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中国太平洋保险
China Pacific Insurance

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)

Overseas Regulatory Announcement

This overseas regulatory announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The announcement is attached hereof for information purpose only.

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

Hong Kong, 29 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 Tying Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I David and Mr. JIANG Xuping.

Summary of Quarterly Solvency Report

(Excerpts)

Pacific Health Insurance Co., Ltd.

2nd Quarter of 2025

Company overview and contact information

Company name (Chinese):	太平洋健康保险股份有限公司
Company name (English):	Pacific Health Insurance Co., Ltd.
Legal representative:	MA Xin
Registered address	7th-9th Floor, No.1 Zhongshan Nan Road, Shanghai, the PRC
Registered capital	3.6 billion yuan
Business license number	00000117
Date opening for business	December 2014
Business scope	Health and personal accident insurance denominated in RMB yuan and foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance；health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.
Business territories	Shanghai, Beijing, Guangdong Province, Sichuan Province.
Contact person：	XIA Bing
Tel. number：	+86-21-33968652
Cell phone:	13761619886
Fax number:	+86-21-68870641
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Contents

I. BOARD AND MANAGEMENT STATEMENT……4

II. BASIC INFORMATION……5

III. MAIN INDICATORS……11

IV. RISK MANAGEMENT CAPABILITIES……14

V. INTEGRATED RISK RATING (DIFFERENTIATED SUPERVISION)……15

VI. MANAGEMENT ANALYSIS AND DISCUSSIONS……16

I. BOARD AND MANAGEMENT STATEMENT

The report has been approved by the board of directors. The board chairman and senior management of the Company warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report while each of them is directly responsible for contents within their respective scope of responsibilities.

1. Voting results by directors

Name of directors	For	Against	Abstain
MA Xin	√		
MA Boyong	√		
YIN Yanling	√		
ZHANG Yuanhan	√		
ZHANG Weidong	√		
ZHOU Yanfang	√		
TAO Lei	√		
Total	7		

Note: Mark " √ " in corresponding blanks according to opinions of directors.

2. Are there directors who can not warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, or who have raised issues in this regard? （yes□no■）

II. BASIC INFORMATION

(I) Ownership structure and shareholders

1. Ownership structure

Types of shareholding	Shares or contribution as at the end of the reporting period (unit: 10,000 shares)	Percentage (%)	Shares or contribution as at the beginning of the reporting period (unit: 10,000 shares)	Percentage (%)
Domestic legal persons	360,000.00	100.00	360,000.00	100.00
Domestic natural persons	-	-	-	-
Foreign	-	-	-	-
Others	-	-	-	-
Total	360,000.00	100.00	360,000.00	100.00

2. Top 5 shareholders as at the end of the reporting period

Names of shareholders	Shares held or contribution made as at the end of the reporting period (unit: 10,000 shares)	Shareholding percentage as at the end of the reporting period (%)
China Pacific Insurance (Group) Co., Ltd.	306,183.60	85.051
China Pacific Life Insurance Co., Ltd.	53,816.40	14.949

3. Shareholding by directors, supervisors and senior management

Did any of them hold any shares of the Company during the reporting period? (Yes□ No■)

4. Share transfer during the reporting period

Did any share transfer occur during the reporting period? (Yes□ No■)

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (7 in total)

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Chairman of the Company since January 2021 (approval document: CBIRC [2021] No.4). Mr. MA currently serves as Vice President of CPIC Group and Director of CPIC. He previously served as Manager of Individual Business Department and Assistant General Manager of CPIC Life Xi'an Branch, Deputy General Manager and General Manager of CPIC Life Shaanxi Branch, General Manager of the Strategic Planning Department, head of Strategic Transformation Office, Transformation Director and Board Secretary of CPIC Group, Director of CPIC P/C, Acting Responsible Person of the Company and Director of Changjiang Pension.

