of CPIC subsidiaries as at the end of the reporting period. In the event that the applicants and insureds are the same person, they shall be deemed as one customer.
- Numbers of change may not totally add up due to rounding.

Life/health insurance business

CPIC Life forged ahead with the Changhang Transformation, deepened customer segmentation, upgraded the channel diversification model, with rapid NBV growth; continued to optimise product mix and strengthened asset liability matching. CPIC Health further promoted the core strategy of “new products, new channels and new technology”, with breakthroughs in proprietary business and improvement in development quality.

I. CPIC Life^{note 1}

(I) Business analysis

CPIC Life showed improvement in its key performance indicators, with steady growth of both value and volume, as well as stable business quality. In the first half of 2025, it reported RMB193.470 billion in written premiums, an increase of 13.1% year on year; EV amounted to RMB445.024 billion, up by 5.3% from the end of 2024; NBV reached RMB9.544 billion, a growth of 5.6% from the same period of 2024, or 32.3% on a comparable basis, with an NBV margin of 15.0%, up by 0.4pt on a comparable basis; net profit reached RMB20.699 billion, a growth of 3.2% year on year, with OPAT^{note 2} of RMB15.000 billion, up by 5.0%.

Overall, under the guidance of the new business philosophy of “creating value for customers with suitable products/services delivered by professional sales teams”, the subsidiary deepened the Changhang Transformation and delivered tangible results. First, stepped up customer segmentation to increase the focus on mid-tier and high-net-worth (HNW) customers, which further optimised the customer mix; as a result, the number of mid-tier customers^{note 3} and above from the agency channel reached 27.3% as of the end of June 2025, up by 3.8pt year on year; HNW customers^{note 3} from bancassurance channel grew by 75.4% and ultra HNW customers^{note 3} by 85.4%. Second, upgraded the “2+N” channel diversification strategy so as to build a professional sales force and improve operational quality, with stabilisation of agency force headcount, improvement in core manpower productivity, considerable value growth of and increased value contribution from bancassurance and work-site marketing. Third, built on a differentiated product/

service system with multiple measures to optimise business mix, including guiding for an increased share of variable products through the KPI system, with growth of regular-pay FYP from participating products. In the first half of 2025, the share of participating business in regular-pay FYP rose to 42.5% and of this, its share of the agency channel reached 51.0%.

Notes:

1. Figures for CPIC Life include CPIC Life (HK), the comparative period figures were restated on a consistent basis for accurate comparison.
2. Figures for the same period of the preceding year were restated.
3. Mid-tier customers are defined as those with total payable premiums on long-term insurance from RMB300,000 (inclusive) to RMB2.4 million; HNW customers are defined as those from RMB2.4 million (inclusive) to RMB10 million, ultra-HNW customers are defined as those with RMB10 million and above.

1. Analysis by channels

CPIC Life seeks to build a diversified channel mix with agency channel and bancassurance channel at the core, in order to expand avenues of value growth.

		Unit: RMB million	
For 6 months ended 30 June	2025	2024	Changes (%)
Written premiums	193,470	171,050	13.1
Agency channel	137,380	136,211	0.9
New policies	22,622	24,520	(7.7)
Renewed policies	114,758	111,691	2.7
Bancassurance channel	41,660	22,821	82.6
New policies	29,038	14,844	95.6
Renewed policies	12,622	7,977	58.2
Group channel	12,892	11,752	9.7
New policies	11,351	10,520	7.9
Renewed policies	1,541	1,232	25.1
Other channels^{note}	1,538	266	478.2

Note: Other channels include telemarketing & internet sales, and brokerage business.

(1) Agency channel

CPIC Life optimised distribution of agents, stepped up systematic capacity-building and digital empowerment to drive high-quality development of the agency channel. It put in place a quantifiable system that measures customer satisfaction and value contribution, pushed for CRM based on customer segmentation; continued to diversify products/service offerings to meet diverse needs of customers; focused on manager-level and high-performing agents in key regional markets, stepped up high-quality recruitment, enhanced basic management and agent training to promote improvement in agency force mix and productivity. In the reporting period, the channel realised RMB137.380 billion in written premiums, a year-on-year growth of 0.9%.

In the first half of 2025, monthly average number of agents reached 183,000, with a headcount of 186,000 as at the end of June, a growth of 1.6%. Of this, the number of newly-recruited agents was 39,000, a growth of 19.8% year on year. The subsidiary faithfully implemented the regulatory requirement for “consistency between filed and actual commissions”, with continued effort to optimise expense mix and input-and-output ratios. Core agent headcount stood at 49,000 on a monthly average basis, with monthly average FYP per core agent of RMB7,120, down by 13.4% year on year. It continued to strengthen basic management and foster capabilities for sales of participating products, with year-on-year improvement in core manpower productivity. Monthly average FYP per core agent amounted to RMB72,870, up by 12.7%.

For 6 months ended 30 June	2025	2024	Changes (%)
Monthly average FYP per core agent (RMB)	72,870	64,637	12.7
Monthly average FYC per core agent (RMB)	7,120	8,219	(13.4)

(2) Bancassurance channel

CPIC Life persisted in value-oriented bancassurance and vigorously explored new modes of channel integration. It optimised product/service offerings to meet needs of strategic partners and customers; stepped up channel development, cemented partnerships with joint-stock banks, especially with SOE banks so as to deepen presence in bank outlets and maintain its competitive advantage in productivity; focused on building professionalism of sales teams, persisted in high-quality team building, team management and training, and enhanced their digital & AI capabilities. During the reporting period, the channel realised RMB41.660 billion in written premiums, up by 82.6% year on year, and of this, regular premium of new policies amounted to RMB8.840 billion, a growth of 58.6%. A total of 13,000 bank outlets reported sales of regular-premium business, up by 28.9% year on year. The number on a monthly average basis grew by 70.2%, and of this, that of SOE bank outlets by as much as 164.9%.

(3) Group channel

CPIC Life adhered to the business strategy of “fully leveraging strengths and balancing between long-term and short-term business” for group channel. In work-site marketing, it focused on key industries and regions, leveraged Group synergy for access to more potential business opportunities, fostered professional teams, diversified business scenarios so as to improve the overall value contribution from customers. The subsidiary deepened matrix-based precise management and enhanced support for major business programmes. As for inclusive finance, it aligned ourselves with government guidelines, expanded presence in long-term care, optimised service models and improved operational efficiency, covering a total of 220 million people. During the reporting period, the channel recorded RMB12.892 billion in written premiums, a growth of 9.7% from the same period of 2024. Of this, regular premiums of new policies from work-site marketing reached RMB611 million, a growth of 21.8%.

2. Analysis by product types

CPIC Life seeks to build a comprehensive product/service system centering on “health protection, retirement/education and wealth inheritance”, in a bid to provide integrated “products + services” solutions to customers across their entire life cycles. In health protection, it improved the product matrix of critical illness insurance and medical insurance, focusing on medical products for mid-tier and HNW customers. In terms of retirement & education, it deepened the supply-side reform of pension finance and strived to meet needs for sound retirement provision of key customer segments. In wealth inheritance, it launched a suite of whole-life participating products to satisfy diverse needs for death protection, wealth inheritance and management.

At the same time, the subsidiary stepped up sales promotion of variable products, private pension products and health insurance products, as part of its efforts to optimise the business mix. For the reporting period, its participating business recorded RMB10.128 billion in written premiums from new regular-pay business, a strong growth year on year, accounting for 42.5% of total new regular-pay business written premiums; private pension products generated RMB29.030 billion in written premiums from new policies, up by 165.1% year on year; health insurance products delivered RMB10.434 billion in written premiums from new policies, an increase of 5.8%.

CPIC Life seeks to enhance its health & elderly care service system integrating “preventive care, diagnosis, treatment, rehabilitation and elderly care” to meet customers’ diverse needs across their entire life cycles. In terms of health services, it continuously upgraded its “signature” service programmes, including the “CPIC Blue Passport”, a one-stop medical assistance programme, early screening for nodules and carotid arteries, and health checks both at home and abroad for HNW customers. It also streamlined service processes integrating health services with direct claims payments and hospitalization advance payments, with health services covered 13.58 million customers, a year-on-year increase of 12.6%. The subsidiary explored the integrated model of medical care, health service and elderly care, with Yuanshen Rehabilitation Hospitals up and running in Xiamen, Jinan, and Guangzhou. In particular, the facility in Xiamen officially opened for business in the first

half of 2025. Regarding elderly care services, CPIC Life completed the construction of 15 “CPIC Home” retirement communities in 13 cities across China, spanning the gamut from independent living to nursing care. In the first half of 2025, the number of residents, bed capacity, and occupancy rates all showed significant improvement. Besides, the company established over 220 brick-and-mortar smart experience centers for the “Longevity Retreat” home-based care programme, so as to enhance customer experience and empower its core business development.

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Written premiums	193,470	171,050	13.1
Traditional	123,250	107,064	15.1
New regular-pay business	13,725	23,640	(41.9)
Participating	37,299	38,446	(3.0)
New regular-pay business	10,128	684	1,380.7
Universal	23,046	16,399	40.5
Short-term insurance	9,875	9,141	8.0

3. Policy persistency ratio

We intensified business quality control, and as a result, the 13-month policy persistency ratio of individual customers stood at 96.6%, maintaining healthy levels; while the 25-month policy persistency ratio rose by 2.8pt year on year to 94.5%.

For 6 months ended 30 June	2025	2024	Changes
Individual customers 13-month persistency ratio (%) ^{note 1}	96.6	96.9	(0.3pt)
Individual customers 25-month persistency ratio (%) ^{note 2}	94.5	91.7	2.8pt

Notes:

1. 13-month persistency ratio: premiums from in-force policies 13 months after their issuance as a percentage of premiums from policies which entered into force during the same period.
2. 25-month persistency ratio: premiums from in-force policies 25 months after their issuance as a percentage of premiums from policies which entered into force during the same period.

4. Top 10 regions for written premiums

Written premiums of CPIC Life mainly came from economically developed regions or populous areas.

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Written premiums	193,470	171,050	13.1
Jiangsu	23,230	20,613	12.7
Zhejiang	19,918	16,052	24.1
Henan	14,430	14,193	1.7
Shandong	14,165	13,464	5.2
Shanghai	12,041	7,813	54.1
Guangdong	11,662	9,687	20.4
Hebei	9,858	9,282	6.2
Beijing	7,585	6,006	26.3
Shanxi	7,302	6,915	5.6
Hubei	7,157	6,616	8.2
Subtotal	127,348	110,641	15.1
Others	66,122	60,409	9.5

(II) Profit analysis

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Insurance service performance and others	15,148	15,570	(2.7)
Insurance revenue	42,274	41,863	1.0
Insurance service expenses	(26,337)	(25,971)	1.4
Total investment income ^{note 1}	46,746	47,761	(2.1)
Finance underwriting gains/(losses) ^{note 2}	(39,646)	(41,324)	(4.1)
Investment performance	7,100	6,437	10.3
Pre-tax profit	22,248	22,007	1.1
Income tax	(1,549)	(1,949)	(20.5)
Net profit	20,699	20,058	3.2

Notes:

1. Total investment income includes investment income, interest income, gains/(losses) arising from change in fair value, rental income from investment properties, interest expenses on securities sold under agreements to repurchase, impairment losses on financial assets, impairment losses on other assets, and taxes and surcharges applicable to investment business, etc.
2. Finance underwriting gains/(losses) includes insurance finance expenses for insurance contracts issued and reinsurance finance income for reinsurance contracts held.

Insurance revenue for the reporting period was RMB42.274 billion, up by 1.0% from the same period of 2024. Insurance revenue is recognised based on the insurance contract service provided during the current period and strips out investment components^{note}.

Note: Investment components refer to the amounts paid to policyholders irrespective of the occurrence of insurance events.

Unit: RMB million			
For 6 months ended 30 June	2025	2024	Changes (%)
Insurance revenue	42,274	41,863	1.0
Long-term insurance	36,654	36,541	0.3
Short-term insurance	5,620	5,322	5.6

Insurance service expenses amounted to RMB26.337 billion, up by 1.4%. Insurance service expenses include claims payment and other related expenses incurred during the current period, excluding investment components.

Unit: RMB million			
For 6 months ended 30 June	2025	2024	Changes (%)
Insurance service expenses	26,337	25,971	1.4
Long-term insurance	20,871	20,527	1.7
Short-term insurance	5,466	5,444	0.4

Investment performance for the reporting period amounted to RMB7.100 billion, up by 10.3% year on year. The metric is defined as the part of investment income in excess of the return required by reserves. It grew as a result of increase in scale of investment assets.

In the first half of 2025, CPIC Life achieved a net profit of RMB20.699 billion, up by 3.2% year on year.

II. CPIC Health

In the first half of 2025, CPIC Health maintained rapid business growth, with breakthroughs in proprietary business, improvement in combined ratios and progress in overall development quality. It delivered RMB1.744 billion in insurance revenue and health management fee income, a year-on-year growth of 39.3%, and a net profit of RMB39 million.

The subsidiary accelerated strategic transformation centering on “new products, new channels and new technology”. It upheld the value proposition of “products are service” and strived to provide customers with caring, professional health protection and related services. It continued with product innovation: Diversified the “Lan Yi Bao” product matrix, including upgrading the million-yuan medical insurance to meet needs of sub-standard risks, realigning premium healthcare resources and developing medical insurance products for mid-tier and HNW customers to effectively enhance customer satisfaction. Strengthened coordinated development of “medical + pharmaceutical + insurance”, promoted the application of medical data, expanded cooperation with care providers and achieved breakthroughs in gaining access to leading Chinese hospitals by commercial insurance products for people with pre-existing conditions. Promoted “Yi Pei Tong”, an on-line, one-stop solution combining “medical treatment” and “claims settlement”, as part of the company’s effort to enhance customer experience in both health care and claims payment application.

Continued to leverage the middle platform of medical insurance to support CPIC P/C and CPIC Life in product development, operation and customer services. In the first half of the year, the subsidiary teamed up with CPIC Life and upgraded the “Le Xiang Bai Wan 2025”, and launched exclusive high-end medical insurance products for bancassurance to drive business growth; in cooperation with CPIC P/C, it launched the family version of “Tai Jian Kang All-Around Insurance” to improve the penetration of health insurance among auto insurance customers.

Property and casualty insurance

CPIC P/C put profitability first and pursued high-quality development in an all-around way, with optimisation of business mix, marked improvement in underwriting profitability and steady growth of premium income. Auto insurance strengthened NEV business operation, stepped up precise cost control to improve operational resilience; non-auto insurance optimised business mix and advanced the risk reduction system to drive business growth. CPIC Anxin Agricultural and CPIC HK realised steady development.

I. CPIC P/C

(I) Business analysis

During the reporting period, CPIC P/C recorded primary premium income of RMB112.760 billion, up by 0.9% from the same period of 2024, with insurance revenue of RMB96.831 billion, a growth of 4.0% year on year. It posted underwriting profits of RMB3.550 billion, a growth of 30.9% year on year, with an underwriting combined ratio of 96.3%, down by 0.8pt year on year. Of this, underwriting loss ratio stood at 69.5%, down by 0.1pt; underwriting expense ratio 26.8%, down by 0.7pt.

1. Analysis by lines of business

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Primary premium income	112,760	111,803	0.9
Automobile insurance	53,606	52,167	2.8
Compulsory automobile insurance	14,300	13,877	3.0
Commercial automobile insurance	39,306	38,290	2.7
Non-automobile insurance	59,154	59,636	(0.8)
Health insurance	15,519	16,132	(3.8)
Agricultural insurance	14,293	13,650	4.7
Liability insurance	12,865	12,459	3.3
Commercial property insurance	5,081	4,542	11.9
Others	11,396	12,853	(11.3)
Personal credit guarantee insurance	(612)	2,045	(129.9)
Others	12,008	10,808	11.1

(1) Automobile insurance

Automobile insurance business maintained steady growth. CPIC P/C strengthened professional development of distribution channels, adopted precise management of business quality and advanced operational digitalisation, with optimised business mix, effective cost control and improved profitability. In the first half of 2025, it reported primary premium income of RMB53.606 billion from automobile business, a growth of 2.8% year on year, with the share of household vehicles increasing by 1.4pt. Premiums from NEV business amounted to RMB10.596 billion, accounting for 19.8% of total auto premiums. Underwriting combined ratio of the business stood at 95.3%, down by 1.8pt from the same period of 2024.

(2) Non-automobile insurance

CPIC P/C stepped up efforts to optimise business mix of non-auto insurance, advanced the integrated risk reduction system of “prevention, reduction, relief and compensation” in an all-around way. During the reporting period, it posted RMB59.154 billion in primary premium income from non-auto insurance, down by 0.8% year on year. Due to proactive adjustment of business mix, primary premium income from personal credit guarantee insurance was RMB-612 million, down by 129.9% from the same period of 2024. Underwriting combined ratio of non-automobile insurance stood at 97.6%, up by 0.4pt year on year. Excluding the impact of personal credit guarantee insurance, overall underwriting combined ratio of non-auto business was 94.8%, down by 2.3pt. Of the major business lines, health insurance achieved a turnaround in profitability, with commercial property insurance seeing further improvement in u/w profitability.

Health insurance continued to cement cooperation with governments, enhanced business quality control, improved risk management and customer service capabilities, so as to consolidate the foundation of government-sponsored business. As for commercial business, it strived to put in place a broad-based system of growth drivers via scenario-based sales model innovation, precise product matching and AI-enabled process re-engineering. During the reporting period, health insurance reported RMB15.519 billion in primary premium income, down by 3.8% year on year, with an underwriting combined ratio of 99.3%, down by 1.5pt.

Agricultural insurance continued to roll out full-cost indemnity insurance of the 3 staple crops and other important agricultural products to safeguard China’s agricultural production; focused on livestock and fishery insurance, developed new products for specialty agricultural products in order to build a multi-tiered agricultural insurance system; strengthened the application of new technologies, including the use of AI-enabled insurance application and claims settlement processes, and continuously improved the quality and efficiency of insurance services. During the reporting period, the business line delivered RMB14.293 billion in primary premium income, up by 4.7% year on year, with an underwriting combined ratio of 98.8%, up by 1.0pt.

Liability insurance centred on needs of China's new development stage, stepped up support for modernisation of state governance, the real economy and society. At the same time, it exercised stringent control of high-risk business, including launching special campaigns to eliminate or improve projects/business with high claims ratios, so as to boost high-quality development of the business. During the reporting period, the business line delivered RMB12.865 billion in primary premium income, up by 3.3% from the same period of 2024, with an underwriting combined ratio of 99.4%, the same as that of the first half of 2024.

Commercial property insurance continued to consolidate its leading position in traditional business, including maintaining competitive edge in sectors of power generation and petrochemicals, as well as in business from blanket insurance policies. On the other hand, CPIC P/C fostered growth drivers from strategic and emerging sectors such as green energy and semi-conductors, while boosting business development from high-quality micro – and small-sized businesses, bancassurance and cross-sell. At the same time, it made efforts to establish an integrated risk management system, built capabilities in risk survey, u/w and claims management under the model of “insurance + technology + service”. In the first half of 2025, the company generated RMB5.081 billion in primary premium income from the business line, up by 11.9% year on year, with an underwriting combined ratio of 92.8%, down by 1.3pt.

(3) Key financials of major business lines

Unit: RMB million

For 6 months ended 30 June 2025

Name of insurance	Primary premium income	Amounts insured	Underwriting profit	Underwriting combined ratio (%)
Automobile insurance	53,606	57,083,886	2,512	95.3
Health insurance	15,519	267,834,550	37	99.3
Agricultural insurance	14,293	405,723	97	98.8
Liability insurance	12,865	2,196,639,291	64	99.4
Commercial property insurance	5,081	12,677,481	319	92.8

2. Top 10 regions for premium income

CPIC P/C derived RMB73.785 billion in primary premium income from the top 10 regional markets, up by 3.0% year on year and accounting for 65.4% of total premiums.

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Primary premium income	112,760	111,803	0.9
Guangdong	14,415	13,804	4.4
Jiangsu	13,178	12,284	7.3
Zhejiang	10,779	10,497	2.7
Shanghai	8,183	7,667	6.7
Shandong	5,809	6,165	(5.8)
Sichuan	4,699	4,539	3.5
Hunan	4,253	4,110	3.5
Beijing	4,197	3,765	11.5
Hebei	4,159	4,335	(4.1)
Henan	4,113	4,441	(7.4)
Subtotal	73,785	71,607	3.0
Others	38,975	40,196	(3.0)

3. Premium income by channels

The primary premium income by channels during the reporting period is set out below.

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Primary premium income	112,760	111,803	0.9
Agency	60,293	58,003	3.9
Direct	35,594	37,974	(6.3)
Brokerage	16,873	15,826	6.6

(II) Profit analysis

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Insurance revenue	96,831	93,076	4.0
Insurance service expenses	(91,183)	(88,119)	3.5
Net income/(losses) from reinsurance contracts held ^{note 1}	(829)	(234)	254.3
Underwriting finance losses and others ^{note 2}	(1,269)	(2,011)	(36.9)
Underwriting profit	3,550	2,712	30.9
Underwriting combined ratio (%)	96.3	97.1	(0.8pt)
Total investment income^{note 3}	4,151	3,742	10.9
Net of other income and expenses	(445)	(423)	5.2
Pre-tax profit	7,256	6,031	20.3
Income tax	(1,523)	(1,239)	22.9
Net profit	5,733	4,792	19.6

Notes:

1. Net income/(losses) from reinsurance contracts held include allocation of reinsurance premiums, recoveries of insurance service expenses from reinsurers, reinsurance finance income for reinsurance contracts held, etc.
2. Underwriting finance losses and others include insurance finance income or expenses and changes in insurance premium reserves, etc.
3. Total investment income includes investment income, interest income, gains/(losses) arising from change in fair value, rental income from investment properties, interest expenses on securities sold under agreements to repurchase, interest expense on capital replenishment bonds, taxes and surcharges applicable to investment business and impairment losses on financial assets, etc.

Insurance revenue for the reporting period amounted to RMB96.831 billion, up by 4.0% year on year, higher than the growth rate of premium income. Of this, insurance revenue of automobile insurance reached RMB53.931 billion, up by 3.0%, and that of non-auto insurance RMB42.900 billion, an increase of 5.4%.

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Insurance revenue	96,831	93,076	4.0
Automobile insurance	53,931	52,361	3.0
Non-automobile insurance	42,900	40,715	5.4

Insurance service expenses for the reporting period amounted to RMB91.183 billion, up by 3.5% from the same period of 2024. Of this, insurance service expenses of automobile insurance reached RMB50.836 billion, up by 1.9%, and that of non-auto insurance RMB40.347 billion, an increase of 5.5% year on year.

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Insurance service expenses	91,183	88,119	3.5
Automobile insurance	50,836	49,884	1.9
Non-automobile insurance	40,347	38,235	5.5

Net losses from reinsurance contracts held amounted to RMB829 million, an increase by RMB595 million year on year, largely due to impact of scale and mix of business ceded, and loss ratios of related business.

Underwriting finance losses and others amounted to RMB1.269 billion, down by 36.9% year on year, mainly because of interest rate movements, which led to a decrease in the time value of liabilities.

Total investment income. CPIC P/C continued with capacity-building for investment outsourcing, optimised dividend strategy of equity investments, and enhanced its ability to capture opportunities on the bond market. Total investment income for the reporting period reached RMB4.151 billion, up by 10.9% year on year, mainly as a result of increased gains from securities trading and dividend income.

As a result, in the first half of 2025, CPIC P/C reported a net profit of RMB5.733 billion, up by 19.6% from the same period of 2024.

