

新華人壽保險股份有限公司

NEW CHINA LIFE INSURANCE COMPANY LTD.

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

Stock Code : 01336

**新华保险
保得长久**

2025 Annual Report



NCI 新华保险

IMPORTANT INFORMATION

- 1 The board of directors and directors, and members of senior management of the Company guarantee the correctness, accuracy and completeness of the contents of this report, and that there is no false representation, misleading statement or material omission in this report, and are legally liable for this report jointly and severally.
- 2 The Annual Report 2025 of the Company was considered and approved at the 5th meeting of the ninth session of the Board on 27 March 2026, which 10 directors were required to attend and 10 of them attended in person.
- 3 The consolidated financial statements 2025 of the Company were audited by Deloitte Touche Tohmatsu in accordance with International Standards on Auditing, and Deloitte Touche Tohmatsu issued the standard unqualified audit report.
- 4 Mr. YANG Yucheng, the Chairman of the Company, Mr. GONG Xingfeng, the President and Financial Principal of the Company, Mr. PAN Xing, the Chief Actuary of the Company and Ms. HE Zhangmei, the Head in charge of Accounting Department of the Company, guarantee the correctness, accuracy and completeness of financial statements in the Annual Report 2025.
- 5 The Company distributed 2025 interim cash dividend of RMB0.67 (inclusive of tax) per share to all shareholders, approximately RMB2,090 million in total. The Company proposes to distribute 2025 final cash dividend of RMB2.06 (inclusive of tax) per share to all shareholders, approximately RMB6,426 million in total. The proposed total cash dividend for the year 2025 amounted to RMB8,516 million, increasing by 7.9% year on year, representing approximately 25.1% of net profit attributable to shareholders of the Company after deducting non-recurring items and 23.5% of net profit attributable to shareholders of the Company as contained in the 2025 financial statements of the Company. The above final dividend distribution plan is subject to the approval of shareholders' general meeting.
- 6 The forward-looking statements such as future plans and development strategies in this report do not constitute substantive undertakings. Investors are advised to be cautious about investment risks.
- 7 There is no non-operating usage of funds by the controlling shareholder or its related parties of the Company.
- 8 There is no external guarantee provided by the Company which violates the decision-making procedures of the Company.
- 9 The major risks of the Company include market risk, credit risk, insurance risk, operational risk, reputation risk, strategic risk, liquidity risk, etc. The Company has taken various measures to effectively manage and control all sorts of risks. Please refer to "Corporate Governance" of this report for details.

DEFINITIONS

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

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

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



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About New China Life

Founded in September 1996, New China Life is a large and nationwide life insurance company with its headquarters in Beijing. New China Life was listed on the SSE, stock code: 601336, and the HKSE, stock code: 01336.

New China Life has always been committed to forging China's leading financial service group with insurance business at its core, and provides life insurance products and services for 30.621 million individual customers and 78 thousand institutional clients through nationwide distribution and service networks. The Company relies on its subsidiary, New China Asset Management Company, to make professional utilization of insurance funds, and offers professional pension insurance services through its another subsidiary, New China Pension Company. The Company has promoted the development of old-age care and healthcare industries to boost its life insurance business.

The Company advanced the customer-centric, professional, market-oriented and systematic reforms, creating a multi-tiered product system based on the needs of customers' whole life cycle, building a service ecosystem covering ten major fields of "medical care, healthcare, old-age care, wealth management, commerce, taxation, law, education, leisure and culture" and forging first-class investment management to comprehensively enhance its core competitiveness and to achieve its high-quality and high-level development.



The year 2025 marked the conclusion of the “14th Five-Year Plan” and also a crucial year for NCI as it advanced towards a new stage of high-quality development. Keeping matters of national significance in mind and upholding the principle of finance for the people, we forged ahead on the path of serving national strategies, safeguarding families’ wellbeing and shouldering social responsibilities. In 2025, we remained committed to pursuing the quality-driven growth, deepened the professional, market-oriented and systematic reforms and promoted the synergistic development model of “insurance + service + investment”. With the determination and resolution to tackle tough challenges, we strived to enhance our market competitiveness and drove our business performance to new heights. The total assets, gross written premiums (“**GWP**”), embedded value, net profit, shareholders’ return and total market capitalization all reached historic highs, delivering the best performance since the Company’s inception.