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No.341). Mr. ZHANG currently serves as Chief Internal Auditor, General Counsel, Internal Audit Responsible Person of CPIC Group and Chairman of the Board of Supervisors of CPIC P/C and CPIC Life respectively. Mr. ZHANG previously served as General Manager of Legal & Compliance Department, head of the Board Office, General Manager of Risk Management Department, Risk & Compliance Officer, Chief Risk Officer, Compliance Responsible Person and Acting Internal Audit Responsible Person of CPIC Group, Director and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC respectively, and Director of Changjiang Pension.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a member of Society of Actuaries and American Academy of Actuaries respectively, and Director of China Association of Actuaries. He has been serving as Director of the Company since April 2021 (approval document: CBIRC [2021] No.280). Mr. ZHANG currently serves as Chief Actuary of CPIC Group and Director of CPIC P/C. Mr. ZHANG previously served as Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO, Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Director of Sun Life Everbright Asset Management Co., Ltd, Chief Risk Officer and Chief Actuary of the Company, Director of CPIC AMC, Finance Responsible Person of CPIC Group and Director and Acting Chief Actuary of CPIC Life.

Mr. MA Boyong, born in October 1967, holds a master's degree and designation of engineer. Mr. MA began to serve as Director of the Company in October 2023 (approval document: NFRA [2023] No. 362). Mr. MA currently serves as General Manager of Technology Management Department of CPIC Group and Director of CPIC Technology. Previously, he served as section head and Assistant General Manager of Information Technology Department of CPIC Group, Assistant General Manager of CPIC P/C Shanghai Branch, General Manager of IT Application Management Department of CPIC Group, General Manager of Information Security and Internal Control Management Department of CPIC Group, deputy head of Digitalisation Office, head of the Preparatory Team of Chengdu R & D Centre and General Manager of IT Design Department of CPIC Group.

Ms. ZHOU Yanfang, born March 1980, holds a master's degree. She became a Director of the Company in November 2024 (approval document: NFRA [2024] No.706). Ms. Zhou currently serves as Director of Strategic Research Center of CPIC Group. Her previous roles include Deputy Director of Strategic Research Center of CPIC Group, Senior Deputy General Manager of CPIC Life Shanghai Branch, Deputy General Manager (in charge) and General Manager of Pacific Medical Health Management Co., Ltd.

Ms. YIN Yanling, born in June 1972, holds a master's degree and is a member of China Association of Actuaries. She has been serving as Director of the Company since March 2025 (approval document: NFRA [2025] No.175). She currently serves as Deputy General Manager, Finance Responsible Person, Chief Actuary and Board Secretary of the Company. Previously, she served as head of the Actuarial Management Section of Planning and Finance Department of CPIC Group, Assistant General Manager of Planning and Finance Department of CPIC Group, Deputy General Manager (in charge) of Financial Investment Department/Actuarial Department, Deputy General Manager (in charge) of Financial Management Department/Actuarial Department, Deputy General Manager of Risk Management Department/Risk Monitoring Department, General Manager of Financial Management Department/Actuarial Department, and General Manager of Actuarial Department of CPIC Group, General Manager of Actuarial Department of CPIC Life, Acting Finance Responsible Person and Acting Actuarial Responsible Person of the Company.

Ms. TAO Lei, born in September 1977, holds a master's degree. She has been serving

as Director of the Company (approval document: NFRA [2025] No. 175) since March 2025. Ms. TAO currently serves as Deputy General Manager and Board Secretary of CPIC Life. Previously, she served as head of the Office of All-around Transformation, head of Transformation, head of the Office of Board of Directors/Board of Supervisors, General Manager of the Development and Planning Department, Board Secretary, and Assistant General Manager of CPIC P/C.

2. Supervisors (3 in total):

Mr. GU Qiang, born in January 1967, holds a master's degree and designation of Senior Accountant. He has been serving as Chairman of the Board of Supervisors of the Company (approval document: CBIRC [2021] No.165) since March 2021. Mr. GU currently serves as Employee Representative Supervisor of CPIC Group, Chairman of the Board of Supervisors of CPIC AMC and Chairman of the Board of Supervisors of Changjiang Pension. Mr. GU formerly was a lecturer at the Department of Finance and Insurance of Shanghai University of Finance and Economics, senior auditor of Pricewaterhouse Da Hua Certified Public Accountants, Manager of the International Business Department of Wanguo Securities Co., Ltd., Vice President and CFO of Shanghai Branch of American International Underwriters, served as Deputy Chief Accountant, CFO, Finance Responsible Person and Deputy General Manager of CPIC P/C, Deputy General Manager and Finance Responsible Person of Anxin Agricultural Insurance Co., Ltd.