II. CPIC Anxin Agricultural

As a specialised agricultural insurance company, CPIC Anxin Agricultural continued to expand government-sponsored business, rolled out full-cost indemnity insurance for the 3 staple crops and accelerated the development of niche commercial agricultural insurance. In the first half of 2025, it recorded RMB1.239 billion in primary premium income, up by 1.1% year on year; and of this, agricultural insurance reported primary premium income of RMB899 million, up by 7.7%. Insurance revenue amounted to RMB1.156 billion, down by 3.3%, with an underwriting combined ratio of 100.9%, staying flat versus the same period

of 2024. Net profit amounted to RMB99 million, an increase of 39.4% from the same period of the preceding year.

III. CPIC HK

We conduct overseas P/C business via CPIC HK. As at 30 June 2025, its total assets stood at RMB1.382 billion, with net assets of RMB384 million. Primary premium income for the reporting period amounted to RMB187 million, up by 6.9% year on year, with an underwriting combined ratio of 98.0%, and a net profit of RMB16 million.

Asset management

We persisted in value, long-term, prudent and responsible investing, with long-term commitment to value investing, global awareness of asset allocation, “big picture” mindset for insurance asset management, optimal balance between risk and return, forward-looking approach towards emerging sectors and market-based mechanisms of incentives and constraint, which enabled us to maintain excellence in ALM. To ensure long-term and sustainable ALM, we explored new approaches and further enhanced the ALM system across market cycles, continued to build capabilities in professional investment research, risk control and compliance management. Within the SAA framework, we conducted disciplined and yet flexible Tactical Asset Allocation (TAA), exercised stringent control of credit risk and extended duration of fixed income assets to mitigate the reinvestment risk; made vigorous effort to diversify investment channels and enhanced pro-active management of equity assets, with initial success in overseas investment. As a result, we achieved solid investment performance, with Group AuM on steady increase.

I. Group AuM

As of the end of June 2025, Group AuM totalled RMB3,772.961 billion, rising 6.5% from the end of 2024. Of this, Group in-house investment assets amounted to RMB2,924.728 billion, a growth of 7.0%, and third-party AuM RMB848.233 billion, an increase of 5.0%, with a management fee income of RMB1.138 billion, up by 10.5% from the same period of 2024.

	Unit: RMB million		
	30 June 2025	31 December 2024	Changes (%)
Group AuM	3,772,961	3,542,660	6.5
Group in-house investment assets	2,924,728	2,734,457	7.0
Third-party AuM	848,233	808,203	5.0
CPIC AMC	298,787	294,187	1.6
Changjiang Pension	429,925	406,401	5.8
CPIC Fund	109,636	99,806	9.8
CPIC Capital	951	936	1.6
CPIC Investment (HK)	8,934	6,873	30.0

II. Group in-house investment assets

In the first half of 2025, given increased support from China's macro-economic policies and continued efforts in industrial upgrade, China's economy further unleashed its potential, exhibiting strong resilience and a positive momentum of recovery. On the back of favourable government policies and a pickup in consumption, market demand stabilised and started to recover. New Quality Productive Forces, such as artificial intelligence, the digital economy and the green economy, added impetus to China's economic growth. In the field of equity assets, the A-share market, driven by policy support and improved economic fundamentals, overall showed an upward trend amid fluctuations, which created structural opportunities for investors. In fixed income assets, the market evolved around the themes of fundamental restoration and the intensity of policy intervention, with interest rates fluctuating at low levels and within a narrower band.

In recent years, we have been exploring a new approach towards ALM, i.e., multi-dimensional matching of assets and liabilities, and have initially developed a new ALM method known as "net investment yield plus". Considering a wide range of factors such as product management, investment management, financial and capital management, it

seeks to establish a unified platform of systems with standardized terminology and unified management tools to optimise coordination of assets and liabilities.

Based on our outlook for long-term macro-economic trends, we followed and fine-tuned the “dumbbell-shaped” asset allocation strategy, i.e., continuously increasing allocation into long-term T-bonds to extend duration of fixed income assets, while moderately increasing investments in secondary-market equity assets and alternative assets including private equity to enhance long-term returns. At the same time, to manage credit risk, we continued to control the share of investment in corporate debt securities. We conducted disciplined and yet flexible TAA under the guidance of SAA, pro-actively responded to the dual challenge of equity market volatility and secular decline of interest rates.

Committed to value growth, we continued with capacity-building in professional investment management, maintained a rigorous investment management system and explored a wide range of strategies including overseas investment and innovative investment instruments; coordinated between improving asset allocation capabilities and strengthening capital constraints so as to cement the foundation of capital and investment management in an all-around way; further improved credit risk early-warning and mitigation to enhance overall risk management; continued to strengthen ESG investment management, stepped up green investment, and explored incorporating climate factors into SAA.

In terms of investment concentration, our investments are concentrated in financial services, communications & transport, infrastructure and energy, demonstrating resilience in the face of risks. Our equity investments spread across a wide range of instruments; as for fixed income assets, the debt issuers boasted strong overall strength, and apart from government bonds, our counter-parties mainly include China State Railway Group Co., Ltd., and large SOEs such as major state-owned commercial banks.

(I) Group consolidated investment portfolios

Unit: RMB million

	30 June 2025	Share (%)	31 December 2024	Share (%)
Group investment assets (total)	2,924,728	100.0	2,734,457	100.0
By investment category				
Cash and cash equivalents	67,753	2.3	40,262	1.5
Term deposits	178,219	6.1	173,818	6.4
Debt category financial assets	2,193,540	75.0	2,074,168	75.9
— Debt securities	1,826,050	62.5	1,642,181	60.1
— Bond funds	5,583	0.2	9,663	0.4
— Preferred shares	47,993	1.6	49,227	1.8
— Debt investment plans ^{note 1}	259,477	8.9	265,403	9.7
— Wealth management products ^{note 2}	29,684	1.0	71,421	2.6
— Others	24,753	0.8	36,273	1.3
Equity category financial assets	433,533	14.8	398,210	14.5
— Stocks	283,125	9.7	255,065	9.3
— Equity funds	61,166	2.1	52,679	1.9
— Wealth management products ^{note 2}	16,006	0.5	20,795	0.8
— Others	73,236	2.5	69,671	2.5
Long-term equity investments	13,148	0.4	22,520	0.8
Investment properties	28,396	1.0	8,951	0.3
Other investments ^{note 3}	10,139	0.4	16,528	0.6
By accounting measurement				
Financial assets at amortised cost ^{note 4}	55,357	1.9	64,844	2.4
Financial assets at fair value through other comprehensive income ^{note 5}	1,900,545	65.0	1,749,986	64.0
Financial assets at fair value through profit or loss ^{note 6}	674,412	23.1	667,225	24.4
Long-term equity investments	13,148	0.4	22,520	0.8
Others ^{note 7}	281,266	9.6	229,882	8.4

Notes:

1. Debt investment plans mainly include infrastructure and real estate projects.
2. Wealth management products mainly include wealth management products issued by commercial banks, products by insurance asset management companies, collective trust plans by trust firms, special asset management plans by securities firms and credit assets backed securities by banking institutions, etc.
3. Other investments mainly include restricted statutory deposits and derivative financial assets, etc.
4. Financial assets at amortised cost include financial assets at amortised cost on consolidated financial statements.
5. Financial assets at fair value through other comprehensive income include debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income on consolidated financial statements.
6. Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss and derivative financial assets on consolidated financial statements.
7. Others mainly include cash at bank and on hand, securities purchased under agreements to resell, term deposits, restricted statutory deposits and investment properties, etc.

1. By investment category

As of the end of the reporting period, the share of bond securities investments was 62.5%, an increase of 2.4pt from the end of 2024. Of this, treasury bonds, local government bonds and financial bonds issued by government-sponsored banks made up 47.4% of total investment assets. The duration on fixed income assets reached 12.0 years, extended by 0.6 years versus the end of 2024. Moreover, 98.3% of enterprise bonds and financial bonds issued by non-government-sponsored banks had an issuer/debt rating of AA or above. Of this, the share of AAA reached 96.3%. We boasted a professional internal credit-rating team and sound credit risk management systems covering the entire bond securities investment process, namely, before, during and after the investment. We continued to improve the Group-wise integrated credit-rating management system, evaluated the credit-ratings of both the debt and debt issuers and identified the credit risk based on our internal credit-rating systems, while considering other factors such as macroeconomic conditions and external credit-ratings in order to make well-informed investment decisions. At the same time, to pro-actively control the credit risk of the stock of bond holdings, we followed a uniform and standardised set of regulations and procedures, combining both regular and unscheduled follow-up tracking post the investment. Our corporate/enterprise bond holdings spread over a wide range of sectors with good diversification effect; we set great store by credit risk management, strictly control the exposure to the real estate sector, and carefully select investment targets to ensure that the risk is manageable. Overall, the debt issuers of our investments all boasted sound financial strength, with credit risk under control.

The share of equity financial assets stood at 14.8%. Of this, stocks and equity funds accounted for 11.8% of total investment assets, up by 0.6pt from the end of 2024. On the back of disciplined and yet flexible TAA processes, we continued to promote resource realignment for investment research and the building of investment research platforms, enhanced tracking and analysis of market conditions; fully considered the impact of the New Accounting Standards, made effective use of accounting classification of assets, conducted pro-active management of equity assets, strengthened the core share-dividend strategy while developing satellite strategies around it, with solid investment results.

As of the end of the reporting period, non-public financing instruments (NPFIs) totalled RMB292.964 billion, accounting for 10.0% of total investment assets. While ensuring full compliance with regulatory requirements and internal risk control policies, we persisted in prudent management as is inherently required of insurance companies, staying highly selective of debt issuers and projects. The underlying projects spread across sectors like infrastructure, communications & transport, non-bank financial institutions and real estate, which were geographically concentrated in China's economically prosperous areas such as Beijing, Sichuan, Hubei, Shandong, Jiangsu, etc.

Overall, the credit risk status of our NPFI holdings is in the comfort zone. 98.3% of NPFIs had external credit-ratings, and of these, the share of AAA reached 98.3%, and that of AA+ and above 98.3%. 73.7% of NPFIs were exempt from debt issuer external credit-ratings, and the rest was secured with credit-enhancing measures such as guarantee or pledge of collateral, with the overall credit risk under control.

Mix and distribution of yields of non-public financing instruments

Sectors	Share of investments (%)	Nominal yield (%)	Average duration (year)	Average remaining duration (year)
Infrastructure	38.9	4.2	8.8	5.3
Communications & transport	23.1	4.2	9.5	5.6
Non-bank financial institutions	16.0	3.5	5.0	4.4
Real estate	11.2	4.1	9.5	6.3
Energy and manufacturing	4.1	4.4	9.1	4.9
Others	6.7	4.4	9.1	5.0
Total	100.0	4.1	8.4	5.3

Note: Non-public financing instruments include wealth management products issued by commercial banks, debt investment plans, collective trust plans by trust firms, special asset management plans by securities firms and credit assets backed securities by banking institutions, etc.

2. By accounting methods

Under the New Accounting Standards, investment assets of the Company are mainly classified into 3 categories: financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and others. The share of financial assets at fair value through other comprehensive income increased by 1.0pt

from the end of 2024, mainly because of increased share of bond and stock investments in the category; that of financial assets at fair value through profit or loss fell by 1.3pt from end of the preceding year, mainly due to decrease in the share of bonds, bond funds and wealth management products in the category; the proportion of financial assets at amortised cost fell by 0.5pt, largely because of reduced share of debt investment plans in the category; the share of long-term equity investments fell by 0.4pt from the end of 2024, mainly due to slightly decreased share of assets under joint ventures of the Company; that of others rose by 1.2pt, mainly as a result of increase in the share of cash and cash equivalents in the category.

(II) Group consolidated investment income

For the reporting period, net investment income totalled RMB42.567 billion, up by 8.9% from the same period of 2024. This stemmed mainly from increased dividend income. Net investment yield reached 1.7%, down by 0.1pt year on year.

Total investment income amounted to RMB56.889 billion, up by 1.5% year on year, mainly attributable to net investment income and a sharp increase in securities trading gains, which partially offset declines in other aspects. Total investment yield and comprehensive investment yield stood at 2.3% and 2.4% respectively, down by 0.4pt and 0.6pt respectively year on year, largely due to reduced gains from fair value movement of fixed income assets through profit or loss.

Unit: RMB million

For 6 months ended 30 June	2025	2024	Changes (%)
Interest income	29,061	27,769	4.7
Dividend income ^{note 1}	13,195	10,974	20.2
Rental income from investment properties	311	346	(10.1)
Net investment income	42,567	39,089	8.9
Gains/(losses) from securities trading	7,018	(3,957)	(277.4)
Gains arising from changes in fair value	5,856	20,945	(72.0)
Impairment losses of financial assets	(10)	84	(111.9)
Other income ^{note 2}	1,458	(124)	(1,275.8)
Total investment income	56,889	56,037	1.5
Net investment yield (%) ^{note 3}	1.7	1.8	(0.1pt)
Total investment yield (%) ^{note 3}	2.3	2.7	(0.4pt)
Comprehensive investment yield (%) ^{notes 3,4}	2.4	3.0	(0.6pt)

Notes:

1. Dividend income included dividend income and gains from financial instruments held for trading and other financial instruments at fair value through profit or loss during the holding period, etc.
2. Other income included share of profit/(loss) of associates and joint ventures, etc.
3. The impact of securities sold under agreements to repurchase was considered in the calculation of net investment yield. Net/total investment yield and comprehensive investment yield were not annualised. Average investment assets as the denominator in the calculation of net/total investment yield and comprehensive investment yield were computed based on the Modified Dietz method and did not consider the impact of the fair value change of debt investments at fair value through other comprehensive income.
4. The figure as the numerator in the calculation of comprehensive investment yield included total investment income, the change of equity investments at fair value through other comprehensive income at current period and amounts of transferring to retained profits at current period caused by the impact of equity investments at fair value through other comprehensive income, etc.

III. Third-party AuM

Group third-party AuM amounted to RMB848.233 billion, and of this, that of CPIC AMC totalled RMB298.787 billion, with a share of 35.2%; and that of Changjiang Pension RMB429.925 billion, accounting for 50.7%.

(I) CPIC AMC

In the first half of 2025, amid a complex, fast-changing economic environment, there was rising uncertainty and volatility on the market. As such, CPIC AMC focused on value creation, seized structural opportunities of the market, and strived for steady development of third-party asset management business. As of the end of the reporting period, its third-party AuM amounted to RMB298.787 billion, an increase of 1.6% from the end of 2024.

During the reporting period, though interest rates stayed at low levels, financing needs of businesses were relatively subdued. In alternative investment business, the subsidiary continued to focus on borrowers with high credit-ratings, boosted the development of ABS business to support the real economy. As of the end of the reporting period, the scale of newly-registered alternative investment products by CPIC AMC amounted to around RMB6 billion. It steadily proceeded with exchange-based ABS and infrastructure REITs, and completed the registration and issuance of 3 ABS products cumulatively, involving a total sum of around RMB2 billion.

In the first half of 2025, CPIC AMC focused on customers' needs in a low interest rate environment. In particular, it strived to satisfy diverse needs for investment of its key customers via a range of strategies, from pure debt to "fixed income +" and "share dividend", which reinforced the competitive edge of its core strategies while diversifying its overall product line-up. As of the end of the reporting period, CPIC AMC reported RMB265.744 billion in AuM under third-party portfolio asset management products and dedicated accounts combined, a growth of 3.1% from the end of 2024.

(II) Changjiang Pension

During the reporting period, Changjiang Pension stayed committed to its core business of pension finance, continued to build long-term capabilities, focusing particularly on enhancing its competitive advantage, with further progress on multiple fronts. As at 30 June 2025, its third-party assets under trustee management amounted to RMB522.264 billion, up by 8.5% from the end of 2024; third-party assets under investment management reached RMB429.925 billion, up by 5.8% from the end of 2024.

The subsidiary made steadfast efforts to diversify its pension fund management strategies, with steady increase in scale of corporate debt portfolios under social pension schemes and leading cumulative investment performance in industry. Its corporate annuity business continued to grow. It was among the first batch of service providers of Xiong An New Area after the establishment of “opt-in” mechanisms for corporate annuities. Two corporate annuity schemes were chosen for Xiong An for the first batch, and Changjiang Pension’s “Jinse Wanqing (collective) Corporate Annuity Plan” was one of them. According to data on 3-year cumulative investment yields released by the Ministry of Human Resources and Social Security, the company ranked 1st and 2nd place for collective-plan and single-plan fixed income portfolios respectively. It was also among the top 1/3 of the industry for performance of single-plan portfolios with equity assets.

Analysis of specific items

I. Items concerning fair value accounting

The financial instruments measured at fair value are detailed in notes XI and XII of financial statements.

II. Structured entities controlled by the Company

The structured entities controlled by the Company are detailed in note IV-3 of financial statements.

III. Solvency

As per regulatory requirements, we calculate and disclose our core capital, actual capital, minimum required capital and solvency margin ratios. As at 30 June 2025, the solvency margin ratios of the Group, CPIC Life, CPIC P/C, CPIC Health, and CPIC Anxin Agricultural were all above regulatory minimum levels.

Unit: RMB million

	30 June 2025	31 December 2024	Reasons of change
CPIC Group			
Core capital	385,700	358,078	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	534,478	503,745	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	202,581	197,079	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	190	182	
Comprehensive solvency margin ratio (%)	264	256	
CPIC Life			
Core capital	232,439	213,418	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	366,386	345,510	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	170,640	164,313	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	136	130	
Comprehensive solvency margin ratio (%)	215	210	
CPIC P/C			
Core capital	59,987	58,153	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	73,696	70,698	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	30,629	31,852	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	196	183	
Comprehensive solvency margin ratio (%)	241	222	
CPIC Health			
Core capital	3,658	3,294	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	4,468	4,040	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	2,045	1,716	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	179	192	
Comprehensive solvency margin ratio (%)	218	235	
CPIC Anxin Agricultural			
Core capital	2,787	2,868	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	3,099	3,153	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	991	940	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	281	305	
Comprehensive solvency margin ratio (%)	313	335	

Please refer to the summaries of solvency reports (excerpts) published on the websites of SSE (www.sse.com.cn), SEHK (www.hkexnews.hk), LSE (www.londonstockexchange.com) and the Company (www.cpic.com.cn) for more information about the solvency of CPIC Group and its main insurance subsidiaries.

IV. Insurance contract liabilities

Insurance contract liabilities of the Company consist of liabilities for remaining coverage (LRC) and liabilities for incurred claims (LIC). LRC comprises “excluding loss component” and “loss component”.

As at 30 June 2025, the remaining balance of LRC amounted to RMB2,317.611 billion, representing an increase of 9.1% from the end of 2024. The remaining balance of LIC amounted to RMB110.972 billion, up by 5.2% from the end of 2024. The rise in insurance contract liabilities was mainly caused by business growth and accumulation of insurance liabilities.

Unit: RMB million

	31 December 2024	Change during the period	30 June 2025
Total insurance contract liabilities	2,229,514	199,069	2,428,583
Liabilities for remaining coverage	2,124,017	193,594	2,317,611
Excluding loss component	2,109,847	193,730	2,303,577
Loss component	14,170	(136)	14,034
Liabilities for incurred claims	105,497	5,475	110,972
Total insurance contract liabilities	2,229,514	199,069	2,428,583
Component not measured by PAA	2,092,549	193,286	2,285,835
Component measured by PAA	136,965	5,783	142,748

V. Reinsurance business

We determine retained insured amounts and reinsurance ratio according to insurance regulations and our business development and risk management needs. To lower the concentration risk of reinsurance, we also entered into reinsurance agreements with various industry-leading reinsurance companies. The criteria for the selection of reinsurance companies include their financial strength, professional expertise, service level, claims settlement efficiency and price. Generally speaking, we prefer domestic and overseas reinsurance/insurance companies with proven records and in compliance with regulatory regulations, including international reinsurance companies with ratings of A-

or above. Our reinsurance partners mainly include China Reinsurance (Group) Corporation and its subsidiaries, i.e., China Property & Casualty Reinsurance Company Ltd. and China Life Reinsurance Company Ltd., Swiss Reinsurance Company Ltd and Munich Reinsurance Company.

VI. Main subsidiaries & associates and equity participation

As of the end of the reporting period, the Company's main subsidiaries, associates and equity participation are set out as below:

Unit: RMB million

Company	Main business scope	Registered capital	Group shareholding ^{note 2}	Total assets	Net assets	Operating income	Operating profit	Net profit
China Pacific Property Insurance Co., Ltd.	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by CBIRC.	19,948	98.5%	244,389	65,594	101,370	7,255	5,733
China Pacific Life Insurance Co., Ltd.	Personal lines insurance including life insurance, health insurance, accident insurance, etc. denominated in RMB or foreign currencies; reinsurance of the above said insurance; statutory life/health insurance; agency and business relationships with domestic and overseas insurers and organisations, loss adjustment, claims and other business entrusted from overseas insurance organisations; insurance funds investment as prescribed by Insurance Law of the PRC and relevant laws and regulations; international insurance activities as approved; other business as approved by CBIRC.	8,628	98.3%	2,654,227	154,684	91,745	22,204	20,658
Changjiang Pension Insurance Co., Ltd.	Outsourced money management business denominated in RMB or foreign currencies for the purpose of pension provisions; asset management of owner's equity funds denominated in RMB or foreign currencies; advisory business pertaining to asset management; other business as approved by NFRA; other business as approved by other departments of the State Council.	3,000	61.1%	6,736	4,209	827	347	263

Unit: RMB million

Company	Main business scope	Registered capital	Group shareholding ^{note 2}	Total assets	Net assets	Operating income	Operating profit	Net profit
Pacific Asset Management Co., Ltd.	Asset management of owner's equity funds and insurance funds; outsourcing of fund management; advisory services relating to asset management; other asset management business as allowed by the PRC laws and regulations.	2,100	99.7%	5,847	4,662	789	454	358
Pacific Health Insurance Co., Ltd.	Health and accident insurance denominated in RMB or foreign currencies; health insurance sponsored by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance; health insurance-related advisory and agency business; insurance funds investment as approved by PRC laws and regulations; other business as approved by CBIRC.	3,600	99.7%	10,257	3,311	1,933	62	39
Pacific Anxin Agricultural Insurance Co., Ltd.	Agricultural insurance; property indemnity insurance; liability insurance; statutory liability insurance; credit and guarantee insurance; short-term health insurance and accident insurance; property insurance relating to rural areas and farmers; reinsurance of the above said insurance; insurance agency business.	1,080	66.8%	6,161	3,009	1,262	101	99
CPIC Fund Management Co., Ltd.	Fund management business; the launch of mutual funds and other business as approved by competent authorities of the PRC.	150	50.8%	1,129	874	255	72	57

Notes:

- Figures for companies in the table are on an unconsolidated basis. For other information pertaining to the Company's main subsidiaries, associates or invested entities, please refer to "Review and analysis of operating results" of this report, and "Scope of consolidation" and "Long-term equity investments" in Notes of the Financial Report.
- Figures for Group shareholding include direct and indirect shareholdings.

VII. Seizure, attachment, and freeze of major assets or their pledge as collateral

The Company's assets are mainly financial assets. The repurchase of bonds forms part of the Company's day-to-day securities investment activities, and as of the end of the reporting period, no abnormality was detected.

VIII. Gearing ratio

	30 June 2025	31 December 2024	Changes
Gearing ratio (%) ^{note}	90.7	89.7	1.0pt

Note: Gearing ratio = (total liabilities + non-controlling interests)/total assets.

Outlook

I. Market environment and trends

Since the beginning of this year, the world has experienced significant change. Though facing multiple risks and challenges, China's economy remained stable, with new quality productive forces gaining momentum, pointing to strong economic vitality and resilience. The fundamentals and long-term prospects of China's economic growth remain unchanged. The Chinese insurance industry is in a strategic window of opportunity for high-quality development, with insurance playing an increasingly important role as a "cushion of economic shocks" and a "social stabilizer", which will further unlock insurance demand and market potential. Meanwhile, tightening of financial regulation, the priority assigned to risk prevention, and a business philosophy centering on quality and profitability would pave the way for the return to the basics of the industry, which will help with long-term, healthy development of China's insurance market, especially the leading players.