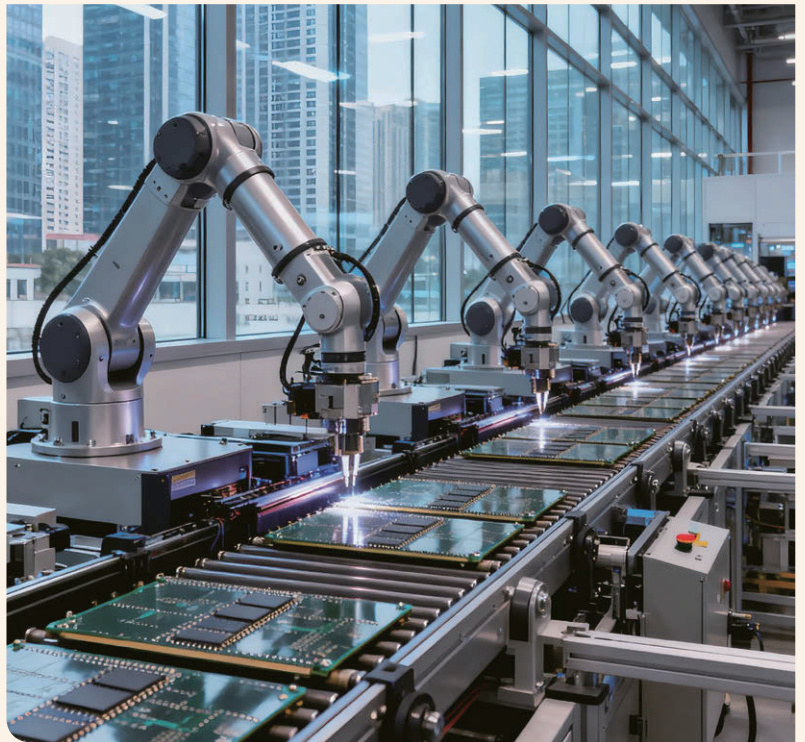
As of the end of 2025, the total assets of the Company reached approximately RMB1.9 trillion with year-on-year (“**YoY**”) growth of 12.2%. In 2025, the Company achieved GWP of RMB195,871 million with annual growth rate of 14.9%, embedded value of RMB287,840 million with a year-on-year increase of 11.4%, and net profit attributable to shareholders of the Company RMB36,284 million, increasing by 38.3% year-on-year. The Company placed great emphasis on sharing its growth outcomes with investors and proposed to distribute a final cash dividend of RMB2.06 per share (inclusive of tax). The proposed total cash dividend amounted to RMB8,516 million for the year 2025 (including the distributed 2025 interim cash dividend of RMB2,090 million), increasing by 7.9% year-on-year. Building on strong business performance and market influence, the Company’s share price continued to rise, with its increase leading the A share and H share insurance sectors and the market capitalization exceeding the RMB200 billion mark.

CHAPTER 1 FORGING AHEAD TO ADVANCE THE “FIVE PRIORITIES” IN FINANCE

In 2025, we enhanced the quality and efficiency of serving national strategies, improved its management framework, established a dedicated task force and formulated implementation plans for the “five priorities” in finance, namely technology finance, green finance, inclusive finance, pension finance and digital finance. The investment in serving the “five priorities” in finance exceeded RMB360 billion, representing a year-on-year increase of over 20%.

“TECHNOLOGY FINANCE” EMPOWERING INNOVATION- DRIVEN GROWTH

We facilitated the development of technology innovation enterprises, providing protection with sum assured over RMB1.2 trillion for more than 14 thousand technology-based companies. We invested in the National Venture Capital Guidance Fund, the CASSTAR Fund (中科创星基金), etc., and allocated to the first batch of sci-tech innovation bond ETFs and AI chip enterprises. By the end of 2025, the related investment reached RMB140 billion, offering financial support for modern industrial innovation.