Ms. HU Shuangzhu, born in September 1980, holds a master's degree. She is a certified internal auditor, certified information system auditor, financial risk manager, and has CRMA qualification. She has been serving as Supervisor of the Company since August 2016 (approval document: CIRC [2016] No.814). Ms. HU currently serves as Chief Auditor of Internal Control Operation Department, Internal Audit Center of CPIC Group. Previously, Ms. HU served as Senior Manager of PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd., Chief Auditor of Internal Audit Business Department and Chief Auditor of Internal Control Technology Department of Internal Audit Center of CPIC Group.

Mr. WANG Yong, born in July 1974, holds a master's degree. He has been serving as Supervisor (employee representative) of the Company (approval document: NFRA [2025] No.189) since April 2025. Mr. WANG currently serves as Secretary of the Party Discipline Inspection Commission of the Company and Chairman of the Trade Union of

the Company. Previously, he served as Assistant General Manager of the Human Resources Department of CPIC Life, Secretary to Chairman of CPIC Group, head of the Party Affairs Department, General Manager of the Employee Work Department, vice head of the Party Committee Office and head of the Party-People Work Department of CPIC Group, General Manager of CPIC P/C Tianjin Branch, Deputy Secretary of the Party Committee of IT Centre of CPIC Group, Senior Deputy General Manager of CPIC Life Suzhou Branch, head of the Strategy Research Centre of CPIC Group, head of the Party Committee Inspection Team of CPIC Group, and Director of the Company.

3. Senior management at head-office level (7 in total)

Mr. SHANG Jiaoyan, born in March 1978, holds a bachelor's degree, and has been serving as General Manager of the Company since May 2023 (approval document: CBIRC [2023] No. 293). Previously, Mr. SHANG served as head of Sales and Deputy General Manager (in charge) of Ping An Health Insurance Company Beijing Branch, Marketing Director/ General Manager of Individual Business Division of Ping An Health Insurance Company and Vice President of Tencent WeSure.

Mr. LI Jieqing, born in November 1968, holds a bachelor's degree. He has been serving as Deputy General Manager of the Company (approval document: CIRC [2016] No.450) since May 2016 and as Chief Risk Officer of the Company since August 2021 (no approval document), and Compliance Responsible Person of the Company since January 2024 (approval document: NFRA [2024] No. 42). Mr. LI also serves as Director of Shanghai Proton & Heavy Ion Hospital. Previously, Mr. LI served as Director of Risk and Compliance, Compliance Responsible Person and General Manager of Risk Management Department of CPIC Group, Director of CPIC P/C, CPIC Life, CPIC AMC and the Company, respectively.

Mr. SONG Quanhua, born in February 1973, holds a master's degree. He has been serving as Deputy General Manager of the Company (approval document: CBIRC [2021] No.691) since September 2021. He previously served as Deputy General Manager of CPIC Life Ningbo Branch, General Manager of CPIC Life Dalian Branch, Director of Party Affairs Department, General Manager of New Channel Business Department, General Manager of Corporate Channel Business Marketing Department, Deputy General Manager of Health and Elderly Care Business Center and Deputy General Manager of Group Business Center of CPIC Life, and General Manager of Pacific Medical & Healthcare Management Co., Ltd.

Mr. GUO Chao, born in February 1982, holds a master's degree, and is a member of the Society of Actuaries. He has been serving as Deputy General Manager of the Company since July 2024 (approval document: CBIRC [2021] No.697), and his qualifications do not require a second-time approval. Mr. GUO previously served as General Manager of the Brokers Department of Cigna & CMB Health Insurance, President of Shanghai Fuheng Insurance Brokers, President of Shanghai Xingyi Health Management Co., Ltd., General Manager of Health Insurance Business of Fosun High Tech (Group) and Deputy General Manager of Fosun United Health Insurance Co., Ltd.

Ms. YIN Yanling, born in June 1972, holds a master's degree and is a member of China Association of Actuaries. She has been serving as Finance Responsible Person of the Company since September 2021 (approval document: CBIRC [2021] No.729), serving as Chief Actuary of the Company since August 2022 (approval document: CBIRC [2022] No.532), as Board Secretary of the Company since August 2022 (no approval required) and as Deputy General Manager of the Company since March 2025 (approval document: NFRA [2025] No.160). She became a Director of the Company in March 2025 (approval document: NFRA [2025] No.175). Previously, she served as head of the Actuarial Management Section of Planning and Finance Department of CPIC Group, Assistant General Manager of Planning and Finance Department of CPIC Group, Deputy General Manager (in charge) of Financial Investment Department/Actuarial Department, Deputy General Manager (in charge) of Financial Management Department/Actuarial Department, Deputy General Manager of Risk Management Department/Risk Monitoring Department, General Manager of Financial Management Department/Actuarial Department, and General Manager of Actuarial Department of CPIC Group, General Manager of Actuarial Department of CPIC Life, Acting Finance Responsible Person and Acting Actuarial Responsible Person of the Company.