II. Business strategies and plans

We will adhere to high-quality development, advance reforms in an all-around way, focusing particularly on implementing the 3 Key Strategies of "health service & elderly care", "internationalization" and "AI+"; continue to strengthen the "Five Financial Priorities", uphold value creation, coordinate significant bottom-line improvement and reasonable top-line growth, continuously enhance service capabilities and operational efficiency, as part of our efforts to transform ourselves into a top-notch insurance

and financial services conglomerate with strong market leadership and international competitiveness.

III. Major risks and mitigating measures

In 2025, the international landscape remains complex and severe, with persistent flaring of geopolitical conflicts. The insurance industry's transformation is in a critical phase, facing arduous tasks such as reform of the life insurance tied-agent system and resolution of risks of small- and medium-sized financial institutions. While a low-interest-rate environment continues to put pressure on asset liability matching, extreme weather events and natural disasters will drive up the combined ratio of P/C insurance business, and pilot programmes of insurance fund investment and use of new technologies require more effective risk management.

In the face of such risks, we will stay prudent in our risk appetite to pursue high-quality development based on effective risk control. We will continue to carefully handle risks and uncertainties in our business operation and leverage insurance as a “cushion of economic shocks” and a “social stabiliser”. To this end, first, we shall adhere to value growth, enhance the constraint of risk appetite for business development, continue to strengthen the risk management system and integrated risk management capabilities; second, focus on key risk areas, adopt a “look-through” approach, improve coordination in control of major risks to solidify the “line of defence”; third, enhance digitalisation and use of AI technology, roll out digital, on-line systems for risk identification, risk assessment, risk monitoring and risk early warning, so as to improve the effectiveness of forward-looking risk management in an all-around way.

Embedded value

Summary of Embedded Value and Value of Half Year's Sales

The table below shows the Group Embedded Value of CPIC Group as at 30 June 2025, and the value of half year's sales of CPIC Life and CPIC Life (HK) in the 6 months to 30 June 2025 at a risk discount rate of 8.5%.

Unit: RMB million

Valuation Date	30 June 2025	31 December 2024 ^{note 2}
Group Adjusted Net Worth	365,494	349,292
Adjusted Net Worth of Life Business	217,709	205,863
Value of In Force Business Before Cost of Required Capital Held	238,551	228,037
Cost of Required Capital	(11,236)	(11,380)
Value of In Force Business After Cost of Required Capital Held	227,315	216,657
CPIC Group's Equity Interest in Life Business	98.29%	98.29%
Value of In Force Business After Cost of Required Capital Held attributable to the shareholders of CPIC Group	223,433	212,957
Group Embedded Value	588,927	562,250
Life Business Embedded Value	445,024	422,520

Valuation Date	30 June 2025	30 June 2024 (Restated ^{note 3})	30 June 2024 ^{note 4}
Value of Half Year's Sales Before Cost of Required Capital Held	10,331	8,204	10,347
Cost of Required Capital Held	(787)	(991)	(1,306)
Value of Half Year's Sales After Cost of Required Capital Held	9,544	7,213	9,041

Notes:

- Figures may not be additive due to rounding.
- Results in column "31 December 2024" are those reported in the 2024 annual report, plus the results of CPIC Life (HK).
- Results in column "Restated" are the 2024 value of half year's sales restated for adopting valuation assumptions by the end of 2024.
- Results in column "30 June 2024" are those reported in the 2024 interim report, plus the results of CPIC Life (HK).

The Group Adjusted Net Worth represents the shareholder net equity of the Company, inclusive of adjustments of the value of certain assets to market value and adjusted for the relevant differences, such as difference between reserves and policy liabilities

valued under “Appraisal of Embedded Value” standard published by the CAA. It should be noted that the Group Adjusted Net Worth incorporates the shareholder net equity of the Company as a whole (including CPIC Life, CPIC Life (HK) and other operations of the Company), and the value of in force business and the value of half year’s sales are of CPIC Life and CPIC Life (HK). The Group Embedded Value also does not include the value of in force business that is attributable to minority shareholders of CPIC Life and CPIC Life (HK).

New Business Volumes and Value of Half Year’s Sales

The table below shows the volume of new business sold in terms of first year annual premium and value of half year’s sales after cost of required capital held based on valuation assumptions by the end of 2024.

Unit: RMB million

	First Year Annual Premium (FYAP) in the First Half of Year		Value of Half Year’s Sales After Cost of Required Capital Held	
	2025	2024	2025	2024 (Restated ^{note})
Total	63,448	49,116	9,544	7,213
Of which: Agency channel	21,693	23,608	5,724	5,869
Bancassurance channel	29,039	14,844	3,604	1,408

Note: Results in column “Restated” are the 2024 value of half year’s sales restated for adopting valuation assumptions by the end of 2024.

Analysis of change in embedded value

The following table shows the change in the Group Embedded Value from 31 December 2024 to 30 June 2025.

Unit: RMB million

No.	Item	Value	Comments
1	Embedded Value of the life business at 31 December 2024	422,520	Results reported in the 2024 annual report, plus the results of CPIC Life (HK)
2	Expected Return on Embedded Value	12,469	Expected returns on the 2024 embedded value and the value of half year’s sales in first half of 2025
3	Value of Half Year’s Sales	9,544	Value of half year’s sales in respect of new business written in the 6 months prior to 30 June 2025
4	Investment Experience Variance	2,650	Reflects the difference between actual and assumed investment return in first half of 2025

Unit: RMB million

No.	Item	Value	Comments
5	Operating Experience Variance	3,760	Reflects the difference between actual and assumed operating experience
6	Change in methodology, assumptions and models	4	Reflects assumption and methodology changes, together with model enhancements
7	Diversification effects	1,312	Changes in diversification benefits on cost of required capital from new business and different business mix
8	Change in market value adjustment	(10)	Reflects the change in value of certain assets not valued on a market value basis
9	Shareholder Dividends	(6,989)	Shareholder dividends distributed to shareholders of CPIC Life
10	Others	(236)	
11	Embedded Value of the life business at 30 June 2025	445,024	
12	Adjusted net worth of other businesses as at 31 December 2024	151,643	
13	Change in Adjusted Net Worth before payment of shareholder dividends to shareholders of CPIC Group	18,897	
14	Shareholder dividends	(10,390)	Dividend distributed to shareholders of CPIC Group
15	Change in market value adjustment	583	Reflects the change in value of assets not valued on a market value basis
16	Adjusted net worth of life businesses as at 30 June 2025	160,734	
17	Minority interests relating to equity and market value adjustments	(16,831)	Minority interests on Embedded Value as at 30 June 2025
18	Group Embedded Value as at 30 June 2025	588,927	
19	Embedded Value as at 30 June 2025 per share (RMB)	61.22	

Note: Figures may not be additive due to rounding.

Implementation of profit distribution plan

The Company distributed a cash dividend of RMB1.08 per share (tax included) in accordance with the “Resolution on Profit Distribution Plan for the Year of 2024” approved at the 2024 annual general meeting. The implementation of this distribution plan was completed in July 2025.

Profit distribution

The Company did not propose to distribute any profit, nor did it transfer any capital reserves to share capital for the first half of 2025.

Compliance of the Corporate Governance Code

During the reporting period, the Company has complied with all the code provisions set out in Part 2 of Corporate Governance Code and substantially all of the recommended best practices in Part 2 of the Corporate Governance Code.

Purchase, redemption or sale of the Company’s listed securities

During the reporting period, neither the Company nor its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares). As at the end of the reporting period, the Company did not hold any treasury shares.

Review of accounts

The audit and related party transactions control committee of the Company has reviewed the principal accounting policies of the Company and the unaudited financial statements for the six months ended 30 June 2025 in the presence of internal and external auditors.

Publication of results on the websites of SEHK and the Company

The interim report of the Company for the 6 months ended 30 June 2025 will be published on the websites of SEHK (www.hkexnews.hk) and the Company (www.cpic.com.cn) in due course.

DEFINITIONS

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

“The Company”, “the Group”, “CPIC” or “CPIC Group”	China Pacific Insurance (Group) Co., Ltd.
“CPIC Life”	China Pacific Life Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC P/C”	China Pacific Property Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC AMC”	Pacific Asset Management Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC HK”	China Pacific Insurance Co., (H.K.) Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“Changjiang Pension”	Changjiang Pension Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Fund”	CPIC Fund Management Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Anxin Agricultural”	Pacific Anxin Agricultural Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Health”	Pacific Health Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Capital”	CPIC Capital Company Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Technology”	Pacific Insurance Technology Co., Ltd., a wholly-owned subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Life (HK)”	China Pacific Life Insurance (H.K.) Company Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC Investment (HK)”	CPIC Investment Management (H.K.) Company Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“C-ROSS II”	China Risk Oriented Solvency System Phase II
“CBIRC”	Former China Banking and Insurance Regulatory Commission
“NFRA”	National Financial Regulatory Administration
“CSRC”	China Securities Regulatory Commission
“SSE”	Shanghai Stock Exchange
“SEHK”	The Stock Exchange of Hong Kong Limited
“LSE”	London Stock Exchange
“PRC GAAP”	China Accounting Standards for Business Enterprises issued by Ministry of Finance of the People’s Republic of China, and the application guide, interpretation and other related regulations issued afterwards
“New Accounting Standards”	The Accounting Standard for Business Enterprises Nos. 22, 23, 24, 37 and 25 promulgated and revised by the Ministry of Finance of the People’s Republic of China in 2017 and 2020 sequentially
“Articles of Association”	The articles of association of China Pacific Insurance (Group) Co., Ltd.
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Model Code for Securities Transactions”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Corporate Governance Code”	Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Substantial Shareholder”	Has the meaning given to it under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being a person who has an interest in the relevant share capital of the Company, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the Company
“GDR”	Global depositary receipts
“ESG”	Environmental, Social and Governance
“RMB”	Renminbi
“pt”	Percentage point

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
FU Fan
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the Executive Directors of the Company are Mr. FU Fan and Mr. ZHAO Yonggang; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LU Qiaoling and Mr. John Robert DACEY; and the Independent Non-executive Directors are Ms. CHEN Xin, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I David and Mr. JIANG Xuping.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

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Review Report

Ernst & Young Hua Ming (2025) Zhuan Zi No.70015004_B12
China Pacific Insurance (Group) Co., Ltd.

To the Shareholders of China Pacific Insurance (Group) Co., Ltd.,
(A joint stock company incorporated in the People's Republic of China with limited liability)

We have reviewed the accompanying interim financial statements of China Pacific Insurance (Group) Co., Ltd. (hereinafter "CPIC"), which comprise the interim consolidated and company balance sheets as at 30 June 2025, the interim consolidated and company income statements, the interim consolidated and company statements of changes in equity and the interim consolidated and company cash flow statements for the six-month period then ended, and the notes to the interim financial statements. Management of CPIC is responsible for the preparation of these interim financial statements in accordance with the requirements of Accounting Standard for Business Enterprises No.32 *Interim Financial Reporting* ("CAS 32"). Our responsibility is to issue a review report on these interim financial statements based on our review.

We conducted our review in accordance with Review Standard for Chinese Certified Public Accountants No.2101 *Review of Financial Statements*. This Standard requires that we plan and perform the review to obtain limited assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with CAS 32.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant:

Guo Hangxiang

Chinese Certified Public Accountant:

Mo Aiqi

Beijing,
The People's Republic of China

28 August 2025

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

ASSETS	Note V	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash at bank and on hand	1	46,404	29,357
Derivative financial assets		11	26
Securities purchased under agreements to resell	2	21,349	10,905
Term deposits	3	178,219	173,818
Financial investments:		2,630,303	2,482,029
Financial assets at fair value through profit or loss	4	674,401	667,199
Financial assets at amortised cost	5	55,357	64,844
Debt investments at fair value through other comprehensive income	6	1,746,373	1,607,972
Equity investments at fair value through other comprehensive income	7	154,172	142,014
Insurance contract assets	15	-	22
Reinsurance contract assets	16	44,068	46,081
Long-term equity investments	8	13,148	22,520
Restricted statutory deposits	9	6,898	6,851
Investment properties		28,396	8,951
Fixed assets		22,715	20,255
Construction in progress		3,357	2,489
Right-of-use assets		1,837	2,921
Intangible assets		6,993	7,347
Goodwill		1,357	1,357
Deferred income tax assets	10	6,919	3,464
Other assets	11	18,126	16,514
TOTAL ASSETS		3,030,100	2,834,907

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**INTERIM CONSOLIDATED BALANCE SHEET (continued)****AS AT 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

LIABILITIES AND EQUITY	Note V	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Derivative financial liabilities		60	96
Securities sold under agreements to repurchase	12	180,205	181,695
Premium received in advance		6,192	18,044
Employee benefits payable		7,810	10,169
Taxes payable	13	4,283	2,480
Bonds payable	14	10,103	10,286
Insurance contract liabilities	15	2,428,583	2,229,514
Commission and brokerage payable		6,674	5,942
Insurance premium reserves		652	129
Lease liabilities		1,638	2,722
Deferred income tax liabilities	10	2,707	7,362
Long-term borrowings		157	-
Other liabilities		67,830	47,987
Total liabilities		2,716,894	2,516,426
Issued capital	17	9,620	9,620
Capital reserves	18	79,939	79,948
Other comprehensive income/(loss)	34	(12,390)	14,917
Surplus reserves	19	5,114	5,114
General reserves	20	30,008	29,928
Retained profits	21	169,580	151,890
Equity attributable to shareholders of the parent		281,871	291,417
Non-controlling interests		31,335	27,064
Total equity		313,206	318,481
TOTAL LIABILITIES AND EQUITY		3,030,100	2,834,907

The financial statements are signed by the persons below:

<u>FU Fan</u>	<u>SU Gang</u>	<u>XU Zhen</u>
Legal representative	Principal in charge of accounting	Head of accounting department

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Operating income		200,496	194,634
Insurance revenue	22	141,824	137,019
Interest income	23	29,061	27,769
Investment income	24	21,671	6,893
Including: Share of losses of associates and joint ventures		(145)	(124)
Gains on derecognition of financial assets measured at amortised cost		-	4
Other income		106	86
Gains arising from changes in fair value	25	5,856	20,945
Exchange (losses)/gains		(13)	32
Other operating income	26	1,918	1,889
Gains on disposal of assets		73	1
Operating expenses		(168,224)	(165,187)
Insurance service expenses	27	(120,169)	(116,298)
Allocation of reinsurance premiums		(7,290)	(7,962)
Less: Recoveries of insurance service expenses from reinsurers		6,245	7,602
Insurance finance expenses for insurance contracts issued		(40,698)	(44,030)
Less: Reinsurance finance income for reinsurance contracts held		715	1,036
Changes in insurance premium reserves		(523)	(449)
Interest expenses	28	(2,217)	(1,192)
Commission and brokerage expenses		(3)	(15)
Taxes and surcharges	29	(216)	(178)
Operating and administrative expenses	30	(3,462)	(3,065)
Impairment losses on financial assets	31	(14)	52
Other operating expenses	32	(592)	(688)
Operating profit		32,272	29,447
Add: Non-operating income		36	24
Less: Non-operating expenses		(49)	(76)
Profit before tax		32,259	29,395
Less: Income tax	33	(3,453)	(3,537)
Net profit		<u>28,806</u>	<u>25,858</u>
Classified by continuity of operations:			
Net profit from continuing operations		28,806	25,858
Net profit from discontinued operations		-	-
Classified by ownership of the equity:			
Attributable to shareholders of the parent		27,885	25,132
Non-controlling interests		921	726

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2025	For the six months ended 30 June 2024
		(Unaudited)	(Unaudited)
Other comprehensive income/(loss)	34		
Other comprehensive income/(loss) that will not be reclassified to profit or loss:			
Changes in the fair value of equity investments at fair value through other comprehensive income		1,478	5,083
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss		1,889	5,831
		(411)	(748)
Other comprehensive income/(loss) that will be reclassified to profit or loss:			
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method		(28,978)	(2,628)
Changes in the fair value of debt instruments at fair value through other comprehensive income		-	4
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income		5,388	50,673
Exchange differences on translation of foreign operations		102	(98)
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss		(17)	7
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss		(34,484)	(53,195)
		33	(19)
Other comprehensive income/(loss)		(27,500)	2,455
Total comprehensive income		1,306	28,313
Attributable to shareholders of the parent		853	27,541
Attributable to non-controlling interests		453	772
Earnings per share	35		
Basic earnings per share (RMB per share)		2.90	2.61
Diluted earnings per share (RMB per share)		2.90	2.61

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2025 (Unaudited)								
	Attributable to shareholders of the parent								
	Issued capital	Capital reserves	Other comprehensive income/(loss)	Surplus reserves	General reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
Balance at the beginning of the period	9,620	79,948	14,917	5,114	29,928	151,890	291,417	27,064	318,481
Movements in the current period	-	(9)	(27,307)	-	80	17,690	(9,546)	4,271	(5,275)
Net profit	-	-	-	-	-	27,885	27,885	921	28,806
Other comprehensive income/(loss) (Note V 34)	-	-	(27,032)	-	-	-	(27,032)	(468)	(27,500)
Total comprehensive income	-	-	(27,032)	-	-	27,885	853	453	1,306
Acquisition of subsidiaries	-	-	-	-	-	-	-	4,670	4,670
Other equity changes caused by equity method accounting	-	(9)	-	-	-	-	(9)	-	(9)
Profit distribution	-	-	-	-	80	(10,470)	(10,390)	(852)	(11,242)
Appropriations to general reserves	-	-	-	-	80	(80)	-	-	-
Profit distribution to shareholders	-	-	-	-	-	(10,390)	(10,390)	(347)	(10,737)
Profit distribution to other equity instrument holders	-	-	-	-	-	-	-	(505)	(505)
Transfer of other comprehensive income/(loss) to retained profits	-	-	(275)	-	-	275	-	-	-
Balance at the end of the period	9,620	79,939	(12,390)	5,114	30,008	169,580	281,871	31,335	313,206

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2024 (Unaudited)								
	Attributable to shareholders of the parent								
	Issued capital	Capital reserves	Other comprehensive income/(loss)	Surplus reserves	General reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
Balance at the beginning of the period	9,620	79,950	7,992	5,114	25,462	121,448	249,586	18,118	267,704
Movements in the current period	-	(4)	2,490	-	74	15,164	17,724	8,228	25,952
Net profit	-	-	-	-	-	25,132	25,132	726	25,858
Other comprehensive income/(loss) (Note V 34)	-	-	2,409	-	-	-	2,409	46	2,455
Total comprehensive income	-	-	2,409	-	-	25,132	27,541	772	28,313
Other equity changes caused by equity method accounting	-	(2)	-	-	-	-	(2)	-	(2)
Capital invested and reduced by holders	-	(2)	-	-	-	-	(2)	8,002	8,000
Capital invested by other equity instrument holders	-	(2)	-	-	-	-	(2)	8,002	8,000
Profit distribution	-	-	-	-	74	(9,887)	(9,813)	(546)	(10,359)
Appropriations to general reserves	-	-	-	-	74	(74)	-	-	-
Profit distribution to shareholders	-	-	-	-	-	(9,813)	(9,813)	(231)	(10,044)
Profit distribution to other equity instrument holders	-	-	-	-	-	-	-	(315)	(315)
Transfer of other comprehensive income/(loss) to retained profits	-	-	81	-	-	(81)	-	-	-
Balance at the end of the period	9,620	79,946	10,482	5,114	25,536	136,612	267,310	26,346	293,656

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2025	For the six months ended 30 June 2024
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Cash received from premium of insurance contracts issued		277,867	253,730
Net cash received from reinsurance contracts held		2,142	-
Net decrease in policy loans		2,201	1,498
Refund of taxes and surcharges		228	57
Cash received relating to other operating activities		2,712	2,887
Sub-total of cash inflows		<u>285,150</u>	<u>258,172</u>
Cash paid for claims under insurance contracts issued		(93,624)	(92,514)
Net cash paid under reinsurance contracts issued		(985)	(740)
Net cash paid under reinsurance contracts held		-	(586)
Cash paid for commission and brokerage expenses		(16,647)	(17,669)
Cash paid to and on behalf of employees		(14,600)	(14,930)
Payments of taxes and surcharges		(5,076)	(5,667)
Cash paid relating to other operating activities		(33,715)	(36,141)
Sub-total of cash outflows		<u>(164,647)</u>	<u>(168,247)</u>
Net cash flows from operating activities		<u>120,503</u>	<u>89,925</u>
Cash flows from investing activities			
Cash received from disposal of investments		369,732	372,772
Cash received from returns on investments and interest income		34,954	35,093
Net cash received from disposal of subsidiaries and other business entities		133	48
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		52	14
Cash received relating to other investing activities		112	-
Sub-total of cash inflows		<u>404,983</u>	<u>407,927</u>
Cash paid to acquire investments		(496,360)	(448,159)
Net cash paid to acquire subsidiaries and other business entities		(278)	(161)
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(2,061)	(1,380)
Cash paid relating to other investing activities		(1,673)	(13)
Sub-total of cash outflows		<u>(500,372)</u>	<u>(449,713)</u>
Net cash flows used in investing activities		<u>(95,389)</u>	<u>(41,786)</u>

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Cash flows from financing activities			
Cash received from capital contributions		-	8,000
Cash received relating to other financing activities		8,700	3,667
Sub-total of cash inflows		8,700	11,667
Cash repayments of borrowings		(1,070)	(8,218)
Cash payments for distribution of dividends, profits or interest expenses		(2,522)	(1,416)
Decrease in securities sold under agreements to repurchase, net		(1,437)	(19,201)
Cash paid relating to other financing activities		(1,223)	(803)
Sub-total of cash outflows		(6,252)	(29,638)
Net cash flows from/(used in) financing activities		2,448	(17,971)
Effects of exchange rate changes on cash and cash equivalents		(43)	39
Net increase in cash and cash equivalents		27,519	30,207
Add: Cash and cash equivalents at the beginning of the period		39,673	33,740
Cash and cash equivalents at the end of the period	36	67,192	63,947

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**INTERIM COMPANY BALANCE SHEET****AS AT 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

ASSETS	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash at bank and on hand	5,516	5,163
Securities purchased under agreements to resell	600	-
Term deposits	8,370	6,997
Financial investments:	56,056	57,394
Financial assets at fair value through profit or loss	22,517	22,725
Financial assets at amortised cost	6,595	8,301
Debt investments at fair value through other comprehensive income	22,261	21,729
Equity investments at fair value through other comprehensive income	4,683	4,639
Long-term equity investments	69,972	70,213
Investment properties	1,999	2,131
Fixed assets	1,843	1,840
Construction in progress	3	3
Right-of-use assets	259	288
Intangible assets	238	267
Other assets	10,952	561
Total assets	155,808	144,857
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	950	910
Employee benefits payable	155	244
Taxes payable	95	13
Lease liabilities	296	329
Deferred income tax liabilities	466	475
Other liabilities	11,077	780
Total liabilities	13,039	2,751
Issued capital	9,620	9,620
Capital reserves	79,312	79,312
Other comprehensive income/(loss)	1,231	1,260
Surplus reserves	4,810	4,810
Retained profits	47,796	47,104
Total equity	142,769	142,106
TOTAL LIABILITIES AND EQUITY	155,808	144,857

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**INTERIM COMPANY INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	(Unaudited)	(Unaudited)
Operating income	12,049	11,070
Interest income	736	895
Investment income	11,010	9,482
Including: Share of gains/(losses) of associates and joint ventures	1	(7)
Other income	2	6
Gains arising from changes in fair value	30	334
Exchange (losses)/gains	(36)	27
Other operating income	307	326
Operating expenses	(835)	(885)
Interest expenses	(18)	(19)
Taxes and surcharges	(35)	(39)
Operating and administrative expenses	(697)	(718)
Impairment losses on financial assets	26	10
Other operating expenses	(111)	(119)
Operating profit	11,214	10,185
Add: Non-operating income	3	6
Less: Non-operating expenses	(5)	(16)
Profit before tax	11,212	10,175
Less: Income tax	(127)	(148)
Net profit	11,085	10,027
Classified by continuity of operations:		
Net profit from continuing operations	11,085	10,027
Net profit from discontinued operations	-	-
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss:	41	275
Changes in the fair value of equity investments at fair value through other comprehensive income	41	275
Other comprehensive income/(loss) that will be reclassified to profit or loss:	(73)	346
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	-	1
Changes in the fair value of debt instruments at fair value through other comprehensive income	(73)	348
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	-	(3)
Other comprehensive income/(loss)	(32)	621
Total comprehensive income	11,053	10,648

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**INTERIM COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2025 (Unaudited)					
	Issued capital	Capital reserves	Other comprehensive income/(loss)	Surplus reserves	Retained profits	Total equity
Balance at the beginning of the period	9,620	79,312	1,260	4,810	47,104	142,106
Movements in the current period	-	-	(29)	-	692	663
Net profit	-	-	-	-	11,085	11,085
Other comprehensive income/(loss)	-	-	(32)	-	-	(32)
Total comprehensive income	-	-	(32)	-	11,085	11,053
Profit distribution	-	-	-	-	(10,390)	(10,390)
Profit distribution to shareholders	-	-	-	-	(10,390)	(10,390)
Transfer of other comprehensive income/(loss) to retained profits	-	-	3	-	(3)	-
Balance at the end of the period	9,620	79,312	1,231	4,810	47,796	142,769

	For the six months ended 30 June 2024 (Unaudited)					
	Issued capital	Capital reserves	Other comprehensive income/(loss)	Surplus reserves	Retained profits	Total equity
Balance at the beginning of the period	9,620	79,312	423	4,810	46,114	140,279
Movements in the current period	-	-	619	-	216	835
Net profit	-	-	-	-	10,027	10,027
Other comprehensive income/(loss)	-	-	621	-	-	621
Total comprehensive income	-	-	621	-	10,027	10,648
Profit distribution	-	-	-	-	(9,813)	(9,813)
Profit distribution to shareholders	-	-	-	-	(9,813)	(9,813)
Transfer of other comprehensive income/(loss) to retained profits	-	-	(2)	-	2	-
Balance at the end of the period	9,620	79,312	1,042	4,810	46,330	141,114

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**INTERIM COMPANY CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Refund of taxes and surcharges	195	-
Cash received relating to other operating activities	242	335
Sub-total of cash inflows	437	335
Cash paid to and on behalf of employees	(390)	(406)
Payments of taxes and surcharges	(135)	(164)
Cash paid relating to other operating activities	(283)	(418)
Sub-total of cash outflows	(808)	(988)
Net cash flows used in operating activities	(371)	(653)
Cash flows from investing activities		
Cash received from disposal of investments	8,920	11,984
Cash received from returns on investments and interest income	1,051	1,261
Net cash received from disposal of subsidiaries and other business entities	391	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1	-
Sub-total of cash inflows	10,363	13,245
Cash paid to acquire investments	(8,943)	(8,528)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(85)	(67)
Sub-total of cash outflows	(9,028)	(8,595)
Net cash flows from investing activities	1,335	4,650
Cash flows from financing activities		
Increase in securities sold under agreements to repurchase, net	40	-
Sub-total of cash inflows	40	-
Cash payments for distribution of dividends, profits or interest expenses	(13)	(14)
Decrease in securities sold under agreements to repurchase, net	-	(2,025)
Cash paid relating to other financing activities	(19)	(33)
Sub-total of cash outflows	(32)	(2,072)
Net cash flows from/(used in) financing activities	8	(2,072)
Effects of exchange rate changes on cash and cash equivalents	(19)	27
Net increase in cash and cash equivalents	953	1,952
Add: Cash and cash equivalents at the beginning of the period	5,163	6,286
Cash and cash equivalents at the end of the period	6,116	8,238

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

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

I. GENERAL INFORMATION

China Pacific Insurance (Group) Co., Ltd. (the “Company”) was restructured from China Pacific Insurance Co., Ltd. in October 2001 pursuant to the approval of the State Council of the People’s Republic of China (the PRC) and Circular [2001] No. 239 issued by the former China Insurance Regulatory Commission (the “CIRC”). After the restructuring, the Company obtained a business licence (No. 1000001001110) on 24 October 2001 newly issued by the former State Administration for Industry and Commerce of the PRC, and had an original issued capital of RMB 2,006.39 million, with its registered address and headquarters in Shanghai. The Company increased its issued capital to RMB 6,700 million through issuance of new shares to its then existing shareholders and new shareholders in 2002 and from February to April 2007.

In December 2007, the Company conducted a public offering of 1,000 million A shares on the Shanghai Stock Exchange to increase its issued capital to RMB 7,700 million. On 25 December 2007, the Company’s A shares were listed and traded on the Shanghai Stock Exchange.

In December 2009, the Company conducted a global offering of overseas listed foreign shares (“H shares”). Upon the completion of the H share offering, the issued capital was increased to RMB 8,600 million. On 23 December 2009, the Company’s H shares were listed and traded on the Hong Kong Stock Exchange.

In November 2012, the Company conducted a non-public offering of 462 million H shares. Upon completion of the H share offering, the issued capital was increased to RMB 9,062 million, and the Company received the approval from the former CIRC in December 2012 for the change of its registered capital. The Company obtained the business licence (registration No. 100000000011107) on 5 February 2013. The Company renewed its business licence on 15 December 2015, and its unified social credit code is No. 91310000132211707B.

In June 2020, the Company issued 102,873,300 Global Depositary Receipts (“GDRs”) on the London Stock Exchange (the “LSE”) and became listed on the LSE. In July 2020, the Company further issued 8,794,991 GDRs. Each GDR represents five A shares of the Company. After the GDR issuance, the issued capital of the Company was increased to approximately RMB 9,620 million.

The authorised business scope of the Company includes investing in insurance enterprises; supervising and managing the domestic and overseas reinsurance businesses of subsidiaries and their utilisation of funds; and participating in approved international insurance activities. The principal activities of the Company and its subsidiaries (the “Group” or “CPIC Group”) are property and casualty insurance businesses, life and health insurance businesses, pension and annuity insurance businesses, as well as investments with insurance funds, etc.

Major subsidiaries included in the consolidation scope in the current period are detailed in Note IV.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

II. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Accounting Standards for Business Enterprises - Basic Standards, the specific accounting standards promulgated and revised subsequently, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Interpretation of Accounting Standards for Business Enterprises and other relevant provisions (hereinafter collectively referred to as “CASs”) promulgated by the Ministry of Finance of the People's Republic of China. These interim financial statements are presented and disclosed in accordance with the requirements of CAS No. 32 - Interim Financial Reporting promulgated by the Ministry of Finance of the People's Republic of China, Standard on the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 3 - Content and Format of Interim Reports (revised in 2025) promulgated by the China Securities Regulatory Commission (“CSRC”) and Appendix XVI of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Therefore, they do not include all information and disclosures in the annual financial statements.

The financial statements have been prepared on a going concern basis.

They have been prepared under the historical cost convention, other than financial instruments that have been measured at fair value, insurance contracts and reinsurance contracts held that have been measured primarily based on actuarial methods. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant regulations.

The accounting policies applied in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024. These financial statements should be read in conjunction with the Group's financial statements for 2024.

III. TAXES

The main types of taxes and tax rates applicable to the Group in China are set out below:

Corporate income tax	-	25% on its taxable income under current tax laws and relevant regulations
Value-added tax (“VAT”)	-	The taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of the current period) determined under current tax laws and relevant regulations, applicable tax rates: 3%, 5%, 6%, 9% or 13%
City maintenance and construction tax	-	1%, 5% or 7% of the VAT actually paid
Educational supplementary tax	-	3% of the VAT actually paid
Local educational supplementary tax	-	2% of the VAT actually paid

The main types of taxes and tax rates of payable by the Group with regard to its overseas businesses are paid in accordance with relevant regulations of local tax laws.

The taxes to be paid by the Group will be verified by relevant tax authorities.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

IV. SCOPE OF CONSOLIDATION

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows:

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
China Pacific Property Insurance Co., Ltd. ("CPIC Property")	Joint stock limited company	Property and casualty insurance	Shanghai	The PRC	19,948,088	19,948,088	98.50	-	98.50	
China Pacific Life Insurance Co., Ltd. ("CPIC Life")	Joint stock limited company	Life and health insurance	Shanghai	The PRC	8,628,200	8,628,200	98.29	-	98.29	
Pacific Asset Management Co., Ltd. ("CPIC Asset Management")	Limited liability company	Investment management	Shanghai	Shanghai	2,100,000	2,100,000	80.00	19.67	100.00	
China Pacific Insurance Co., (H.K.) Ltd. ("CPIC H.K.")	Limited liability company	Property and casualty insurance	Hong Kong	Hong Kong	HKD 250,000 thousand	HKD 250,000 thousand	-	98.50	100.00	(1)
Shanghai Pacific Insurance Real Estate Management Co., Ltd. ("CPIC Real Estate")	Limited liability company	Real estate management	Shanghai	Shanghai	115,000	115,000	100.00	-	100.00	
Changjiang Pension Insurance Co., Ltd. ("Changjiang Pension")	Joint stock limited company	Pension fund and insurance asset management	Shanghai	Shanghai	3,000,000	3,000,000	-	61.10	62.16	
CPIC Investment Management (H.K.) Company Limited ("CPIC Investment (H.K.)")	Limited liability company	Investment management	Hong Kong	Hong Kong	HKD 200,000 thousand	HKD 200,000 thousand	12.25	87.46	100.00	
City Island Developments Limited ("City Island")	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	USD 50,000	USD 1,000	-	98.29	100.00	
Great Winwick Limited*	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	USD 50,000	USD 100	-	98.29	100.00	
Great Winwick (Hong Kong) Limited *	Limited liability company	Investment holding	Hong Kong	Hong Kong	HKD 10,000	HKD 1	-	98.29	100.00	
Newscott Investments Limited *	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	USD 50,000	USD 100	-	98.29	100.00	
Newscott (Hong Kong) Investments Limited *	Limited liability company	Investment holding	Hong Kong	Hong Kong	HKD 10,000	HKD 1	-	98.29	100.00	

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts in RMB million unless otherwise stated)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
Shanghai Xin Hui Property Development Co., Ltd. * ("Xin Hui Property")	Limited liability company	Real estate	Shanghai	Shanghai	USD 15,600 thousand	USD 15,600 thousand	-	98.29	100.00	
Shanghai He Hui Property Development Co., Ltd. * ("He Hui Property")	Limited liability company	Real estate	Shanghai	Shanghai	USD 46,330 thousand	USD 46,330 thousand	-	98.29	100.00	
Pacific Insurance Online Services Technology Co., Ltd. ("CPIC Online Services")	Limited liability company	Consulting services, etc.	Shandong	The PRC	200,000	200,000	100.00	-	100.00	
Tianjin Trophy Real Estate Co., Ltd. ("Tianjin Trophy")	Limited liability company	Real estate	Tianjin	Tianjin	353,690	353,690	-	98.29	100.00	
Pacific Insurance Senior Living Investment Management Co., Ltd. ("CPIC Senior Living Investment")	Limited liability company	Senior living property investment and management, etc.	Shanghai	Shanghai	5,000,000	5,000,000	-	98.29	100.00	
Pacific Health Insurance Co., Ltd. ("CPIC Health")	Joint stock limited company	Health insurance	Shanghai	The PRC	3,600,000	3,600,000	85.05	14.69	100.00	
Pacific Anxin Agricultural Insurance Co., Ltd. ("PAAIC")	Joint stock limited company	Property and casualty insurance	Shanghai	The PRC	1,080,000	1,080,000	-	66.76	67.78	
Pacific Medical & Healthcare Management Co., Ltd. ("Pacific Medical & Healthcare")	Limited liability company	Medical consulting services, etc.	Shanghai	Shanghai	1,000,000	1,000,000	-	98.29	100.00	
Pacific Insurance Agency Co., Ltd. ("Pacific Insurance Agency")	Limited liability company	Insurance agency	Shanghai	Shanghai	50,000	50,000	-	100.00	100.00	
CPIC Fund Management Co., Ltd. ("CPIC Funds")	Limited liability company	Fund management	Shanghai	Shanghai	150,000	150,000	-	50.83	51.00	
CPIC Senior Living Development (Chengdu) Co., Ltd. ("Chengdu Project Company")	Limited liability company	Senior living property investment and construction, etc.	Chengdu	Chengdu	1,083,475	1,035,000	-	98.29	100.00	(2)
CPIC Senior Living Development (Hangzhou) Co., Ltd. ("Hangzhou Project Company")	Limited liability company	Senior living property investment and construction, etc.	Hangzhou	Hangzhou	1,200,000	1,056,000	-	98.29	100.00	(3)

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts in RMB million unless otherwise stated)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
CPIC Senior Living Development (Xiamen) Co., Ltd. ("Xiamen Project Company")	Limited liability company	Senior living property investment and construction, etc.	Xiamen	Xiamen	900,000	900,000	-	98.29	100.00	
Pacific Care Home (Chengdu) Senior Living Service Co., Ltd. ("Pacific Care Home at Chengdu")	Limited liability company	Seniors care and health consultation, etc.	Chengdu	Chengdu	60,000	43,000	-	98.29	100.00	
CPIC Senior Living Development (Nanjing) Co., Ltd. ("Nanjing Project Company")	Limited liability company	Senior living property investment and construction, etc.	Nanjing	Nanjing	702,000	508,556	-	98.29	100.00	(4)
Pacific Care Home (Dali) Co., Ltd. ("Pacific Care Home at Dali")	Limited liability company	"Migrant-style" senior living, etc.	Dali	Dali	608,000	608,000	-	74.70	76.00	
CPIC (Shanghai) Senior Care Development Co., Ltd. ("Shanghai Putuo) Project Company")	Limited liability company	Senior living property investment and construction, etc.	Shanghai	Shanghai	250,000	250,000	-	98.29	100.00	
Pacific Care Home (Hangzhou) Senior Living Service Co., Ltd. ("Pacific Care Home at Hangzhou")	Limited liability company	Seniors care and health consultation, etc.	Hangzhou	Hangzhou	60,000	42,200	-	98.29	100.00	
CPIC Senior Living Development (Wuhan) Co., Ltd. ("Wuhan Project Company")	Limited liability company	Senior living property investment and construction, etc.	Wuhan	Wuhan	980,000	980,000	-	98.29	100.00	
CPIC Capital Company Limited. ("CPIC Capital")	Limited liability company	Private equity investment fund management services	Shanghai	Shanghai	100,000	100,000	-	99.67	100.00	
Shanghai Chongming Pacific Care Home Senior Living Service Co., Ltd. ("Pacific Care Home at Shanghai (Chongming)")	Limited liability company	"Migrant-style" senior living, etc.	Shanghai	Shanghai	1,253,000	1,070,000	-	98.29	100.00	

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts in RMB million unless otherwise stated)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
Shanghai (Putuo) Pacific Care Home Senior Living Service Co., Ltd. ("Pacific Care Home at Shanghai (Putuo)")	Limited liability company	Seniors care, nursing service and health consultation, etc.	Shanghai	Shanghai	30,000	23,000	-	98.29	100.00	
Beijing Borui Heming Insurance Agency Co., Ltd. ("Borui Heming")	Limited liability company	Insurance agency	Beijing	The PRC	52,000	52,000	-	98.29	100.00	
China Pacific Life Insurance (H.K.) Company Limited ("CPIC Life (H.K.)")	Limited liability company	Life and health insurance	Hong Kong	Hong Kong	HKD 1,000,000 thousand	HKD 1,000,000 thousand	-	98.29	100.00	
CPIC Senior Living Development (Qingdao) Co., Ltd. ("Qingdao Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Qingdao	Qingdao	227,000	193,000	-	98.29	100.00	
Pacific Care Home (Xiamen) Senior Living Service Co., Ltd. ("Pacific Care Home at Xiamen")	Limited liability company	Seniors care and health consultation, etc.	Xiamen	Xiamen	40,000	30,000	-	98.29	100.00	
CPIC Senior Living Development (Zhengzhou) Co., Ltd. ("Zhengzhou Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Zhengzhou	Zhengzhou	650,000	650,000	-	98.29	100.00	
CPIC Senior Living Development (Beijing) Co., Ltd. ("Beijing Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Beijing	Beijing	800,000	800,000	-	98.29	100.00	
Pacific Insurance Technology Co., Ltd. ("CPIC Technology")	Limited liability company	Technical services, cloud computing services, big data services	Shanghai	Shanghai	700,000	700,000	100.00	-	100.00	
Xinbaoyu (Guangzhou) Co., Ltd. ("Xinbaoyu")	Limited liability company	Business service, property management, and lease of non-residential real estate	Guangzhou	Guangzhou	3,650,000	3,649,990	-	98.46	100.00	
Pacific Insurance Technology Services (Wuhan) Co., Ltd. ("CPIC Technology Wuhan")	Limited liability company	Technical services, technical consulting services	Wuhan	Wuhan	100,000	100,000	-	100.00	100.00	

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts in RMB million unless otherwise stated)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company		Percentage of voting rights attributable to the Company		Note
							Direct	Indirect	(%)	(%)	
Pacific Health Management (Sanya) Co., Ltd. ("Sanya Project Company")	Limited liability company	Elderly service, real estate development and operation, etc.	Sanya	Sanya	490,000	490,000	-	98.29	100.00		
Pacific Care Home (Nanjing) Senior Living Service Co., Ltd. ("Pacific Care Home at Nanjing")	Limited liability company	Elderly services, health consulting services, etc.	Nanjing	Nanjing	30,000	7,000	-	98.29	100.00		
Shanghai (Jing'an) Pacific Care Home Senior Living Service Co., Ltd. ("Pacific Care Home at Shanghai (Jing'an)")	Limited liability company	"Migrant-style" senior living, etc.	Shanghai	Shanghai	426,367	426,367	-	98.29	100.00		
Pacific Care Home (Wuhan) Senior Living Service Co., Ltd. ("Pacific Care Home at Wuhan")	Limited liability company	Seniors care, nursing service and health consultation, etc.	Wuhan	Wuhan	30,000	16,500	-	98.29	100.00		(5)
Xiamen Yuanshen Rehabilitation Hospital Co., Ltd. ("Xiamen Rehabilitation Hospital")	Limited liability company	Medical service, hospital management, etc.	Xiamen	Xiamen	160,000	160,000	-	98.29	100.00		
Pacific Care Home (Suzhou) Senior Living Service Co., Ltd. ("Pacific Care Home at Suzhou")	Limited liability company	Seniors care, nursing service and health consultation, etc.	Suzhou	Suzhou	30,000	6,000	-	98.29	100.00		
Pacific Care Home (Beijing) Senior Living Service Co., Ltd. ("Pacific Care Home at Beijing")	Limited liability company	Seniors and disability care	Beijing	Beijing	30,000	3,000	-	98.29	100.00		(6)

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts in RMB million unless otherwise stated)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
Pacific Care Home (Zhengzhou) Senior Living Service Co., Ltd ("Pacific Care Home at Zhengzhou")	Limited liability company	Seniors and disability care	Zhengzhou	Zhengzhou	45,000	5,000	-	98.29	100.00	(7)
CPIC Senior Living Development (Guangzhou) Co., Ltd. ("Guangzhou Project Company")	Limited liability company	Elderly services, lease of non-residential real estate, etc.	Guangzhou	Guangzhou	830,000	443,000	-	98.29	100.00	(8)
CPIC Senior Living Development (Suzhou) Co., Ltd. ("Suzhou Project Company")	Limited liability company	Elderly services, lease of real estate, etc.	Suzhou	Suzhou	300,000	250,000	-	98.29	100.00	(9)
Jinan Yuanshen Rehabilitation Hospital Co., Ltd. ("Jinan Rehabilitation Hospital")	Limited liability company	Medical service, hospital management, etc.	Jinan	Jinan	260,000	86,000	-	98.29	100.00	(10)
Shanghai Ruiyongjing Real Estate Development Co., Ltd. ("Ruiyongjing Real Estate")	Limited liability company	Real estate development and operation, property management, etc.	Shanghai	Shanghai	14,050,000	14,050,000	-	68.80	70.00	(11)
Pacific NanShanJu (Shanghai) Senior Care Service Co., Ltd. ("Pacific Nanshanju")	Limited liability company	Seniors care, nursing service, etc.	Shanghai	Shanghai	5,600	5,600	-	98.29	100.00	(12)
Pacific Care Home (Sanya) Senior Living Service Co., Ltd ("Pacific Care Home at Sanya")	Limited liability company	Elderly services, lease of real estate, etc.	Sanya	Sanya	30,000	2,000	-	98.29	100.00	(13)
CPIC Zhiyuan (Shanghai) Private Equity Fund Management Co., Ltd ("CPIC Zhiyuan")	Limited liability company	Private securities investment fund management service	Shanghai	Shanghai	10,000	10,000	-	99.67	100.00	(14)
* Subsidiaries of City Island										

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows: (continued)

(1) CPIC H.K

In December 2023, the Company signed a share transfer agreement with CPIC Property, agreeing to transfer all the share of CPIC H.K held by the Company to CPIC Property for a consideration of HKD 430 million. As of 30 June 2025, the share transfer has completed all trading procedures, and CPIC Property holds 100% of the equity of CPIC H.K.

(2) Chengdu Project Company

Chengdu Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of approximately RMB 1,083 million. As of 30 June 2025, the paid-up investment amount of CPIC Life had increased to RMB 1,035 million.

(3) Hangzhou Project Company

Hangzhou Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of RMB 1,200 million. As of 30 June 2025, the paid-up investment amount of CPIC Life had increased to RMB 1,056 million.

(4) Nanjing Project Company

Nanjing Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of RMB 702 million. As of 30 June 2025, the paid-up investment amount of CPIC Life had increased to approximately RMB 509 million.

(5) Pacific Care Home at Wuhan

Pacific Care Home at Wuhan, a wholly-owned subsidiary funded by CPIC Senior Living Investment, with registered capital of RMB 30 million. As of 30 June 2025, the paid-up investment amount of CPIC Senior Living Investment had increased to approximately RMB 17 million.

(6) Pacific Care Home at Beijing

Pacific Care Home at Beijing, a wholly-owned subsidiary funded by CPIC Senior Living Investment, with registered capital of RMB 30 million. As of 30 June 2025, the paid-up investment amount of CPIC Senior Living Investment had increased to RMB 3 million.

(7) Pacific Care Home at Zhengzhou

Pacific Care Home at Zhengzhou, a wholly-owned subsidiary funded by CPIC Senior Living Investment, with registered capital of RMB 45 million. As of 30 June 2025, the paid-up investment amount of CPIC Senior Living Investment had increased to RMB 5 million.

(8) Guangzhou Project Company

Guangzhou Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of RMB 830 million. As of 30 June 2025, the paid-up investment amount of CPIC Life had increased to RMB 443 million.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2025 are as follows (continued):

(9) Suzhou Project Company

Suzhou Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of RMB 300 million. As of 30 June 2025, the paid-up investment amount of CPIC Life had increased to RMB 250 million.

(10) Jinan Rehabilitation Hospital

Jinan Rehabilitation Hospital, a wholly-owned subsidiary funded by Pacific Medical & Healthcare, with registered capital of RMB 260 million. As of 30 June 2025, the paid-up investment amount of Pacific Medical & Healthcare had increased to RMB 86 million.

(11) Ruiyongjing Real Estate

CPIC Life and two third-party companies jointly invested in the establishment of Ruiyongjing Real Estate, with a registered capital of RMB 14,050 million. Among them, the shareholding ratio of CPIC Life is 70.00%. As of 30 June 2025, CPIC Life has paid up the investment amount of RMB 9,835 million. CPIC Life obtained the control of Ruiyongjing Real Estate in the current period and included it in the scope of consolidation. For details, please refer to Note IV. 2.