Ms. SUN Min, born April 1977, holds a doctoral degree and the designation of Senior Auditor. She has been serving as Internal Audit Responsible Person of the Company in since May 2025 (approval document: NRFA [2025] No. 266). Ms. Sun currently serves as General Manager of the Internal Audit Operations Department of CPIC Group. Her previous positions include Deputy Section Chief of Internal Audit Department of CPIC Life; Senior Auditor of Internal Audit Center of CPIC Group; Deputy General Manager of Internal Audit Technology Department, Deputy General Manager of Digital Audit Technology Department of CPIC Group and Acting Internal Audit Responsible Person

of the Company.

Ms. XUE Yongxian, born in November 1976, holds a master's degree. She has been serving as Assistant General Manager of the Company (approval document: NFRA [2025] No.324) since May 2025. Ms. XUE currently serves as head of Key Account Business Center of the Company. Previously, she served as Employee Representative Supervisor of the Company, Chairman of the Trade Union, General Manager of Shanghai Branch, General Manager of Sales Management Department and General Manager of Individual Life Insurance Cooperation Business Centre (SBU) of the Company; Deputy General Manager of Group Business Department/ Planning and Training Division of CPIC Life, Assistant General Manager of Group Business Department/ Accident Insurance Division of CPIC Life, Assistant General Manager/ Senior Manager of Group Business Department/ Direct Sales Supervision Division of CPIC Life, and section head of Group Business Department of CPIC Life.

Note: In April 2025, Ms. ZHOU Yanfang began to serve as Director of Changjiang Pension; in April 2025, Mr. WANG Yong began to serve as Supervisor (employee representative) of the Company and Ms. XUE Yongxian ceased to serve as Supervisor (employee representative) of the Company. Ms. Xue began to serve as Assistant General Manager of the Company in May 2025.

(IV) Subsidiaries, joint ventures or associate ventures (Yes■ No□)

One associate venture: Shanghai Proton & Heavy Ion Hospital. The Company completed an investment of RMB100 million in the entity in January 2016, holding 20% of its shares.

There was no change during the reporting period.

(V) Breaches and administrative penalties during the reporting period (Yes□ No■)

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: 10,000 RMB yuan

Items	As at the end of the reporting quarter	As at the end of the previous quarter	Next quarter estimates
Admitted assets	1,331,381.54	1,266,846.73	1,385,674.30
Admitted liabilities	884,587.13	836,592.70	936,441.73

Actual capital	446,794.41	430,254.03	449,232.56
Tier-1 core capital	336,406.04	331,982.65	331,268.75
Tier-2 core capital	29,387.21	28,894.33	31,062.29
Tier-1 supplement capital	77,131.16	67,276.61	82,810.92
Tier-2 supplement capital	3,870.00	2,100.43	4,090.60
Minimum capital	204,529.29	184,690.32	213,792.46
Minimum capital for quantifiable risks	202,981.36	183,292.54	212,174.43
Minimum capital for control risk	1,547.93	1,397.78	1,618.03
Minimum capital for supplement capital	-	-	-
Solvency margin			
Core solvency margin	161,263.96	176,186.66	148,538.59
Comprehensive solvency margin	242,265.13	245,563.71	235,440.10
Core solvency margin ratio (%)	179	195	169
Comprehensive solvency margin ratio (%)	218	233	210

(II) Regulatory indicators for liquidity risk

Indicators	During/as at the end of the reporting quarter	During/as at the end of the preceding quarter
Actual cash flow (unit:10,000 yuan)	19,627.84	3,191.49
Retrospective adverse deviation ratio of net cash flows from operating activities (%)	2433	-75
Overall liquidity coverage ratio under base scenario (next 3 months)(%)	147	119
Overall liquidity coverage ratio under base scenario (next 12 months)(%)	113	105
Overall liquidity coverage ratio under stress scenario - mandatory (next 3 months)(%)	515	456
Overall liquidity coverage ratio under stress scenario - mandatory (next 12 months)(%)	156	175
Overall liquidity coverage ratio under stress scenario - self-assessment (next 3 months)(%)	501	455
Overall liquidity coverage ratio under stress scenario - self-assessment (next 12 months)(%)	208	217
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 3 months)(%)	202	129
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 12 months)(%)	82	89
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 3 months)(%)	224	170
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 12 months)(%)	146	148