(12) Pacific Nanshanju

CPIC Senior Living Investment and Orpea (Shanghai) Investment Co., Ltd. found the Pacific NanShanJu (Shanghai) Senior Care Service Co., Ltd. (originally named as Pacific Orpea (Shanghai) Senior Care Management Co., Ltd.) in together, holding the percentage of equity with 56.00% and 44.00% respectively, registered capital is RMB 10 million. In January 2025, Orpea (Shanghai) Investment Co., Ltd. withdrew its investment and exited. After the equity change, CPIC Senior Living Investment holds 100.00% of the shares. As of 30 June 2025, CPIC Senior Living Investment has paid up all the investment.

(13) Pacific Care Home at Sanya

Pacific Care Home at Sanya, a wholly-owned subsidiary funded by CPIC Senior Living Investment, obtained the business license for the legal entity with unified social credit code 91460000MAEB4AFU2U in January 2025, with registered capital of RMB 30 million. As of 30 June 2025, CPIC Senior Living has paid up the investment amount of RMB 2 million.

(14) CPIC Zhiyuan

CPIC Zhiyuan, a wholly-owned subsidiary funded by CPIC Asset Management, obtained the business license for the legal entity with unified social credit code 91310000MAEL1A7M9J in May 2025, with registered capital of RMB 10 million. As of 30 June 2025, CPIC Asset Management has paid up all the investment amount.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

IV. SCOPE OF CONSOLIDATION (continued)

2. Business combination not under common control

The main business combination not under common control occurred in the current period is as follows,

	Equity transaction date	Equity purchase cost	Percentage of equity purchased (%)	Purchase method	Acquisition date	Acquisition date basis	Acquiree's operating income from acquisition date to the end of the period	Acquiree's net profit from acquisition date to the end of the period	Acquiree's net cashflow from acquisition date to the end of the period
Ruiyongjing Real Estate	24 July 2018	9,835	70.00	Cash contribution	30 June 2025	Actual transfer date of control	-	-	-

(1) Acquisition cost and goodwill:

	Fair value	Carrying amount
Fair value of equity interest held before acquisition date	10,897	9,294
Total acquisition cost	10,897	9,294
Less: Fair value of net assets acquired	10,897	
Goodwill/acquisition cost less than fair value of net assets acquired	-	

(2) The fair value and carrying amount of the identifiable assets and liabilities of the acquiree as at the acquisition date are as below:

	Fair value	Carrying amount
Cash at bank and on hand	112	112
Investment properties and long-term deferred and prepaid expenses	22,501	19,448
Other assets	235	235
Long-term borrowings	(5,627)	(5,627)
Deferred tax liabilities	(763)	-
Other liabilities	(891)	(891)
Net assets	15,567	13,277
Less: Non-controlling interests	4,670	3,983
Net assets acquired	10,897	9,294

When determining the fair value of the assets and liabilities of Ruiyongjing Real Estate on acquisition date, the buildings under investment properties are evaluated using the cost method and the income method. In addition to the above-mentioned separately assessed assets, the fair value of the remaining identifiable assets and liabilities of Ruiyongjing Real Estate is close to its carrying amount.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

IV. SCOPE OF CONSOLIDATION (continued)

2. Business combination not under common control (continued)

- (3) Profit or loss resulting from remeasurement of equity interest held before acquisition date at fair value:

		Initial transaction date	Percentage of equity interest held(%)	Purchase cost	Purchase method
Ruiyongjing Real Estate		24 July 2018	70.00	9,835	Cash
	Carrying amount as at the acquisition date	Fair value as at the acquisition date	Profit or loss resulting from remeasurement	Method and key assumptions of the fair value remeasurement	The amount of other comprehensive income/(loss) transferred to investment income
Ruiyongjing Real Estate	9,294	10,897	1,603	Net asset adjustment method	-

- (4) Net cash paid to acquire subsidiaries and other business entities:

	For the six months ended 30 June 2025
Cash and cash equivalents held by subsidiaries and other operating entities as at the acquisition date	112
Less: Cash and cash equivalents paid to acquire subsidiaries and other business entities	-
Cash received relating to other investing activities	112

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

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IV. SCOPE OF CONSOLIDATION (continued)

3. As at 30 June 2025, material consolidated structured entities of the Group are as follows:

Name	Collective holding by the Group (%)	Product scale (units in RMB thousand)	Nature of business
China Pacific Changhang Equity Investment Fund (Wuhan) Partnership (Limited Partnership) ("China Pacific Changhang")	99.98	10,424,462	Investing in equity investments, investment management and asset management activities with private funds (yet subject to related regulations of the Asset Management Association of China ("AMAC")) (except for projects subject to approval according to law, independently carry out business activities that are not prohibited or restricted by laws and regulations with business license).
CPIC Zengfu Annually Open Pure Debt Type Launching Securities Investment Fund	100.00	8,062,610	Investing in financial instruments with high liquidity including national bonds, government bonds, local treasury bonds, financial bonds, enterprise bonds, corporate bonds, Central Bank bills, medium term notes, short-term commercial paper, super short-term commercial paper, SME private debt, asset-backed security, subordinated debt, the debt part of the convertible bonds, bonds repo, bank deposits (including agreement deposits, notice deposits and term deposits), NCDs, money market instrument, treasury bond futures and other financial instruments that laws and regulations or the CSRC allow funds to invest (yet subject to related regulations of the CSRC).
CPIC Zengyu Annually Open Pure Debt Type Launching Securities Investment Fund	87.47	7,635,690	Investing in financial instruments with high liquidity including national bonds, government bonds, local treasury bonds, financial bonds, enterprise bonds, corporate bonds, Central Bank bills, medium term notes, short-term commercial paper, super short-term commercial paper, SME private debt, asset-backed security, subordinated debt, the debt part of the convertible bonds, bonds repo, bank deposits (including agreement deposits, notice deposits and term deposits), NCDs, money market instrument, treasury bond futures and other financial instruments that laws and regulations or the CSRC allow funds to invest (yet subject to related regulations of the CSRC).

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

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IV. SCOPE OF CONSOLIDATION (continued)

3. As at 30 June 2025, material consolidated structured entities of the Group are as follows (continued):

Name	Collective holding by the Group (%)	Product scale (units in RMB thousand)	Nature of business
CPIC Health Industry Private Investment Fund (Shanghai) Partnership (Limited Partnership) ("CPIC Health Fund")	90.90	6,624,080	Investing in equity investments, investment management and asset management activities with private funds (yet subject to related regulations of the Asset Management Association of China ("AMAC")).
Pacific-Ningbo Rail Transit Infrastructure Debt Investment Plan	100.00	5,000,000	Investing in the second phase of Ningbo Rail Transit Line 3 project operated by Ningbo Rail Transit Group Co., Ltd. in the form of debt.

CPIC Asset Management, CPIC Funds and CPIC Capital, etc. are the asset managers of these consolidated structured entities included in the scope of the Group.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Cash at bank and on hand

		30 June 2025		
	Currency	Original currency	Exchange rate	RMB
Bank deposits	RMB	37,754	1.00000	37,754
	USD	873	7.15860	6,247
	HKD	1,062	0.91195	969
	Others			21
	Subtotal			44,991
Other cash balances	RMB	1,413	1.00000	1,413
	Subtotal			1,413
Total				46,404

		31 December 2024		
	Currency	Original currency	Exchange rate	RMB
Bank deposits	RMB	22,045	1.00000	22,045
	USD	810	7.18840	5,820
	HKD	295	0.92604	274
	Others			2
	Subtotal			28,141
Other cash balances	RMB	1,214	1.00000	1,214
	USD	-	7.18840	2
	Subtotal			1,216
Total				29,357

As at 30 June 2025, the Group's cash at bank and on hand deposited overseas amounted equivalent to RMB 2,045 million (31 December 2024: amounted equivalent to RMB 1,357 million). Under PRC's foreign exchange regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business after obtaining approval from foreign exchange regulatory authorities.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

1. Cash at bank and on hand (continued)

As at 30 June 2025, RMB 229 million were time deposits with original maturity of no more than three months (31 December 2024: RMB 221 million).

As at 30 June 2025, RMB 547 million in the Group's cash at bank and on hand balance were restricted for special-purpose use (31 December 2024: RMB 579 million).

Bank deposits comprise current deposits and short-term time deposits. Current deposits earn interest at rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at respective short-term time deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default. The carrying amount of the cash at bank and on hand approximate its fair value.

2. Securities purchased under agreements to resell

	30 June 2025	31 December 2024
Securities - bonds		
Inter-bank market	17,960	10,380
Stock exchange	3,389	525
Subtotal	21,349	10,905
Less: Impairment provisions	-	-
Total	21,349	10,905

The Group does not sell or re-pledge the collateral underlying the securities purchased under agreements to resell.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

3. Term deposits

Term to maturity	30 June 2025	31 December 2024
At amortised cost		
Within 3 months (inclusive)	204	3,452
3 months to 1 year (inclusive)	3,313	5,386
1 to 2 years (inclusive)	13,367	7,934
2 to 3 years (inclusive)	4,314	9,744
3 to 4 years (inclusive)	12,322	2,523
4 to 5 years (inclusive)	8,861	11,910
Less: Impairment provisions	(21)	(24)
Fair value through other comprehensive income		
Within 3 months (inclusive)	-	8,852
3 months to 1 year (inclusive)	16,062	7,716
1 to 2 years (inclusive)	33,193	29,026
2 to 3 years (inclusive)	26,796	27,980
3 to 4 years (inclusive)	39,282	20,781
4 to 5 years (inclusive)	20,526	38,538
Including:		
Amortised cost	133,435	129,338
Accumulated changes in fair value	2,424	3,555
Total	178,219	173,818

As at 30 June 2025, the impairment provision recognised for term deposits at fair value through other comprehensive income was RMB 82 million (31 December 2024: RMB 58 million).

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

4. Financial assets at fair value through profit or loss

	30 June 2025	31 December 2024
Listed	226,149	216,255
Unlisted	448,252	450,944
Total	674,401	667,199
Bonds	276,167	274,335
Government bonds	7,563	6,907
Finance bonds	242,388	241,069
Enterprise bonds	26,216	26,359
Stocks	187,406	179,013
Funds	69,839	70,472
Unlisted equity shares investments	70,257	66,707
Debt investment plans	42,362	42,150
Investment in asset management products	19,583	28,238
Others	8,787	6,284
Total	674,401	667,199

5. Financial assets at amortised cost

	30 June 2025	31 December 2024
Listed	3,230	3,236
Unlisted	53,595	63,205
Subtotal	56,825	66,441
Less: Impairment provisions	(1,468)	(1,597)
Net value	55,357	64,844
Bonds	19,723	21,852
Government bonds	16,848	16,435
Enterprise bonds	2,875	5,417
Debt investment plans	32,051	35,482
Investment trust	1,119	5,065
Others	3,932	4,042
Subtotal	56,825	66,441
Less: Impairment provisions	(1,468)	(1,597)
Net value	55,357	64,844

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

6. Debt investments at fair value through other comprehensive income

	30 June 2025	31 December 2024
Listed	74,084	67,909
Unlisted	1,672,289	1,540,063
Total	1,746,373	1,607,972
Bonds	1,530,160	1,345,995
Government bonds	1,309,303	1,139,037
Finance bonds	77,957	68,666
Enterprise bonds	142,900	138,292
Debt investment plans	161,643	163,085
Investment trust	13,943	50,715
Preferred shares	33,336	34,478
Others	7,291	13,699
Total	1,746,373	1,607,972
Including:		
Amortised cost	1,496,449	1,366,390
Accumulated changes in fair value	249,924	241,582

As at 30 June 2025, the impairment provision for the Group's debt investment at fair value through other comprehensive income was RMB 4,332 million (31 December 2024: RMB 4,220 million).

7. Equity investments at fair value through other comprehensive income

	30 June 2025	31 December 2024
Stocks	95,719	76,052
Preferred shares	12,604	12,642
Perpetual bonds	12,554	18,878
Others	33,295	34,442
Total	154,172	142,014
Including:		
Cost	142,159	131,934
Accumulated changes in fair value	12,013	10,080

The equity investments at fair value through other comprehensive income, designated by the Group, are non-trading equity investments with the primary objective of being held for a long time or obtaining dividends during the holding period.

For the six months ended 30 June 2025, the Group disposed equity investments at fair value through other comprehensive income of RMB 9.926 billion (For the six months ended 30 June 2024: RMB 2.158 billion) because of the optimisation of asset allocation and asset and liability management. The amount transferred from other comprehensive income/(loss) to retained profits was RMB 425 million (For the six months ended 30 June 2024: RMB -68 million) due to the disposals, etc.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

8. Long-term equity investments

	30 June 2025	31 December 2024
Joint ventures		
Ruiyongjing Real Estate	-	9,543
Pacific Euler Hermes Insurance Sales Co., Ltd. (“Euler Hermes”)	30	28
Others	14	18
Subtotal	44	9,589
Associates		
Taijiashan Health Industry Equity Investment Fund (Shanghai) LLP. (“Taijiashan”)	3,003	3,016
Yangtze River Delta Synergy Industry Investment Fund	2,160	2,353
Shanghai Hi-Tech Park United Development Co., Ltd.	1,869	1,818
Shanghai Sci-Tech Innovation Centre Capital II LLP.	1,606	1,454
Shanghai Biomedical Industry Equity Investment Fund LLP.	954	952
Shanghai Lingang GLP International Logistics Development Co., Ltd.	924	987
Others	2,588	2,351
Subtotal	13,104	12,931
Total	13,148	22,520

9. Restricted statutory deposits

	30 June 2025	31 December 2024
CPIC Property	3,989	3,989
CPIC Life	1,726	1,726
CPIC Health	720	720
PAAIC	260	260
Subtotal	6,695	6,695
Add: Interest receivables	204	158
Less: Impairment provisions	(1)	(2)
Total	6,898	6,851

In accordance with relevant provision of Insurance Law of the PRC, CPIC Property, CPIC Life, CPIC Health and PAAIC should place 20% of their issued capital as restricted statutory deposits, respectively.

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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

10. Deferred income tax assets and liabilities

	30 June 2025		31 December 2024	
	Deferred income tax	Temporary differences	Deferred income tax	Temporary differences
Deferred income tax assets				
Insurance contract liabilities /assets	58,081	232,318	50,712	202,848
Changes in fair value of financial instruments	171	685	169	676
Commission and brokerage expenses	833	3,334	853	3,412
Provision for asset impairment	599	2,394	624	2,496
Deductible losses	16,145	64,580	10,469	41,876
Lease liabilities	410	1,638	681	2,722
Others	2,231	8,927	2,578	10,312
Total	78,470	313,876	66,086	264,342
Deferred income tax liabilities				
Changes in fair value of financial instruments	(72,104)	(288,415)	(68,364)	(273,456)
Adjustment in fair value arising from acquisition of subsidiaries	(1,485)	(5,940)	(737)	(2,948)
Right-of-use assets	(459)	(1,837)	(730)	(2,921)
Others	(210)	(838)	(153)	(612)
Total	(74,258)	(297,030)	(69,984)	(279,937)

Deferred income tax assets and liabilities of the Group set out as the net amount after offsetting:

	30 June 2025		31 December 2024	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred income tax assets	(71,551)	6,919	(62,622)	3,464
Deferred income tax liabilities	71,551	(2,707)	62,622	(7,362)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

10. Deferred income tax assets and liabilities (continued)

Details of movements in deferred income tax assets and liabilities are as follows:

	Insurance contract liabilities /assets	Changes in fair value of financial instruments	Commission and brokerage expenses	Provision for asset impairment	Deductible losses	Adjustment in fair value arising from acquisition of subsidiaries	Others	Total
Balance of 31 December 2023	22,300	(21,942)	790	611	3,198	(797)	1,797	5,957
Recognised in profit or loss	(6,183)	(9,275)	63	86	7,271	60	580	(7,398)
Recognised in equity	34,716	(37,019)	-	(73)	-	-	(1)	(2,377)
Other changes of the year	(121)	41	-	-	-	-	-	(80)
Balance of 31 December 2024	50,712	(68,195)	853	624	10,469	(737)	2,376	(3,898)
Acquisition of subsidiaries	-	-	-	-	-	(763)	-	(763)
Recognised in profit or loss	(4,092)	(1,455)	(20)	9	5,676	15	(404)	(271)
Recognised in equity	11,511	(2,425)	-	(34)	-	-	-	9,052
Other changes	(50)	142	-	-	-	-	-	92
Balance of 30 June 2025	58,081	(71,933)	833	599	16,145	(1,485)	1,972	4,212

As at 30 June 2025, the deductible temporary differences and deductible losses not recognised as deferred income tax assets by the Group amounted to RMB 35.2 billion (31 December 2024: RMB 31.1 billion).

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

11. Other assets

		30 June 2025	31 December 2024
Other receivables	(1)	11,946	12,694
Improvements of right-of-use assets		870	1,017
Others		5,310	2,803
Total		18,126	16,514

(1) Other receivables

	30 June 2025	31 December 2024
Due from external undertakings	4,571	3,344
Due from related parties*	1,772	1,772
Receivable from securities sold but not settled	1,250	4,323
Due from agents	857	314
Deposits	147	267
Co-insurance premium receivables	57	63
Prepaid tax	6	155
Others	3,616	2,787
Subtotal	12,276	13,025
Less: Provision for bad debts	(330)	(331)
Net value	11,946	12,694

* As at 30 June 2025, the payments made by the Group on behalf of Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd. ("Binjiang-Xiangrui") for the purchase of land and related taxes and expenses amounted to approximately RMB 1,772 million (31 December 2024: RMB 1,772 million), which accounting for 14% (31 December 2024: 14%) of the total other receivables.

The category of provision for bad debts of other receivables is analysed as below:

	30 June 2025			
	Ending balance	% of total balance	Provision for bad debts	Provision percentage
Considered on the grouping basis	12,276	100%	(330)	3%
	31 December 2024			
	Ending balance	% of total balance	Provision for bad debts	Provision percentage
Considered on the grouping basis	13,025	100%	(331)	3%

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

11. Other assets (continued)

(1) Other receivables (continued)

The aging of other receivables and related provisions for bad debts are analysed as follows:

Aging	30 June 2025			
	Ending balance	% of total balance	Provision for bad debts	Net value
Within 3 months (inclusive)	6,535	53%	(20)	6,515
3 months to 1 year (inclusive)	2,547	21%	(27)	2,520
1 to 3 years (inclusive)	1,075	9%	(75)	1,000
Over 3 years	2,119	17%	(208)	1,911
Total	12,276	100%	(330)	11,946

Aging	31 December 2024			
	Ending balance	% of total balance	Provision for bad debts	Net value
Within 3 months (inclusive)	8,381	64%	(17)	8,364
3 months to 1 year (inclusive)	1,828	14%	(22)	1,806
1 to 3 years (inclusive)	649	5%	(91)	558
Over 3 years	2,167	17%	(201)	1,966
Total	13,025	100%	(331)	12,694

The top five other receivables of the Group are as follows:

	30 June 2025	31 December 2024
Total amount of the top five other receivables	2,842	2,499
Total provision for bad debts	(8)	(13)
% of total other receivables	23%	19%

The account balance does not include any amount attributable to shareholders holding 5% or more of the voting rights of the Company.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

12. Securities sold under agreements to repurchase

	30 June 2025	31 December 2024
Securities - bonds		
Inter-bank market	157,147	158,860
Stock exchange	23,058	22,835
Total	180,205	181,695

As at 30 June 2025, the Group's bonds with par value of approximately RMB 168,351 million (31 December 2024: approximately RMB 169,426 million) were pledged for the inter-bank securities sold under agreements to repurchase.

As at 30 June 2025, the Group's bonds with par value of approximately RMB 23,051 million (31 December 2024: approximately RMB 22,826 million) were pledged for the stock exchange securities sold under agreements to repurchase.

Securities sold under agreements to repurchase are generally repurchased within 12 months from the date the securities are sold.

13. Taxes payable

	30 June 2025	31 December 2024
Corporate income tax	2,585	663
Unpaid VAT	586	562
Withholding individual income tax	162	155
Others	950	1,100
Total	4,283	2,480

14. Bonds payable

On 9 March 2023, CPIC Property issued a 10-year capital replenishment bond with a total face value of RMB 7 billion in the interbank market. CPIC Property has a conditional option to redeem the bond at the end of the fifth interest-bearing year. The capital replenishment bond pays interest at an initial coupon rate of 3.72% per annum. If CPIC Property does not exercise the early redemption option, the annual coupon rate for the next five years would increase to 4.72% from the sixth interest-bearing year to the maturity of the debt.

On 3 April 2023, CPIC Property issued a 10-year capital replenishment bond with a total face value of RMB 3 billion in the interbank market. CPIC Property has a conditional option to redeem the bond at the end of the fifth interest-bearing year. The capital replenishment bond pays interest at an initial coupon rate of 3.55% per annum. If CPIC Property does not exercise the early redemption option, the annual coupon rate for the next five years would increase to 4.55% from the sixth interest-bearing year to the maturity of the debt.

Issuer	31 December 2024	Issuance	Amortisation of bond premium or discount	Interest accrued in the period	Interest payment/ Reimbursement in the period	30 June 2025
CPIC Property	10,286	-	-	184	(367)	10,103

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

15. Insurance contract liabilities/(assets)

The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows:

	30 June 2025	31 December 2024
Insurance contract liabilities		
Liabilities for remaining coverage	2,317,611	2,124,017
Including: Excluding loss component	2,303,577	2,109,847
Loss component	14,034	14,170
Liabilities for incurred claims	110,972	105,497
Total insurance contract liabilities	2,428,583	2,229,514
Insurance contract assets		
Liabilities for remaining coverage	-	(1)
Including: Excluding loss component	-	(1)
Loss component	-	-
Liabilities for incurred claims	-	(21)
Total insurance contract assets	-	(22)
Net liabilities of insurance contracts	2,428,583	2,229,492

The analysis by measurement component of contracts not measured under the premium allocation approach is as follows:

	30 June 2025	31 December 2024
Insurance contract liabilities		
Present value of future cash flows	1,912,366	1,725,632
Risk adjustment for non-financial risk	23,251	21,551
Contractual service margin	350,218	345,366
Net liabilities of insurance contracts	2,285,835	2,092,549

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FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

15. Insurance contract liabilities/(assets) (continued)

The impact on the balance sheet of insurance contracts not measured under the premium allocation approach that were initially recognised in the period is as follows:

	For the six months ended 30 June 2025		
	Group of onerous contracts initially recognised in the period	Others	Total
Insurance acquisition cash flows	1,529	8,977	10,506
Others	39,426	79,572	118,998
Present value of future cash outflows	40,955	88,549	129,504
Present value of future cash inflows	(40,262)	(101,186)	(141,448)
Risk adjustment for non-financial risk	341	874	1,215
Contractual service margin	-	11,763	11,763
Impact of insurance contracts initially recognised in the current period	1,034	-	1,034
	For the six months ended 30 June 2024		
	Group of onerous contracts initially recognised in the period	Others	Total
Insurance acquisition cash flows	2,767	11,589	14,356
Others	24,075	73,736	97,811
Present value of future cash outflows	26,842	85,325	112,167
Present value of future cash inflows	(26,504)	(96,202)	(122,706)
Risk adjustment for non-financial risk	255	1,332	1,587
Contractual service margin	-	9,545	9,545
Impact of insurance contracts initially recognised in the current period	593	-	593

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

16. Reinsurance contract assets/(liabilities)

The analysis of reinsurance contract assets for remaining coverage and for incurred claims is as follows:

	30 June 2025	31 December 2024
Reinsurance contract assets		
Assets for remaining coverage	16,637	18,823
Including: Excluding loss-recovery component	15,364	17,497
Loss-recovery component	1,273	1,326
Assets for incurred claims	27,431	27,258
Total reinsurance contract assets	44,068	46,081
Net assets of reinsurance contract	44,068	46,081

The analysis by measurement component of contracts not measured under premium allocation approach is as follows:

	30 June 2025	31 December 2024
Reinsurance contract assets		
Present value of future cash flows	12,834	12,407
Risk adjustment for non-financial risk	188	186
Contractual service margin	2,666	2,654
Total reinsurance contract assets	15,688	15,247
Net assets of reinsurance contract	15,688	15,247

17. Issued capital

Shares of the Company as well as the percentages of shareholding are shown below:

	As at 1 January 2025		Increase/(Decrease) of number of shares		As at 30 June 2025	
	Number of shares	Percentage of shareholding	Newly issued	Others	Number of shares	Percentage of shareholding
I. Shares with trading restrictions						
Shares held by domestic non-state owned legal persons	-	0%	-	-	-	0%
Subtotal	-	0%	-	-	-	0%
II. Shares without trading restrictions						
Ordinary shares denominated in RMB	6,844	71%	-	-	6,844	71%
Foreign shares listed overseas	2,776	29%	-	-	2,776	29%
Subtotal	9,620	100%	-	-	9,620	100%
III. Total	9,620	100%	-	-	9,620	100%

As at 30 June 2025, the number of shares which the Company issued and fully paid at RMB 1 each is 9,620 million. As at 31 December 2024, the number of shares which the Company issued and fully paid at RMB 1 each is 9,620 million.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

18. Capital reserves

	30 June 2025	31 December 2024
Capital premium	79,008	79,008
Impact of capital injection to subsidiaries, etc.	2,105	2,105
Impact of equity transactions with non-controlling interests	(131)	(131)
Impact of other changes in the equity of investees accounted for using the equity method	343	352
Redistribution of cumulative changes in fair value of available-for-sale financial assets when purchasing equity from non-controlling interests	(1,413)	(1,413)
Impact of phased business combinations	28	28
Impact of capital invested by other equity instrument holders	(3)	(3)
Others	2	2
Total	<u>79,939</u>	<u>79,948</u>

Capital reserves mainly represent share premiums from issuance of shares and the deemed disposal of an equity interest in CPIC Life to certain foreign investors in December 2005, and the subsequent repurchase of the shares mentioned above in the same subsidiary by the Company in April 2007. In addition, the Company issued GDRs and listed them on the LSE in 2020 which also increased the capital reserves.

19. Surplus reserves

	Statutory surplus reserve (the “SSR”)
As at 1 January 2024	5,114
Appropriations	-
As at 31 December 2024 and 30 June 2025	<u>5,114</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

20. General reserves

In accordance with relevant regulations, general risk provisions should be made to cover catastrophic risks or losses as incurred by companies engaged in the insurance, banking, trust, securities, futures, fund management, leasing and financial guarantee businesses. Companies undertaking insurance activities are required to set aside 10% of their net profit to general reserves, while companies undertaking asset management activities are required to set aside 10% of their management fee income to the risk reserves until the balance reaches 1% of the balance of products under management.

In accordance with relevant regulations, as part of the profit distribution and as presented in their annual financial statements, the Group's subsidiaries engaged in the above-mentioned businesses make appropriations to their general reserves on the basis of their annual net profit, year-end risk assets or management fee income from products under management where appropriate. Such general reserves cannot be used for dividends distribution or conversion to capital.

21. Profit distribution and retained profits

According to the Articles of Association of the Company, the amount of retained profits available for distribution of the Company should be the amount determined under CASs, or determined under CASs if permissible by local rules where the Company is listed. According to the Articles of Association of the Company and applicable laws and regulations, the Company's profit distribution is made the following order:

- (1) Making up for losses brought forward from prior years;
- (2) Appropriating to SSR at 10% of the net profit;
- (3) Making appropriation to the discretionary surplus reserve ("DSR") in accordance with the resolution of the general shareholders' meeting; and
- (4) Paying dividends to shareholders.

The Company can cease the appropriation to SSR when SSR accumulates to more than 50% of the registered capital. The SSR may be used to make up for losses, if any, and, subject to the approval of the general shareholders' meeting, may also be converted into capital to make to fund an issue of new shares to shareholders on a proportionate basis. However, the conversion of SSR to capital should not bring the retained SSR to below 25% of the registered capital.

The balance of SSR reached 50% of the respective registered capital. The Company did not set aside SSR for the six months ended 30 June 2025.

After making necessary appropriations to the SSR, 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. Subject to the approval of the shareholders, the DSR may be used to offset accumulated losses, if any, and may be converted into capital. The Company did not set aside DSR for the six months ended 30 June 2025.

Pursuant to the resolution of the 10th meeting of the 10th Board of Directors of the Company held on 26 March 2025, a final dividend of approximately RMB 10,390 million (equivalent to annual cash dividend of RMB 1.08 per share (including tax)) was proposed. The profit distribution plan was approved by the shareholders of the Company at the general meeting on 11 June 2025.

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(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

22. Insurance revenue

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Insurance contracts not measured under the premium allocation approach		
Amounts relating to the changes in the liability for remaining coverage:	30,296	30,867
Amortisation of contractual service margin	13,105	13,091
Changes in the risk adjustment for non- financial risk	544	674
Insurance service expenses expected to be incurred in the period	15,739	16,026
Experience adjustments for premium receipts that relate to current or past services	908	1,076
Amortisation of insurance acquisition cash flows	10,885	10,901
Subtotal of insurance contracts not measured under the premium allocation approach	41,181	41,768
Insurance contracts measured under the premium allocation approach	100,643	95,251
Total of insurance revenue	141,824	137,019

23. Interest income

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Interest income of debt investments at fair value through other comprehensive income	24,446	22,719
Interest income of term deposits	3,021	2,932
Interest income of financial assets at amortised cost	1,179	1,714
Interest income of restricted statutory deposits	101	122
Interest income of securities purchased under agreements to resell	95	66
Others	219	216
Total	29,061	27,769

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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

24. Investment income

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Realised gains/(losses)		
Financial instruments held for trading and other financial instruments at fair value through profit or loss	4,739	(4,979)
Debt investments at fair value through other comprehensive income	2,327	1,009
Long-term equity investments	1,603	-
Derivatives	(48)	9
Financial assets at amortised cost	-	4
Gains during the holding period		
Financial instruments held for trading and other financial instruments at fair value through profit or loss	9,746	8,480
Dividend income from equity investments at fair value through other comprehensive income	3,449	2,494
Share of losses of associates and joint ventures	(145)	(124)
Total	21,671	6,893

As at the balance sheet date, there was no significant restriction on the repatriation of the Group's investment income.

25. Gains arising from changes in fair value

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Stock investments	2,588	8,945
Bond investments	(1,368)	8,687
Fund investments	3,915	2,149
Derivatives	21	(23)
Others	700	1,187
Total	5,856	20,945

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(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

26. Other operating income

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Income from management fee	1,258	1,237
Rental income from investment properties	311	346
Others	349	306
Total	<u>1,918</u>	<u>1,889</u>

27. Insurance service expenses

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Insurance contracts not measured under the premium allocation approach		
Incurred claims and other expenses in the period	14,502	15,157
Amortisation of insurance acquisition cash flows	10,885	10,901
Recognition and reversals of loss component	1,769	71
Changes in fulfilment cash flows related to liabilities for incurred claims	(965)	(937)
Subtotal	<u>26,191</u>	<u>25,192</u>
Insurance contracts measured under the premium allocation approach		
Incurred claims and other expenses in the period	73,502	74,319
Amortisation of insurance acquisition cash flows	23,652	23,385
Recognition and reversals of loss component	(868)	(1,983)
Changes in fulfilment cash flows related to liabilities for incurred claims	(2,308)	(4,615)
Subtotal	<u>93,978</u>	<u>91,106</u>
Total	<u>120,169</u>	<u>116,298</u>

28. Interest expenses

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Securities sold under agreements to repurchase	1,815	903
Debt	187	187
Interest expenses on lease liabilities	37	46
Others	178	56
Total	<u>2,217</u>	<u>1,192</u>

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(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

29. Taxes and surcharges

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
City maintenance and construction tax	216	189
Educational surcharge	158	139
Others	226	221
Less: Insurance acquisition cash flows incurred in the period	(362)	(347)
Other insurance fulfilment cash flows incurred in the period	(22)	(24)
Total	216	178

30. Operating and administrative expenses

The Group's operating and administrative fee details by item are as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Payroll and welfare benefits	10,707	10,805
Professional service fees	3,256	2,771
Advertising expenses (including business publicity expenses)	3,007	2,668
Outsourcing service fees	1,568	1,509
Insurance security funds withdrawal	1,432	1,318
General office and travel expenses	988	1,033
Depreciation of fixed assets	595	600
Amortisation of intangible assets	578	554
Depreciation of right-of-use assets	516	585
Property management fees	359	365
Labour costs	281	294
Consulting fees	251	322
Amortisation of other long-term assets	196	210
Compulsory automobile rescue fund	81	65
Financial report and internal control audit fees	14	12
Short-term and low-value assets leasing fees	11	30
Other audit service fees	2	3
Others	2,038	1,956
Subtotal	25,880	25,100
Less: Insurance acquisition cash flows incurred in the period	(17,047)	(15,721)
Other insurance fulfilment cash flows incurred in the period	(5,371)	(6,314)
Total	3,462	3,065

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

31. Impairment losses on financial assets

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Impairment loss of debt investments at fair value through other comprehensive income	117	(122)
Impairment loss of financial assets at amortised cost	(129)	33
Impairment loss of term deposits	22	5
Impairment loss of others	4	32
Total	<u>14</u>	<u>(52)</u>

32. Other operating expenses

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Depreciation of investment properties	194	217
Interest expenses for policyholders' investment contract liabilities	56	45
Others	342	426
Total	<u>592</u>	<u>688</u>

33. Income tax

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Current income tax	3,182	2,345
Deferred income tax	271	1,192
Total	<u>3,453</u>	<u>3,537</u>

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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(All amounts expressed in RMB million unless otherwise specified)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**33. Income tax (continued)**

The relationship between income tax expenses and total profit is shown below:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Total profit	<u>32,259</u>	<u>29,395</u>
Taxes calculated at the statutory tax rate of 25%	8,065	7,349
Income tax adjustment for prior years	109	(375)
Non-taxable income	(5,232)	(4,189)
Non-deductible expenses	287	208
Others	<u>224</u>	<u>544</u>
Income tax calculated at applicable tax rates	<u>3,453</u>	<u>3,537</u>

The income tax of the Group is provided at applicable tax rate in accordance with the estimated taxable income obtained in Mainland China. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

34. Other comprehensive income/(loss)

	Other comprehensive income/(loss) in balance sheet			Other comprehensive income/(loss) in income statement					
	1 January 2025	Attributable to the Company - net of tax	30 June 2025	Amount incurred before income tax	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to profit or loss in current period	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to retained profits in current period	Less: Income tax	Attributable to the Company - net of tax	Attributable to non-controlling interests - net of tax
Other comprehensive income/(loss) that will not be reclassified to profit or loss									
Changes in the fair value of equity investments at fair value through other comprehensive income	7,457	1,428	8,885	2,518	-	(425)	(629)	1,428	36
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss	(2,266)	(255)	(2,521)	(548)	-	150	137	(255)	(6)
Other comprehensive income/(loss) that will be reclassified to profit or loss									
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(97)	-	(97)	-	-	-	-	-	-
Changes in the fair value of debt instruments at fair value through other comprehensive income	181,397	5,298	186,695	9,686	(2,502)	-	(1,796)	5,298	90
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	3,260	101	3,361	138	(2)	-	(34)	101	1
Exchange differences on translation of foreign operations	83	(17)	66	(17)	-	-	-	(17)	-
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss	(174,881)	(33,895)	(208,776)	(46,019)	149	-	11,386	(33,895)	(589)
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss	(36)	33	(3)	45	-	-	(12)	33	-
Total	14,917	(27,307)	(12,390)	(34,197)	(2,355)	(275)	9,052	(27,307)	(468)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

34. Other comprehensive income/(loss) (continued)

	Other comprehensive income/(loss) in balance sheet			Other comprehensive income/(loss) in income statement					
	1 January 2024	Attributable to the Company - net of tax	30 June 2024	Amount incurred before income tax	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to profit or loss in current period	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to retained profits in current period	Less: Income tax	Attributable to the Company - net of tax	Attributable to non-controlling interests - net of tax
Other comprehensive income/(loss) that will not be reclassified to profit or loss									
Changes in the fair value of equity investments at fair value through other comprehensive income	1,653	5,791	7,444	7,775	-	68	(1,944)	5,791	108
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss	(1,390)	(723)	(2,113)	(997)	-	13	249	(723)	(12)
Other comprehensive income/(loss) that will be reclassified to profit or loss									
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(100)	4	(96)	5	-	-	(1)	4	-
Changes in the fair value of debt instruments at fair value through other comprehensive income	78,160	49,813	127,973	68,733	(950)	-	(17,110)	49,813	860
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	3,045	(96)	2,949	(126)	(5)	-	33	(96)	(2)
Exchange differences on translation of foreign operations	60	7	67	7	-	-	-	7	-
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss	(73,431)	(52,287)	(125,718)	(71,510)	579	-	17,736	(52,287)	(908)
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss	(5)	(19)	(24)	(25)	-	-	6	(19)	-
Total	7,992	2,490	10,482	3,862	(376)	81	(1,031)	2,490	46

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V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

35. Earnings per share

(1) Basic earnings per share

Basic earnings per share was calculated by dividing the net profit of the current period attributable to the shareholders of the parent by the weighted average number of ordinary shares issued by the Company.

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Consolidated net profit for the period attributable to shareholders of the parent	<u>27,885</u>	<u>25,132</u>
Weighted average number of ordinary shares in issue (million shares)	<u>9,620</u>	<u>9,620</u>
Basic earnings per share (RMB per share)	<u>2.90</u>	<u>2.61</u>

(2) Diluted earnings per share

The Company had no dilutive potential ordinary shares during the six-month periods ended 30 June 2025 and 2024.

36. Cash and cash equivalents

	30 June 2025	31 December 2024
Cash:		
Cash at bank readily available for payments	44,436	27,556
Other cash balances readily available for payments	1,413	1,215
Cash equivalents:		
Investments with an initial term within 3 months	<u>21,343</u>	<u>10,902</u>
Total	<u>67,192</u>	<u>39,673</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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VI. SEGMENT INFORMATION

The Group presents segment information based on its major operating segments.

For management purpose, the Group is organised into business units based on their products and services. Different operating segments provide products and services with different risks and rewards.

The Group's operating segments are listed as follows:

- The life and health insurance segment (mainly including CPIC Life, CPIC Health and CPIC Life (H.K.)) offers a wide range of life and health insurance in RMB and foreign currencies;
- The property and casualty insurance segment (including CPIC Property, PAAIC and CPIC H.K.) provides a wide range of property and casualty insurance in RMB and foreign currencies;
- The asset management segment (including CPIC Asset Management, Changjiang Pension, CPIC Investment (H.K.), CPIC Funds, CPIC Capital and CPIC Zhiyuan) provides asset-management services;
- Except for the above business segments, other business segments have no material impact on the Group's operating results and are therefore not presented separately.

Intersegment sales and transfers are measured based on the actual transaction price.

More than 99% of the Group's revenue is derived from its operations in Mainland China. More than 99% of the Group's assets are located in Mainland China.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

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VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2025				
	Life and health insurance	Property and casualty insurance	Asset management	Others and eliminations	Total
Insurance revenue	43,882	98,193	-	(251)	141,824
Interest income	25,882	2,222	111	846	29,061
Investment income	18,515	1,326	28	1,802	21,671
Including: Share of profits/(losses) of associates and joint ventures	88	15	1	(249)	(145)
Other income	27	41	15	23	106
Gains arising from changes in fair value	4,859	816	37	144	5,856
Exchange gains/(losses)	7	(1)	-	(19)	(13)
Other operating income	560	136	1,761	(539)	1,918
Gains on disposal of assets	55	18	-	-	73
Operating income	93,787	102,751	1,952	2,006	200,496
Insurance service expenses	(27,978)	(92,413)	-	222	(120,169)
Allocation of reinsurance premiums	(317)	(7,251)	-	278	(7,290)
Less: Recoveries of insurance service expenses from reinsurers	232	6,184	-	(171)	6,245
Insurance finance expenses for insurance contracts issued	(40,208)	(812)	-	322	(40,698)
Less: Reinsurance finance income for reinsurance contracts held	532	189	-	(6)	715
Others	(3,419)	(1,376)	(1,051)	(1,181)	(7,027)
Operating expenses	(71,158)	(95,479)	(1,051)	(536)	(168,224)
Operating profit	22,629	7,272	901	1,470	32,272
Add: Non-operating income	4	26	-	6	36
Less: Non-operating expenses	(14)	(26)	(4)	(5)	(49)
Profit before tax	22,619	7,272	897	1,471	32,259
Less: Income tax	(1,648)	(1,553)	(203)	(49)	(3,453)
Net profit for the period	20,971	5,719	694	1,422	28,806

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2025				
	Life and health insurance	Property and casualty insurance	Asset management	Others and eliminations	Total
Supplementary information:					
Capital expenditure	51	719	41	829	1,640
Depreciation and amortisation	910	728	107	410	2,155
Impairment losses on financial assets	81	(40)	-	(27)	14
As at 30 June 2025					
Long-term equity investments	120,802	252	10	(107,916)	13,148
Financial assets*	2,326,745	154,203	9,107	140,259	2,630,314
Reinsurance contract assets	15,699	29,456	-	(1,087)	44,068
Term deposits	137,938	31,112	260	8,909	178,219
Others	66,505	34,904	4,586	58,356	164,351
Segment assets	2,667,689	249,927	13,963	98,521	3,030,100
Insurance contract liabilities	2,284,385	145,228	-	(1,030)	2,428,583
Bonds payable	-	10,103	-	-	10,103
Securities sold under agreements to repurchase	173,388	2,360	813	3,644	180,205
Others	51,812	25,291	3,454	17,446	98,003
Segment liabilities	2,509,585	182,982	4,267	20,060	2,716,894

*Financial assets include financial assets at fair value through profit or loss, derivative financial assets, financial assets at amortised cost, debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

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VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2024				
	Life and health insurance	Property and casualty insurance	Asset management	Others and eliminations	Total
Insurance revenue	42,985	94,298	-	(264)	137,019
Interest income	24,195	2,420	118	1,036	27,769
Investment income	7,156	611	(13)	(861)	6,893
Including: Share of profits/(losses) of associates and joint ventures	120	14	1	(259)	(124)
Gains arising from the derecognition of financial assets measured at amortized cost.	-	4	-	-	4
Other income	22	31	5	28	86
Gains arising from changes in fair value	17,782	1,035	31	2,097	20,945
Exchange (losses)/gains	(8)	13	-	27	32
Other operating income	686	131	1,599	(527)	1,889
Gains on disposal of assets	1	-	-	-	1
Operating income	92,819	98,539	1,740	1,536	194,634
Insurance service expenses	(27,224)	(89,263)	-	189	(116,298)
Allocation of reinsurance premiums	(370)	(7,878)	-	286	(7,962)
Less: Recoveries of insurance service expenses from reinsurers	515	7,201	-	(114)	7,602
Insurance finance expenses for insurance contracts issued	(41,996)	(1,585)	-	(449)	(44,030)
Less: Reinsurance finance income for reinsurance contracts held	646	404	-	(14)	1,036
Others	(2,190)	(1,332)	(1,057)	(956)	(5,535)
Operating expenses	(70,619)	(92,453)	(1,057)	(1,058)	(165,187)
Operating profit	22,200	6,086	683	478	29,447
Add: Non-operating income	3	15	-	6	24
Less: Non-operating expenses	(17)	(42)	-	(17)	(76)
Profit before tax	22,186	6,059	683	467	29,395
Less: Income tax	(1,950)	(1,228)	(158)	(201)	(3,537)
Net profit for the period	20,236	4,831	525	266	25,858

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2024				
	Life and health insurance	Property and casualty insurance	Asset management	Others and eliminations	Total
Supplementary information:					
Capital expenditure	165	174	42	999	1,380
Depreciation and amortisation	984	758	122	359	2,223
Impairment losses on financial assets	(79)	37	-	(10)	(52)
As at 31 December 2024					
Long-term equity investments	115,822	236	9	(93,547)	22,520
Financial assets*	2,180,866	146,875	8,697	145,617	2,482,055
Insurance contract assets	-	22	-	-	22
Reinsurance contract assets	15,573	31,677	-	(1,169)	46,081
Term deposits	134,818	30,286	254	8,460	173,818
Others	45,150	27,867	4,406	32,988	110,411
Segment assets	2,492,229	236,963	13,366	92,349	2,834,907
Insurance contract liabilities	2,092,386	138,275	-	(1,147)	2,229,514
Bonds payable	-	10,286	-	-	10,286
Securities sold under agreements to repurchase	175,850	3,112	834	1,899	181,695
Others	52,558	20,536	2,748	19,089	94,931
Segment liabilities	2,320,794	172,209	3,582	19,841	2,516,426

*Financial assets include financial assets at fair value through profit or loss, derivative financial assets, financial assets at amortised cost, debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Major related parties

As at 30 June 2025, the Company's major related parties comprise:

- (1) Subsidiaries of the Company;
- (2) Investors who exert significant influence on the Company;
- (3) Joint ventures and associates of the Company;
- (4) Key management personnel of the Company and close family members of such individuals;
- (5) Enterprise annuity fund established by the Group; and
- (6) Legal entities or other organisations other than the Company and its holding subsidiaries, in which the Company's associated natural persons serve as directors and senior management personnel.

Except for being controlled by the state together with the Company, an enterprise that has no other related party relations with the Company is not a related party to the Company.

2. Related party relationships

(1) Related parties controlled by the Company

Related parties controlled by the Company are mainly subsidiaries of the Company. Their basic information and relationships with the Company are set out in Note IV.