(III) Other indicators for liquidity risk

Indicators	As at the end of /during the reporting quarter	As at the end of/ during the previous quarter
Net cash flows from operating activities (unit: 10,000 yuan)	35,959.83	1,232.23
Comprehensive surrender ratio (%)	0.44	0.21
Net cash flows from participating/universal accounts	-	-
Written premiums year-on-year growth (%)	38.52	34.68
Share of cash and liquidity management tools (%)	4.96	3.75
Quarterly average financial leverage ratio (%)	1.75	3.11
Share of domestic fixed income assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above (%)	-	-
Share of receivables (%)	23.61	21.25
Share of related party assets held (%)	5.00	4.09

(IV) Key business metrics

unit: 10,000 yuan

Indicators	As at the end of the reporting quarter/during the reporting quarter	As at the end of the reporting quarter/YTD
Gross written premiums	215,023.39	452,478.17
Net profit	2,062.00	3,866.60
Total assets	1,025,746.65	1,025,746.65
Net assets	331,106.76	331,106.76
Insurance contract liabilities	544,015.35	544,015.35
Basic earnings per share (yuan)	0.01	0.01
ROE (%)	0.62	1.16
ROA (%)	0.20	0.38
Investment yield (%)	1.19	2.07
Comprehensive investment yield (%)	1.43	2.30

Note: Net profit, total assets, net assets, and insurance contract liabilities listed above were disclosed according to the Financial Report (which was prepared based on Chinese accounting standards such as Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of Finance in 2017, and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020); basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of aforementioned indicators.

(V) Average investment yield and average comprehensive investment yield in the past three years

Average investment yield and average comprehensive investment yield of the Company in the past three years were 3.33% and 3.58%, respectively.

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of June 2025, its total assets reached 10,257.4665 million yuan, with written premiums amounting to 2,174.1299 million yuan in the first half of 2025. It has 4 provincial-level branch offices, and according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

(II) Measures taken to improve risk management and the latest status

The Company revised and formulated its 2025 risk appetite and risk tolerance. Based on realities of its business operation and with an aim of preventing major risks, we set specific indicators and thresholds for the 2025 risk limit framework. The framework covers all types of risks faced by the Company, including insurance business, investment and operational management, seeking to ensure effective constraints on key business lines / areas.

The Company monitored indicators of Integrated Risk Rating (IRR) and other relevant life insurance regulatory ratings for forward-looking and retrospective analyses. It focused on rectification of “weak links” while breaking down and cascading risk management responsibilities to functions/departments to continuously enhance its overall risk management capabilities.

In Q2 2025, the Company's risk management system and all related activities were consistently implemented as per established risk management policies and procedures. Under the framework of the Company's risk management and risk appetite systems, no major risk events occurred during the second quarter of 2025.

(III) Results of Latest Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 80.15 points at SARMRA assessment for 2022. To be specific, it

consisted of 16.29 points for risk management infrastructure and environment, 7.69 points for risk management objectives and tools, 7.98 points for insurance risk management, 8.14 points for market risk management, 8.13 points for credit risk management, 8.16 points for operational risk management, 7.81 points for strategic risk management, 7.89 points for reputational risk management, and 8.06 points for liquidity risk management.

V. Integrated risk rating (differentiated supervision)

(I) IRR results in the previous two quarters

The Company was rated AA for both Q4 of 2024 and Q1 of 2025, which met regulatory requirements in solvency, with a low level of operational risk, reputational risk, strategic risk and liquidity risk.

(II) Measures taken or to be taken for improvement

In Q2 2025, in light of Assessment Criteria for Unquantifiable Risks of Insurance Companies, the Company took key control measures for operational and strategic risk indicators which, according to the self-assessment, could be further improved. In terms of operational risk, it continued to enhance operational efficiency while maintaining current operational turnaround and quality, focusing particularly on handling of insurance frauds and customer complaints, and on implementing the use of 3 operational risk management tools as per regulatory requirements. With regard to strategic risk, it maintained stability in senior management turnover and business development. As for reputational risk, it maintained the status of zero media crisis during the reporting period.