(2) The movements of registered capital and the percentages of the equity or shares held are as follows:

Name of investee	Registered capital			Shares or equity held		
	1 January 2025	Movements for the current period	30 June 2025	1 January 2025	Movements for the current period	30 June 2025
CPIC Property	19,948	-	19,948	98.50%	-	98.50%
CPIC Life	8,628	-	8,628	98.29%	-	98.29%
CPIC Asset Management	2,100	-	2,100	99.67%	-	99.67%
Changjiang Pension	3,000	-	3,000	61.10%	-	61.10%
CPIC H.K.	HKD 250 million	-	HKD 250 million	100.00%	(1.5%)	98.50%
CPIC Real Estate	115	-	115	100.00%	-	100.00%
CPIC Investment (H.K.)	HKD 200 million	-	HKD 200 million	99.71%	-	99.71%
City Island	USD 50,000	-	USD 50,000	98.29%	-	98.29%
Great Winwick Limited	USD 50,000	-	USD 50,000	98.29%	-	98.29%
Great Winwick (Hong Kong) Limited	HKD 10,000	-	HKD 10,000	98.29%	-	98.29%
Newscott Investments Limited	USD 50,000	-	USD 50,000	98.29%	-	98.29%
Newscott (Hong Kong) Investments Limited	HKD 10,000	-	HKD 10,000	98.29%	-	98.29%
	USD 15,600	-	USD 15,600			
Xin Hui Property	thousand	-	thousand	98.29%	-	98.29%
	USD 46,330	-	USD 46,330			
He Hui Property	thousand	-	thousand	98.29%	-	98.29%
CPIC Online Services	200	-	200	100.00%	-	100.00%
Tianjin Trophy	354	-	354	98.29%	-	98.29%
CPIC Senior Living Investment	5,000	-	5,000	98.29%	-	98.29%
CPIC Health	3,600	-	3,600	99.74%	-	99.74%
PAAIC	1,080	-	1,080	66.76%	-	66.76%
Pacific Medical & Healthcare	1,000	-	1,000	98.29%	-	98.29%
CPIC Funds	150	-	150	50.83%	-	50.83%
Pacific Insurance Agency	50	-	50	100.00%	-	100.00%
Chengdu Project Company	1,000	83	1,083	98.29%	-	98.29%
Hangzhou Project Company	1,200	-	1,200	98.29%	-	98.29%
Xiamen Project Company	900	-	900	98.29%	-	98.29%
Pacific Care Home at Chengdu	60	-	60	98.29%	-	98.29%

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related party relationships (continued)

(2) The movements of registered capital and the percentage of the equity or shares held are as follows (continued)

Name of investee	Registered capital			Shares or equities held		
	Movements		30 June 2025	Movements		30 June 2025
	1 January 2025	for the current period		1 January 2025	for the current period	
Nanjing Project Company	702	-	702	98.29%	-	98.29%
Pacific Care Home at Dali	608	-	608	74.70%	-	74.70%
Shanghai (Putuo) Project Company	250	-	250	98.29%	-	98.29%
Pacific Care Home at Hangzhou	60	-	60	98.29%	-	98.29%
Wuhan Project Company	980	-	980	98.29%	-	98.29%
CPIC Capital	100	-	100	99.67%	-	99.67%
Pacific Care Home at Shanghai (Chongming)	1,253	-	1,253	98.29%	-	98.29%
Pacific Care Home at Shanghai (Putuo)	30	-	30	98.29%	-	98.29%
Borui Heming	52	-	52	98.29%	-	98.29%
CPIC Life (H.K.)	HKD 1,000 million	-	HKD 1,000 million	98.29%	-	98.29%
Qingdao Project Company	227	-	227	98.29%	-	98.29%
Pacific Care Home at Xiamen	40	-	40	98.29%	-	98.29%
Zhengzhou Project Company	650	-	650	98.29%	-	98.29%
Beijing Project Company	800	-	800	98.29%	-	98.29%
CPIC Technology	700	-	700	100.00%	-	100.00%
Xinbaoyu	3,650	-	3,650	98.46%	-	98.46%
CPIC Technology Wuhan	100	-	100	100.00%	-	100.00%
Sanya Project Company	490	-	490	98.29%	-	98.29%
Pacific Care Home at Nanjing	30	-	30	98.29%	-	98.29%
Pacific Care Home at Shanghai (Jing'an)	426	-	426	98.29%	-	98.29%
Pacific Care Home at Wuhan	30	-	30	98.29%	-	98.29%
Pacific Care Home at Suzhou	30	-	30	98.29%	-	98.29%
Pacific Care Home at Beijing	30	-	30	98.29%	-	98.29%
Pacific Care Home at Zhengzhou	45	-	45	98.29%	-	98.29%
Xiamen Rehabilitation Hospital	160	-	160	98.29%	-	98.29%
Guangzhou Project Company	830	-	830	98.29%	-	98.29%
Suzhou Project Company	300	-	300	98.29%	-	98.29%
Jinan Rehabilitation Hospital	260	-	260	98.29%	-	98.29%
Ruiyongjing Real Estate	14,050	-	14,050	68.80%	-	68.80%
Pacific Nanshanju	10	(4)	6	55.04%	43.25%	98.29%
Pacific Care Home at Sanya	-	30	30	-	98.29%	98.29%
CPIC Zhiyuan	-	10	10	-	99.67%	99.67%

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related party relationships (continued)

(3) Other major related parties

Name of entity	Relationship with the Company
Hwabao Investments Co., Ltd.	Shareholder with over 5% voting rights of the Company
Shenergy (Group) Company Limited	Shareholder with over 5% voting rights of the Company
Shanghai State-Owned Assets Operation Co., Ltd.	Shareholder with over 5% voting rights of the Company
China Baowu Steel Group Corporation Limited	Parent company of shareholders holding over 5% voting rights of the Company
Shanghai International Group Co., Ltd.	Parent company of shareholders holding over 5% voting rights of the Company
	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Baoshan Iron & Steel Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Baowu Carbon Technology Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Shanghai Baoxin Software Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Taiyuan Iron & Steel (Group) Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Hwabao WP Fund Management Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Shanghai International Group Asset Management Co., Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Hainan Shenergy New Energy Co., Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Shanghai Gas Co., Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Shenergy Company Limited	Subsidiary of shareholders holding over 5% voting rights of the Company
Shanghai LNG Company Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Binjiang-Xiangrui	Joint venture of the Company
Euler Hermes	Joint venture of the Company
Shanghai Juche Information Technology Co., Ltd. ("Juche")	Associate of the Company
Zhongdao Automobile Rescue Industry Co., Ltd. ("Zhongdao")	Associate of the Company
Shanghai Shantai Healthcare and Technology Company Limited ("Shantai Healthcare")	Associate of the Company
Shanghai Guangci Memorial Hospital Co., Ltd. ("Guangci Hospital")	Associate of the Company
The Company's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Property's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Life's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Asset Management's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Online Services' enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Health's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Senior Living Investment's enterprise annuity plan	Enterprise annuity fund established by the Group
PAAIC's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Real Estate's enterprise annuity plan	Enterprise annuity fund established by the Group
Pacific Medical & Healthcare's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Fund's enterprise annuity plan	Enterprise annuity fund established by the Group
Pacific Insurance Agency enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Technology enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Capital enterprise annuity plan	Enterprise annuity fund established by the Group
Orient Securities Company Limited ("Orient Securities")	Company of which the Group's related natural persons serve as directors or senior management personnel in the past 12 months
Swiss Reinsurance Company Ltd	Company of which the Group's related natural persons serve as directors or senior management personnel in the past 12 months
Hwabao Trust Co., Ltd.	Company of which the Group's related natural persons serve as directors or senior management personnel

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**3. Major transactions with related parties****3.1 Major transactions between the Group and related parties**

The transaction amount for the period was calculated since the entity was identified as a related party of the Group.

(1) Sale of insurance contracts

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Baoshan Iron & Steel Co., Ltd.	24	16
Shenergy Company Limited	5	4
China Baowu Steel Group Corporation Limited	5	-
Shanghai Gas Co., Ltd.	2	2
Taiyuan Iron & Steel (Group) Co., Ltd.	2	2
Orient Securities	1	3
Shanghai International Group Co., Ltd.	1	1
Shanghai International Group Asset Management Co., Ltd.	1	1
Shanghai State-Owned Assets Operation Co., Ltd.	1	1
Baowu Carbon Technology Co., Ltd.	1	1
Shanghai Baoxin Software Co., Ltd.	1	1
Shanghai LNG Company Ltd.	1	1
Hainan Shenergy New Energy Co., Ltd.	-	11
Total	45	44

Sale of insurance contracts to shareholders who individually own more than 5% of voting rights of the Company and the shareholders' parent company was RMB 7 million for the six months ended 30 June 2025 (For the six months ended 30 June 2024: RMB 2 million).

The Group's above related party transactions were entered into based on normal commercial terms during the normal course of insurance business. For the six months ended 30 June 2025 and 30 June 2024, the proportion of the scale premium of related parties to the total scale premium of the Group's was less than 1%.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.1 Major transactions between the Group and related parties (continued)

(2) Fund subscription and redemption transactions

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Hwabao WP Fund Management Co., Ltd.	<u>125</u>	<u>210</u>

(3) Transaction of asset management products

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Hwabao Trust Co., Ltd.	<u>8</u>	<u>11</u>

(4) Transaction of selling and buying bonds

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Orient Securities	1,066	41
Shanghai International Group Co., Ltd.	<u>-</u>	<u>120</u>
Total	<u>1,066</u>	<u>161</u>

(5) Distribution of cash dividends

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Shenergy (Group) Company Limited	1,513	1,427
Hwabao Investments Co., Ltd.	1,387	1,310
Shanghai State-Owned Assets Operation Co., Ltd.	<u>705</u>	<u>665</u>
Total	<u>3,605</u>	<u>3,402</u>

Distribution of cash dividends to shareholders who individually own more than 5% of voting rights of the Company was RMB 3,605 million for the six months ended 30 June 2025 (For the six months ended 30 June 2024: RMB 3,402 million).

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.1 Major transactions between the Group and related parties (continued)

(6) Premiums ceded to reinsurers (amounts incurred)

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Swiss Reinsurance Company Ltd	<u>2,109</u>	<u>2,129</u>

(7) Expense recoveries from reinsurers (amounts incurred)

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Swiss Reinsurance Company Ltd	<u>616</u>	<u>571</u>

(8) Claim recoveries from reinsurers (amounts incurred)

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Swiss Reinsurance Company Ltd	<u>1,085</u>	<u>1,045</u>

(9) Remuneration of key management

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Salary and other benefits	<u>11</u>	<u>11</u>

(10) The related party transactions between the Group and the established enterprise annuity funds during the periods are as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Contribution to the enterprise annuity plans	<u>329</u>	<u>325</u>

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.1 Major transactions between the Group and related parties (continued)

- (11) The major related party transactions between the Group and joint ventures during the periods are as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Binjiang-Xiangrui		
Fees for leasing office buildings of Binjiang-Xiangrui	38	41
Ruiyongjing Real Estate ^{note}		
Fees for leasing office buildings of Ruiyongjing Real Estate	59	61
Grant loans	347	332
Loan interests	151	144
Euler Hermes		
Purchase services	15	14

Note: Ruiyongjing Real Estate has become a subsidiary of the Group since 30 June 2025.

- (12) The major related party transactions between the Group and associates during the periods are as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Purchase services		
Zhongdao	101	99
Juche	57	67
Shantai Healthcare	46	65
Guangci Hospital	-	7
Total	204	238

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.2 Major transactions between the Company and related parties

- (1) The major related party transactions between the Company and subsidiaries during the periods are as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Purchase of insurance contracts		
CPIC Property	3	3
CPIC Health	-	6
	<hr/>	<hr/>
Total	3	9
	<hr/>	<hr/>
Rental income from office buildings		
CPIC Property	47	48
CPIC Technology	15	16
CPIC Life	5	6
Changjiang Pension	3	4
CPIC Senior Living Investment	2	2
Pacific Medical & Healthcare	2	1
CPIC Health	1	1
CPIC Asset Management	1	1
	<hr/>	<hr/>
Total	76	79
	<hr/>	<hr/>
Shared service centre fees		
CPIC Property	28	34
CPIC Life	19	20
CPIC Asset Management	2	2
CPIC Health	2	2
CPIC Technology	1	1
CPIC Online Services	1	1
CPIC Senior Living Investment	1	1
	<hr/>	<hr/>
Total	54	61
	<hr/>	<hr/>
Equipment rental fee		
CPIC Technology	58	46
	<hr/>	<hr/>
Asset management fee		
CPIC Asset Management	14	14
	<hr/>	<hr/>
Technology service fee		
CPIC Technology	150	148
	<hr/>	<hr/>
Medical examination fee		
CPIC Health	-	2
	<hr/>	<hr/>
Entrusted management fees		
CPIC Real Estate	4	2
	<hr/>	<hr/>

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.2 Major transactions between the Company and related parties (continued)

(1) The major related party transactions between the Company and subsidiaries during the periods are as follows: (continued)

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Rental fees		
CPIC Property	1	2
CPIC Life	1	1
Xinbaoyu	1	1
	<u>3</u>	<u>4</u>
Total		
	<u>3</u>	<u>4</u>
Text messaging service fee		
CPIC Technology	1	-
	<u>1</u>	<u>-</u>
Dividend income from subsidiaries		
CPIC Life	6,869	6,869
CPIC Property	3,144	1,965
CPIC Asset Management	382	369
CPIC Technology	24	11
CPIC Real Estate	18	49
	<u>10,437</u>	<u>9,263</u>
Total		
	<u>10,437</u>	<u>9,263</u>
Proceeds from disposal of subsidiaries		
CPIC Property	167	-
	<u>167</u>	<u>-</u>

The rents of the office buildings charged by the Company to CPIC Property, CPIC Technology, CPIC Life, Changjiang Pension, CPIC Senior Living Investment, CPIC Health, CPIC Asset Management and Pacific Medical & Healthcare are determined at the prices negotiated by both parties. The shared service centre fees charged by the Company to CPIC Life, CPIC Property, CPIC Asset Management, CPIC Health, CPIC Technology, CPIC Senior Living Investment and CPIC Online are based on the costs of the service providers and distributed in the proportion mutually agreed by both parties. The equipment rental fee charged by the Company to CPIC Technology is determined at the price negotiated by both parties. The asset management fee charged by CPIC Asset Management to the Company is determined by considering the type of entrusted assets, the size of the entrusted assets and the actual operating costs. The technology service fee charged by CPIC Technology to the Company is determined at the price negotiated by both parties. The entrusted management fees charged by CPIC Real Estate to the Company is determined at the price negotiated by both parties. The medical examination fee charged by CPIC Health to the Company is determined at the price negotiated by both parties. The rental fees of the office building incurred among the Company, CPIC Property, CPIC Life and Xinbaoyu are determined at the price negotiated by both parties. The text messaging service fee charged by CPIC Technology to the Company is determined at the price negotiated by both parties.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.2 Major transactions between the Company and related parties (continued)

(2) The major related party transactions between the Company and other related party of the Group during the periods are as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Fees for leasing office buildings Binjiang-Xiangrui	<u>26</u>	<u>27</u>

4. Receivables from and payables to related parties

(1) Receivables and payables between the Company and its subsidiaries are as follows:

	30 June 2025	31 December 2024
Dividends receivable		
CPIC Life	6,869	-
CPIC Property	3,144	-
CPIC Asset Management	382	-
CPIC Real Estate	<u>18</u>	<u>-</u>
Total	<u>10,413</u>	<u>-</u>

Other receivables		
CPIC Property	128	149
CPIC Technology	105	42
CPIC Life	60	101
Changjiang Pension	3	2
CPIC Asset Management	3	3
CPIC Health	3	3
CPIC Senior Living Investment	2	1
CPIC Online Services	1	1
Pacific Medical & Healthcare	<u>1</u>	<u>-</u>
Total	<u>306</u>	<u>302</u>

Other payables		
CPIC Technology	173	135
CPIC Asset Management	15	29
Xinbaoyu	5	4
CPIC Property	1	1
CPIC Life	1	-
CPIC Real Estate	-	5
CPIC Capital	<u>-</u>	<u>5</u>
Total	<u>195</u>	<u>179</u>

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Receivables from and payables to related parties (continued)

(2) Receivables and payables between the Group and its joint ventures are as follows:

	30 June 2025	31 December 2024
Other receivables		
Binjiang-Xiangrui	<u>1,772</u>	<u>1,772</u>
Other payables		
Binjiang-Xiangrui	<u>342</u>	<u>318</u>

The receivable due from Binjiang-Xiangrui is interest-free with no determined maturity date.

As at 31 December 2024, the balance of receivables and payables between CPIC and Ruiyongjing Real Estate included other receivables of RMB 124 million and debt investments at fair value through other comprehensive income of RMB 6,120 million. Ruiyongjing Real Estate became a subsidiary of CPIC on 30 June 2025.

(3) Receivables and payables between the Group and other related parties arising from reinsurance are as follows:

	30 June 2025	31 December 2024
Receivables from Swiss Reinsurance Company Ltd	<u>1,130</u>	<u>1,366</u>
Payables to Swiss Reinsurance Company Ltd	<u>1,123</u>	<u>863</u>

VIII. CONTINGENCIES

In light of the nature of the insurance business, the Group makes estimates for contingencies and legal proceedings in the ordinary course of business, both in the capacity as plaintiff or defendant in litigation and as claimant or respondent in arbitration proceedings. Legal proceedings mostly involve claims on the Group's insurance policies. Provisions have been made for the probable losses to the Group, including those claims where directors can reasonably estimate the outcome of the litigations taking into account legal advice, if any. No provision is made for contingencies and legal proceedings when the outcome cannot be reasonably estimated or the probability of loss is extremely low.

In addition to the legal proceedings of the above natures, as at 30 June 2025, the Group was the defendant in certain pending litigations. Provisions were made for the possible losses based on best estimate by the Group and the Group would only be contingently liable for any claim that is in excess of the provision made. No provision was made for contingencies and legal proceedings when the outcome cannot be reasonably estimated by the management or the probability of loss is extremely low.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

(All amounts expressed in RMB million unless otherwise specified)

IX. COMMITMENTS

1. Major projects with capital commitments

		30 June 2025	31 December 2024
Capital commitments			
Contracted, but not provided for	(1)(2)(3)(4)(5)	15,099	18,858
Authorised, but not contracted for	(1)	<u>1,341</u>	<u>2,101</u>
		<u>16,440</u>	<u>20,959</u>

As at 30 June 2025, major projects with capital commitments were as follows:

- (1) CPIC Life and CPIC Senior Living Investment obtained the use rights of 15 parcels of land located at Wenjiang District in Chengdu, Sichuan, etc, and set up 15 project companies named Chengdu Project Company, etc, accordingly as the owners of the land use rights to parcels of land and construction development subjects for the construction project “CPIC Home”. As at 30 June 2025, the cumulative amount incurred from construction in progress was approximately RMB 985 million. Of the balance, approximately RMB 2,200 million was disclosed as a capital commitment contracted but not provided for and approximately RMB 1,319 million was disclosed as a capital commitment authorised but not contracted for.
- (2) CPIC Life and a third party jointly established Taijiashan. The total investment of this project is approximately RMB 5,050 million among which CPIC Life subscribed capital contribution of RMB 5,000 million, accounting for 99.01% of the capital. As at 30 June 2025, CPIC Life has cumulatively made a capital contribution of RMB 2,800 million. Of the balance, RMB 2,200 million was disclosed as a capital commitment contracted but not provided for.
- (3) CPIC Life and CPIC Capital together subscribed 99.99% of the shares of Nanjing Taibao Xinhui Zhiyuan Equity Investment Fund Management Partnership (Limited Partnership) (“Xinhui Zhiyuan”). As at 30 June 2025, Xinhui Zhiyuan has invested in 7 equity investment funds with a total subscribed contribution of RMB 5,645 million, paid-in contribution of approximately RMB 2,611 million, and uncontributed capital of approximately RMB 3,034 million, which is listed as a capital commitment contracted but not provided for.
- (4) CPIC Life and CPIC Capital together subscribed 99.98% of the shares of China Pacific Changhang. As at 30 June 2025, China Pacific Changhang has invested in 2 unlisted equity and 28 equity investment funds (not including consolidated structured entities included in the scope of the Group) with a total subscribed contribution of RMB 8,489 million, paid-in contribution of RMB 5,658 million, and uncontributed capital of RMB 2,831 million, which is listed as a capital commitment contracted but not provided for.
- (5) The Company, CPIC Life and CPIC Capital together subscribed 90.90% of the shares of CPIC Health Fund. As at 30 June 2025, CPIC Health Fund has invested in 27 equity investment funds (not including consolidated structured entities included in the scope of the Group), with a total subscribed contribution of RMB 6,227 million, paid-in contribution of approximately RMB 4,554 million, and uncontributed capital of approximately RMB 1,673 million, which is listed as a capital commitment contracted but not provided for.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

IX. COMMITMENTS (continued)

2. Operating lease rental receivables

The Group leases its investment properties under various rental agreements. Future minimum lease receivables under non-cancellable operating leases are as follows:

	30 June 2025	31 December 2024
Within 1 year (inclusive 1 year)	554	583
1 to 2 years (inclusive 2 years)	306	318
2 to 3 years (inclusive 3 years)	112	187
3 to 5 years (inclusive 5 years)	78	105
More than 5 years	34	51
	<u>1,084</u>	<u>1,244</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT

1. Insurance risk

(1) Category of insurance risk and concentration of insurance risk

The risk under an insurance contract arises from the possibility of occurrence of an insured event and the uncertainty of the amount as well as time of any resulting claim. The major risk the Group faces under such contracts is that the actual claims payments and the costs of claims settlement exceed the carrying amount of insurance contract reserves, which are affected by factors such as claim frequency, severity of claim, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

Insurance risk could occur due to any of the following factors:

Occurrence risk - the possibility that the number of insured events will differ from that expected;

Severity risk - the possibility that the cost of the events will differ from that expected;

Development risk - the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

The above risk exposure is mitigated by the diversification across a large portfolio of insurance contracts. The variability of risks is also reduced by careful selection and implementation of underwriting strategy and guidelines, as well as the use of reinsurance arrangements.

The businesses of the Group mainly comprise long-term life insurance contracts (mainly including life insurance and long-term health insurance), short-term life insurance contracts (mainly including short-term health insurance and accident insurance) and property and casualty insurance contracts. For contracts where death is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. For property and casualty insurance contracts, claims are often affected by natural disasters, calamities, terrorist attacks, etc.

Currently, the Group's insurance risk does not vary significantly in relation to the locations of the risks insured by the Group whilst undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

There would be no significant mitigating terms and conditions that reduce the insured risk accepted for contracts with fixed and guaranteed benefits and fixed future premiums. Meanwhile, insurance risk is also affected by the policyholders' rights to terminate the contract, to pay reduced premiums, to refuse to pay premiums or to avail the guaranteed annuity option. Thus, the resultant insurance risk is subject to the policyholders' behaviour and decisions.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)

1. Insurance risk (continued)

(1) Category of insurance risk and concentration of insurance risk (continued)

In order to manage insurance risks more effectively, the Group manages insurance risks through reinsurance to reduce the effect of potential losses to the Group. Three major types of reinsurance agreements, ceding on a quota share basis or a surplus basis or excess reinsurance, are usually used to cover insurance liability risk, with retention limits varying by product line and territory. The reinsurance contract basically covers all insurance contracts with risk liability. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders. The Group's placement of reinsurance is diversified such that neither it is dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

(2) Assumptions

Long-term life insurance contracts

Material judgement is required in choosing discount rate assumption, insurance incident occurrence rate assumption (mainly including mortality and morbidity), surrender rate assumption, expense assumption and policy dividend assumption relating to long-term life insurance contracts. These measurement assumptions are based on current information available at the balance sheet date.

Property and casualty and short-term life insurance contracts

The calculation for liability for incurred claims is based on the Group's past claim development experience, including assumptions in respect of average claim costs, claim expenses, inflation factors and number of claims for each accident period. Additional qualitative judgement is used to assess the extent to which past trends may not apply in the future (for example, changes in external factors such as one-off events, public attitudes to claims, market factors such as economic conditions, judicial decisions and government legislation, as well as changes in internal factors such as portfolio mix, policy conditions and claims handling procedures).

Other key assumptions include risk adjustment for non-financial risk, delays in settlement, etc.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)

2. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk principally comprises three types of risks, namely interest rate risk arising from market interest rates, price risk arising from market prices and currency risk arising from foreign exchange rates.

The following policies and procedures are in place to mitigate the Group's exposure to market risk:

- A market risk policy of the Group setting out the assessment and determination of what constitutes market risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Risk Management Committee of the Group. The policy is reviewed regularly by the management of the Group for pertinence and for changes in the risk environment.

(1) Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates.

Since the Group operates principally in Mainland China, the Group has only limited exposure to currency risk, which arises primarily from certain insurance policies denominated in foreign currencies, bank deposits and common stocks, etc. denominated in the foreign currency.

(2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and floating rate instruments. The policy also requires it to manage the maturity of interest-bearing financial assets and interest-bearing financial liabilities. Interest on floating rate instruments is generally repriced once a year. Interest on fixed rate instruments is priced on initial recognition of related financial instruments and remains constant until maturity date.

The Group is not exposed to significant concentration risks.

(3) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), regardless of whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Financial investments exposed to market price risk mainly consist of stocks and equity investment funds under financial assets at fair value through profit or loss and equity investments at fair value through other comprehensive income. The Group's price risk policy requires it to manage such risk by setting and monitoring investment objectives, adopting related strategies and managing fluctuations arising from price risk in operating performance.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)

3. Credit risk

Credit risk is the risk that one party to a financial instrument or an insurance contract will cause a financial loss to the other party by failing to discharge an obligation.

The Group is exposed to credit risks primarily associated with deposit arrangements with commercial banks, financial assets at amortised cost, debt investments at fair value through other comprehensive income, securities purchased under agreements to resell, reinsurance contract assets and other assets.

Due to the restriction of the National Financial Regulatory Administration, majority of the Group's financial assets are government bonds, government institutional bonds, enterprise bonds, term deposits, debt investment plans and wealth management products. Term deposits are placed with national commercial banks or comparatively sound financial institutions, and most of enterprise bonds, debt investment plans and wealth management products are guaranteed by qualified institutions. Hence, the related credit risk of the investment should be regarded as relatively low. Meanwhile, the Group will perform credit assessments and risk appraisals for each investment before signing contracts, and determine to invest in those programs released by highly rated issuers and project initiators.

For securities purchased under agreements to resell and policy loans, there is a security pledge and the maturity period is less than one year. Premium receivables from life insurance are mainly renew premium within grace period. Hence, the related credit risk should not have significant impact on the Group's consolidated financial statements. The Group grants a short credit period and arranges instalment payment to reduce the property and casualty insurance businesses credit risk. The Group performs regular credit assessment of the reinsurance companies. Reinsurance of the Group is mainly entered into with highly rated reinsurance companies.

The Group mitigates credit risk by utilising credit control policies, undertaking credit analysis on potential investments, and imposing aggregate counterparty exposure limits.

Measurement of expected credit loss

In accordance with the new accounting standard for financial instruments, the Group applies the "expected credit loss model" to measure the impairment of financial assets such as financial assets at amortised cost and debt investments at fair value through other comprehensive income.

Criteria for judging significant changes in credit risk

Under the new financial instruments accounting standard, the Group assesses at each balance sheet date whether the credit risk of the relevant financial instruments has changed significantly since its initial recognition when considering the credit risk stages of financial assets. When determining the impairment stage of financial assets, the Group fully considers all reasonable and well-founded information, including forward-looking information, that reflects whether there has been a significant change in its credit risk. The main factors to be considered are regulatory and operating environment, internal and external credit rating, solvency, operating capacity, etc. The Group based on individual financial instruments or portfolios of financial instruments with similar credit risk characteristics to determine the stage classification of financial instruments by comparing the credit risks of the financial instruments at the reporting date with initial recognition.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

Measurement of expected credit loss (continued)

Criteria for judging significant changes in credit risk (continued)

The Group sets quantitative and qualitative criteria to determine whether the credit risk of financial instruments has changed significantly since the initial recognition, mainly including changes in the debtor's probability of default ("PD"), changes in credit risk classification, and other circumstances indicating significant changes in credit risk. In determining whether the credit risk of a financial instrument has changed significantly since the initial recognition, the Group considers overdue more than 30 days as one of the criteria for a significant increase in credit risk in accordance with the requirements of the standard.

Definition of financial assets that are credit-impaired

The criteria adopted by the Group in determining whether credit impairment has incurred are consistent with internal credit risk management objectives for the relevant financial instruments, taking into account quantitative and qualitative indicators. When assessing whether a debtor has incurred credit impairment, the Group mainly considers the following factors:

- The debtor is more than 90 days overdue after the due date of payment in the contract;
- Internal credit rating is a default rating;
- For economic or contractual reasons related to the debtor's financial difficulties, the creditor gives the debtor concessions that the creditor would not otherwise consider;
- Significant financial difficulties of the issuer or debtor;
- Breach of contract by the debtor, such as default or overdue payment of interest or principal;
- The debtor is likely to go bankrupt or other financial restructuring;
- Financial difficulties of the issuer or debtor lead to the disappearance of an active market for that financial asset;
- Purchase or originate a financial asset at a significant discount that reflects the fact that a credit loss has occurred.

Credit impairment of financial assets may be caused by a combination of multiple events, not necessarily by individually identifiable events.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

Measurement of expected credit loss (continued)

Parameters of the expected credit loss measurement

The models, parameters and assumptions used in measuring expected credit loss are described as follows:

Impairment provisions are measured in terms of expected credit losses over the next 12 months or throughout the lifetime of the assets, based on whether there has been a significant increase in credit risk and whether the asset has undergone credit impairment. The expected credit loss is the result of discounting the product of the company's exposure at default ("EAD"), PD and rate of loss given default ("LGD") under reasonable and evidence-based forward-looking information that can be obtained without undue cost or effort.

- i) EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime;
- ii) PD is the likelihood that the debtor will not be able to meet its payment obligations in the next 12 months or throughout the remaining lifetime;
- iii) LGD is the Group's expectation of the percentage of loss on the EAD will be lost. LGD varies depending on the type of counterparty, the manner and priority of recourse, and the availability of collateral or other credit support.

When assessing whether the credit risk of a financial instrument has increased significantly since its initial recognition, the Group takes into account changes in the risk of default over the expected lifetime of the financial instruments. The lifetime PD is derived from the 12-month PD based on the maturity information. Impairment for assets assessed on a collective basis is based on observable historical data and on the assumption that assets with the same credit rating and in the same portfolio for collective assessment are in the same situation. The above analysis is based on industry experience and supported by historical data.

Credit risk exposure

Without regard to the impact of guarantees or other credit enhancement methods, the carrying amount of financial assets in the Group's balance sheet reflects its maximum credit risk exposure at the balance sheet date.

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X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

Credit risk exposure (continued)

The following table sets out the credit risk exposure of financial instruments under the scope of the expected credit loss assessment:

	30 June 2025			Maximum credit risk exposure
	Stage 1	Stage 2	Stage 3	
Cash at bank and on hand	46,404	-	-	46,404
Securities purchased under agreements to resell	21,349	-	-	21,349
Term deposits	167,328	10,891	-	178,219
Financial Investments:	1,792,852	6,178	2,700	1,801,730
Financial assets at amortised cost	53,651	1,168	538	55,357
Debt investments at fair value through other comprehensive income	1,739,201	5,010	2,162	1,746,373
Restricted statutory deposits	6,898	-	-	6,898
Others	14,614	327	97	15,038
Total	2,049,445	17,396	2,797	2,069,638
	31 December 2024			Maximum credit risk exposure
	Stage 1	Stage 2	Stage 3	
Cash at bank and on hand	29,357	-	-	29,357
Securities purchased under agreements to resell	10,905	-	-	10,905
Term deposits	172,113	1,705	-	173,818
Financial Investments:	1,663,534	6,321	2,961	1,672,816
Financial assets at amortised cost	62,770	1,517	557	64,844
Debt investments at fair value through other comprehensive income	1,600,764	4,804	2,404	1,607,972
Restricted statutory deposits	6,851	-	-	6,851
Others	13,235	210	70	13,515
Total	1,895,995	8,236	3,031	1,907,262

As at 30 June 2025 and 31 December 2024, the collaterals for the financial assets that have suffered credit impairment were mainly stocks and equity investments.

The Group closely monitors collaterals for financial assets that have undergone credit impairment.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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X. RISK MANAGEMENT (continued)

4. Liquidity risk

Liquidity risk is the risk of capital shortage in the performance of repaying maturing debts or fulfilling other payment obligations.

Liquidity risk may result from the surrender, reduction or early termination of insurance contracts in other forms, the indemnity and payment, and the daily expenses of the Group.

When surrender, reduction or other forms of early termination happens, the Group determines the amounts that are payable on demand to policyholders in accordance with the terms of insurance contracts, which are usually the unearned premiums or the cash values of the relevant part of contracts, after deducting the applicable early termination fees. The Group seeks to manage its liquidity risk by setting out guidelines on asset allocation, portfolio limit structures and the maturity profiles of assets, in order to match the maturities of investment assets with the maturities of corresponding insurance liabilities, to provide funds for the Group to fulfil payment obligations in a timely manner.

The following policies and procedures are in place to mitigate the Group's exposure to liquidity risk:

- Setting up a liquidity risk policy for the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored, and exposures and breaches of the policy are reported to the risk management committee of the Group. The policy is regularly reviewed by the management of the Group for pertinence and for changes in the risk environment;
- Setting up emergency fund plans which specify the sources of emergency funds, the minimum amount of daily reserve funds, and the specific events that would trigger such plans.

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X. RISK MANAGEMENT (continued)

4. Liquidity risk (continued)

The tables below summarise the maturity profiles of the main financial assets and financial liabilities of the Group based on undiscounted contractual cash flows and remaining maturity of expected cash flows:

	30 June 2025					Total
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	
Financial assets:						
Cash at bank and on hand	46,404	-	-	-	-	46,404
Derivative financial assets	-	6	5	-	-	11
Securities purchased under agreements to resell	-	21,350	-	-	-	21,350
Term deposits	-	21,020	169,837	-	-	190,857
Financial investments:						
Financial assets at fair value through profit or loss	388	24,649	59,246	316,073	390,106	790,462
Financial assets at amortised cost	-	10,468	24,436	41,557	-	76,461
Debt investments at fair value through other comprehensive income	-	93,665	424,757	2,465,918	-	2,984,340
Equity investments at fair value through other comprehensive income	-	-	-	-	172,489	172,489
Restricted statutory deposits	-	1,718	5,497	-	-	7,215
Others	1,348	9,720	4,369	35	2	15,474
Subtotal	<u>48,140</u>	<u>182,596</u>	<u>688,147</u>	<u>2,823,583</u>	<u>562,597</u>	<u>4,305,063</u>
Financial liabilities:						
Derivative financial liabilities	-	-	60	-	-	60
Securities sold under agreements to repurchase	-	180,255	-	-	-	180,255
Bonds payable	-	367	10,734	-	-	11,101
Commission and brokerage payable	961	5,300	389	24	-	6,674
Lease liabilities	-	725	765	246	-	1,736
Long-term borrowings	-	70	136	-	-	206
Others	14,817	39,410	1,820	-	-	56,047
Subtotal	<u>15,778</u>	<u>226,127</u>	<u>13,904</u>	<u>270</u>	<u>-</u>	<u>256,079</u>
Net amount	<u>32,362</u>	<u>(43,531)</u>	<u>674,243</u>	<u>2,823,313</u>	<u>562,597</u>	<u>4,048,984</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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X. RISK MANAGEMENT (continued)

4. Liquidity risk (continued)

The tables below summarise the maturity profiles of the main financial assets and financial liabilities of the Group based on undiscounted contractual cash flows and remaining maturity of expected cash flows: (continued)

	31 December 2024					Total
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	
Financial assets:						
Cash at bank and on hand	29,136	221	-	-	-	29,357
Derivative financial assets	-	13	13	-	-	26
Securities purchased under agreements to resell	-	10,905	-	-	-	10,905
Term deposits	-	26,288	160,777	-	-	187,065
Financial investments:						
Financial assets at fair value through profit or loss	388	29,170	63,209	306,695	366,452	765,914
Financial assets at amortised cost	-	17,996	19,883	49,370	-	87,249
Debt investments at fair value through other comprehensive income	-	120,725	331,984	2,187,048	-	2,639,757
Equity investments at fair value through other comprehensive income	-	-	-	-	164,475	164,475
Restricted statutory deposits	-	739	6,534	-	-	7,273
Others	1,107	7,857	4,934	45	2	13,945
Subtotal	<u>30,631</u>	<u>213,914</u>	<u>587,334</u>	<u>2,543,158</u>	<u>530,929</u>	<u>3,905,966</u>
Financial liabilities:						
Derivative financial liabilities	-	14	82	-	-	96
Securities sold under agreements to repurchase	-	181,748	-	-	-	181,748
Bonds payable	-	367	11,101	-	-	11,468
Commission and brokerage payable	923	4,385	608	26	-	5,942
Lease liabilities	-	846	1,447	692	-	2,985
Others	714	40,240	1,700	-	-	42,654
Subtotal	<u>1,637</u>	<u>227,600</u>	<u>14,938</u>	<u>718</u>	<u>-</u>	<u>244,893</u>
Net amount	<u>28,994</u>	<u>(13,686)</u>	<u>572,396</u>	<u>2,542,440</u>	<u>530,929</u>	<u>3,661,073</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)

5. Operational risk

Operation risk is the risk of loss arising from existed issues on internal procedures, employees and information system failure, and impacts from the external events. When controls fail to perform, operational risk can affect the steady development and reputation of the company, give rise to legal or regulatory matters, or lead to financial loss to the Group.

The Group is exposed to many types of operational risks, including inadequate, or failure to obtain, proper authorisations or supporting documentation to comply with operational and informational system procedures that prevent frauds or errors by employees.

Through the establishment and implementation of internal control manuals, continuous optimisation of information systems, and monitoring and response to potential risks, the Group has established a long-term internal control mechanism to mitigate the impact of operational risks on the Group.

The following internal control measures are in place to mitigate the Group's exposure to operational risk:

- Setting up effective segregation of duties, access controls, authorisation and reconciliation procedures and user and authority controls for information system;
- Adopting supervisory measures such as compliance checks, risk investigations and internal audits;
- Regularly carrying out risk and internal control self-assessment and implementing rectification of defects;
- Implementing staff education and appraisals.

6. Mismatching risk of assets and liabilities

Mismatching risk of assets and liabilities is the risk due to the Group's inability to match its assets with its liabilities on the basis of duration, cash flow and investment return. Under the current regulatory and market environment, the Group is lack of investment in assets with a duration of sufficient length to match the duration of its medium and long-term life insurance liabilities. When the current regulatory and market environment permits, the Group will increase the profile of securities with fixed investment returns and lengthen the duration of its assets to narrow the gap of duration and investment returns of the existing assets and liabilities.

In order to further enhance the management of matching of assets and liabilities, the board of directors of the Group has the Strategy and Investment Decision & ESG Committee and Risk Management Committee to make significant decisions on asset-liability management. Besides, the Executive Management Committee of the Group has an asset-liability working group which is responsible for providing professional support for asset-liability management and matching.

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(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)**7. Capital management risk**

Capital management risk primarily refers to the risk of insufficient solvency as a result of the operation and administration of the Company or certain external events.

It is the Group's objective to maintain a strong credit rating and adequate solvency in order to support its business objectives and to maximise shareholder value. The specific measures are as follows:

- Managing its capital requirements by assessing shortfalls between reported and targeted capital levels on a regular basis;
- Stepping up efforts to maintain multiple sources of financing in order to meet solvency margin needs arising from future expansion in business activities;
- Continuously and proactively adjusting the portfolio of insurance business, optimising asset allocation and improving asset quality to enhance operating performance and the profitability.

The table below summarises the core capital, actual capital and minimum required capital of the Group and its major insurance subsidiaries determined according to solvency supervision rules:

	30 June 2025	31 December 2024
<u>Group</u>		
Core capital	385,700	358,078
Actual capital	534,478	503,745
Minimum required capital	202,581	197,079
Core solvency margin ratio	190%	182%
Comprehensive solvency margin ratio	264%	256%
<u>CPIC Life</u>	30 June 2025	31 December 2024
Core capital	232,439	213,418
Actual capital	366,386	345,510
Minimum required capital	170,640	164,313
Core solvency margin ratio	136%	130%
Comprehensive solvency margin ratio	215%	210%
<u>CPIC Property</u>	30 June 2025	31 December 2024
Core capital	59,987	58,153
Actual capital	73,696	70,698
Minimum required capital	30,629	31,852
Core solvency margin ratio	196%	183%
Comprehensive solvency margin ratio	241%	222%

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

X. RISK MANAGEMENT (continued)

7. Capital management risk (continued)

The table below summarises the core capital, actual capital and minimum required capital of the Group and its major insurance subsidiaries determined according to solvency supervision rules: (continued)

	30 June 2025	31 December 2024
<u>CPIC Health</u>		
Core capital	3,658	3,294
Actual capital	4,468	4,040
Minimum required capital	<u>2,045</u>	<u>1,716</u>
Core solvency margin ratio	179%	192%
Comprehensive solvency margin ratio	<u>218%</u>	<u>235%</u>
	30 June 2025	31 December 2024
<u>PAAIC</u>		
Core capital	2,787	2,868
Actual capital	3,099	3,153
Minimum required capital	<u>991</u>	<u>940</u>
Core solvency margin ratio	281%	305%
Comprehensive solvency margin ratio	<u>313%</u>	<u>335%</u>

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

XI. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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 value of financial instruments. For financial instruments where there is no active market, fair value is determined using valuation techniques.

The Group's financial assets mainly include cash at bank and on hand, derivative financial assets, securities purchased under agreements to resell, term deposits, financial assets at fair value through profit or loss, financial assets at amortised cost, debt investments at fair value through other comprehensive income, equity investments at fair value through other comprehensive income and restricted statutory deposits, etc.

The Group's financial liabilities mainly include long-term borrowings, securities sold under agreements to repurchase and bonds payable, etc.

Fair value of financial assets and liabilities not carried at fair value

The following table summarises the carrying values and estimated fair values of financial assets at amortised cost, long-term borrowings and bonds payable whose fair values are not presented in the consolidated balance sheet.

	30 June 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Financial assets at amortised cost	55,357	60,720	64,844	70,062
Financial liabilities:				
Long-term borrowings	157	158	-	-
Bonds payable	10,103	10,493	10,286	10,758

The carrying amount of other financial assets and financial liabilities approximate their fair value.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

XII. FAIR VALUE MEASUREMENT

Determination of fair value and fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The levels of the fair value hierarchy are as follows:

- (1) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities (“Level 1”);
- (2) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (“Level 2”); and
- (3) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) (“Level 3”).

The level of fair value calculation is determined by the lowest level input with material significance in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

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 Chinese interbank market are classified as Level 2 when they are valued at recent quoted prices from Chinese interbank market or from valuation service providers. Substantially most financial instruments classified within Level 2 of the fair value hierarchy of the Group 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. All significant inputs are observable in the market.

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determination to classify fair value measures within Level 3 of the valuation hierarchy is generally based on the significance of the unobservable factors to the overall fair value measurement, and valuation methodologies such as discounted cash flow models and other similar techniques. The Group’s valuation team may choose to apply internally developed valuation method to the assets or liabilities being measured, determine the main inputs for valuation, and analyse the change of the valuation and report it to management. Key inputs involved in internal valuation services are not based on observable market data. They reflect assumptions made by management based on judgements and experiences.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

XII. FAIR VALUE MEASUREMENT (continued)

Determination of fair value and fair value hierarchy (continued)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	30 June 2025			
	Level 1	Level 2	Level 3	Total fair value
<u>Assets measured at fair value</u>				
Term deposits measured at fair value	-	-	135,859	135,859
Financial assets at fair value through profit or loss				
- Stocks	186,591	-	815	187,406
- Funds	69,198	641	-	69,839
- Bonds	10,186	265,593	388	276,167
- Others	11,714	8,952	120,323	140,989
	<u>277,689</u>	<u>275,186</u>	<u>121,526</u>	<u>674,401</u>
Debt investments at fair value through other comprehensive income				
- Bonds	3,149	1,523,971	3,040	1,530,160
- Others	-	559	215,654	216,213
	<u>3,149</u>	<u>1,524,530</u>	<u>218,694</u>	<u>1,746,373</u>
Equity investments at fair value through other comprehensive income				
- Stocks	93,113	-	2,606	95,719
- Preferred stocks	-	12,604	-	12,604
- Others	924	12,554	32,371	45,849
	<u>94,037</u>	<u>25,158</u>	<u>34,977</u>	<u>154,172</u>
Derivative financial assets	-	11	-	11
<u>Liabilities measured at fair value</u>				
Derivative financial liabilities	-	60	-	60
<u>Assets for which fair values are disclosed</u>				
Financial assets at amortised cost (Note XI)	-	23,736	36,984	60,720
Investment properties	-	-	32,858	32,858
<u>Liabilities for which fair values are disclosed (Note XI)</u>				
Long-term borrowings	-	-	158	158
Bonds payable	-	-	10,493	10,493

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

XII. FAIR VALUE MEASUREMENT (continued)

Determination of fair value and fair value hierarchy (continued)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities: (continued)

	31 December 2024			
	Level 1	Level 2	Level 3	Total fair value
Assets measured at fair value				
Term deposits measured at fair value	-	-	132,893	132,893
Financial assets at fair value through profit or loss				
- Stocks	178,823	-	190	179,013
- Funds	63,249	7,223	-	70,472
- Bonds	8,902	265,045	388	274,335
- Others	15,117	4,939	123,323	143,379
	<u>266,091</u>	<u>277,207</u>	<u>123,901</u>	<u>667,199</u>
Debt investments at fair value through other comprehensive income				
- Bonds	1,538	1,341,350	3,107	1,345,995
- Others	-	851	261,126	261,977
	<u>1,538</u>	<u>1,342,201</u>	<u>264,233</u>	<u>1,607,972</u>
Equity investments at fair value through other comprehensive income				
- Stocks	71,506	-	4,546	76,052
- Preferred stocks	-	12,642	-	12,642
- Others	547	18,878	33,895	53,320
	<u>72,053</u>	<u>31,520</u>	<u>38,441</u>	<u>142,014</u>
Derivative financial assets	<u>-</u>	<u>26</u>	<u>-</u>	<u>26</u>
Liabilities measured at fair value				
Derivative financial liabilities	<u>-</u>	<u>96</u>	<u>-</u>	<u>96</u>
Assets for which fair values are disclosed				
Financial assets at amortised cost (Note XI)	-	25,765	44,297	70,062
Investment properties	-	-	14,169	14,169
Liabilities for which fair values are disclosed (Note XI)				
Bonds payable	<u>-</u>	<u>-</u>	<u>10,758</u>	<u>10,758</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

XII. FAIR VALUE MEASUREMENT (continued)

Valuation techniques

The fair value of the unquoted debt investments is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities, with appropriate adjustment where applicable.

The fair value of the equity investments has been determined using valuation techniques such as discounted cash flow method, comparison method of listed companies, recent transaction prices of the same or similar instruments, etc., with appropriate adjustments have been made where applicable, for example, for lack of liquidity using option pricing models.

The fair value of investment properties is determined using discounted cash flow method with unobservable inputs including estimated rental value per square metre per month and discount rate, etc. This method involves the projection of a series of cash flows from valuation date to economic life maturity date. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

XIII. EVENTS AFTER THE BALANCE SHEET DATE

The Group does not have significant post balance sheet events.

XIV. APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements have been approved for issue by the board of directors of the Company on 28 August 2025.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

APPENDIX: SUPPLEMENTARY INFORMATION TO THE INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(All amounts expressed in RMB million unless otherwise specified)

I. NET ASSET RETURN AND EARNINGS PER SHARE

	For the six months ended 30 June 2025		
	Weighted average return on net assets	Earnings per share (RMB per share)	
		Basic	Diluted
Net profit attributable to shareholders of the parent	9.6%	2.90	2.90
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	9.0%	2.73	2.73

The Company had no dilutive potential ordinary shares during the six-month period ended 30 June 2025.

	For the six months ended 30 June 2024		
	Weighted average return on net assets	Earnings per share (RMB per share)	
		Basic	Diluted
Net profit attributable to shareholders of the parent	9.5%	2.61	2.61
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	9.5%	2.61	2.61

Net profit attributable to shareholders of the parent net of non-recurring profit or loss are listed as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Net profit attributable to shareholders of the parent	27,885	25,132
Add/(Less): Non-recurring profit or loss items		
Government grants recognised in current profit or loss	(66)	(46)
Gains on disposal of fixed assets, intangible assets and other long-term assets, including write-off of provision for assets impairment	(73)	(1)
Other net non-operating income and expenses other than aforesaid items	14	53
Other items confirming to the definition of non-recurring profit or loss*	(1,603)	-
Effect of income tax relating to non-recurring profit or loss	38	4
Net profit less non-recurring profit or loss	26,195	25,142
Less: Net non-recurring profit or loss attributable to non-controlling interests	29	-
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	26,224	25,142

* Ruiyongjing Real Estate has become a subsidiary of the group since 30 June 2025. Ruiyongjing Real Estate was included in the scope of the Group's consolidated financial statements, resulting in a one-time profit or loss impact of RMB1.603 billion. See Note IV 2 for details.