(III) Findings of self-assessment of operational, strategic and reputational risks

Liquidity risk: Liquidity risk of the Company mainly stems from claims and maturity payments on insurance contracts, and daily expenditures on business activities. As of the end of Q2 2025, there were no circumstances which may trigger liquidity risk. The Company maintained a high proportion of liquid assets, with the 5-day liquidation ratio at sound levels, which enabled it to meet various needs for liquidity. At the same time, the Company maintained a certain level of gear ratio and financing activities to ensure sufficient borrowing to ease the pressure on liquidity in the unlikely event of emergencies. Overall, the sources of liquidity outweighed needs for liquidity, indicating a low risk of liquidity gaps.

Operational risk: In terms of compliance and internal control, the Company detected no breaches and received no administrative penalties from the regulator in Q2 2025. On the IT

side, the Company’s core systems were 100% usable, and there was no financial losses incurred due to system failures. As for personnel, workforce turnover was relatively low. There was no losses resulting from operational risk incidents in sales, U/W, POS, claims settlement or investment, or occurrence of insurance frauds in the quarter.

Reputational risk: The Company's media monitoring system includes the in-house system of the Group and third-party monitoring services, which can effectively monitor, on a daily basis, negative publicity of the Company and its insurance/ investment counter-parties. In daily work, the Company strictly implements various reputational risk management processes covering early-stage assessment, risk handling and post-crisis accountability. In the reporting quarter, the Company did not experience any reputational risk events on mainstream (Level-1 or Level-2) or other types of media.

Strategic risk: In light of its Strategic Development Plan and annual business objectives, the Company defined its strategic positioning, paths of implementation and expected results. It has a clear strategic direction, with detailed plans for execution. Guided by its own strategic objectives and those of the Group, the Company will strive for breakthroughs across all KPIs in the next three years to pursue high-quality development. It formulated strategic decisions based on market environment to identify, assess and manage strategic risks by means of target breakdown, business review on a regular basis, analysis of market conditions and its own strengths and weaknesses. In Q2 of 2025, there was no breach of risk limits and no occurrence of strategic risk incidents.

VI. Management analysis and discussions

(I) Solvency Analysis

1. Actual capital

As at 30 June 2025, actual capital of the Company amounted to 4,467.9441 million yuan, an increase of 3.8% from the previous quarter, mainly due to increase in future surplus on insurance policies.

2. Minimum capital

Minimum capital of the Company as at the end of the reporting period was 2,045.2929

million yuan, up by 10.7% from the end of the previous quarter, mainly due to: changes to long-term business mix and business growth, which increased minimum capital requirement for life insurance risk; increase in fair value of equity investments from the preceding quarter, which led to higher minimum capital requirement for market risk; changes to aging distribution of accounts receivable and extended duration of corporate/enterprise bonds, which led to increase in minimum capital for credit risk. Of this, minimum capital for life insurance risk was 1,708.9709 million yuan, that for non-life business was 813.8318 million yuan, that for market risk 365.3508 million yuan, that for credit risk 306.7839 million yuan, diversification effect for quantifiable risk was 939.5890 million yuan, and that for control risk was 15.4793 million yuan.

3. Solvency margin ratios

As of 30 June 2025, the Company's core solvency margin was 1,612.6396 million yuan, with a core solvency margin ratio of 179%; comprehensive solvency margin was 2,422.6513 million yuan, with a comprehensive solvency margin ratio of 218%.

(II) Liquidity risk

For the reporting quarter, net cash flow was 196 million yuan, mainly because of increased cash received from operating activities; the difference between actual net cash flow from operating activities and the estimate was 362 million yuan, with a retrospective adverse deviation ratio of 2433%, in line with regulatory requirements. As of the end of Q2 2025, all liquidity coverage ratios under various scenarios and all liquidity indicators were in compliance with regulatory requirements.

The Company will strictly follow regulatory rules and requirements on solvency-related cash flow projection, take into account factors such as business development and market changes, regularly evaluate the effectiveness of its liquidity risk management mechanisms and systems, and make appropriate arrangements, if necessary, to ensure a reasonable liquidity risk level.