“GREEN FINANCE” PRACTICING SUSTAINABLE DEVELOPMENT

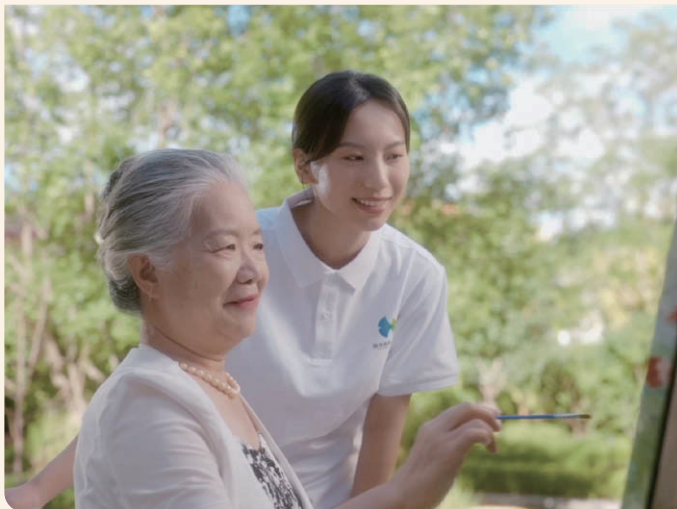
We refined our overarching ESG management framework and integrated climate risk management into our overall risk management system. We prioritised investments in areas such as green bonds and publicly offered REITs in clean energy, including State Power Investment Corporation’s clean energy, TBEA’s new energy, Ming Yang Smart Energy’s new energy, etc. By the end of 2025, the related investment reached RMB75.1 billion, demonstrating our commitment to supporting the national energy transition through concrete actions.

“INCLUSIVE FINANCE” CONVEYING WARMTH TO PEOPLE’S LIVELIHOODS

We improved the inclusive insurance product portfolio and intensified our efforts to promote inclusive insurance business. In details, we underwrote 46 people’s welfare insurance projects and filled the gaps in protection against critical illnesses and high medical expenses through products tiering and coverage expanding. We subscribed to multiple ABS products backed by loans to small and micro-enterprise, consumer finance, and rental housing REITs, with the investment of around RMB55.6 billion in the inclusive finance sector to improve social welfare and consumption. We established “Senior Citizen Service Stations” (銀髮服務驛站) at nationwide



network of counters to provide assistance for elderly customers in using smart devices.

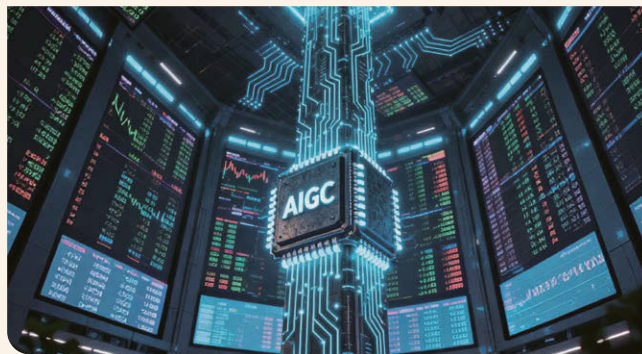


“PENSION FINANCE” SECURING THE HEALTH OF THE ELDERLY

We strengthened our multi-tiered healthcare and old-age care insurance system and launched various healthcare and long-term care insurance products. We vigorously developed the second and third pillars of pension business and accelerated the layout of medical care, healthcare and old-age care ecosystem, and basically completed “Xinhua Yue” healthcare and old-age care communities. And the light, medium and heavy asset model covered the east, west, south, north and central regions, thereby providing customers with high-quality institution-based old-age care services. We also increased investment in the healthcare and old-age care industry with the amount of RMB26.8 billion.

“DIGITAL FINANCE” BOOSTING DIGITAL-INTELLIGENT EFFICIENCY

We vigorously supported enterprises in digital industry chains such as artificial intelligence (“AI”), cloud computing and big data, with the investment over RMB68 billion. We also invested in the country’s first batch of data centers to back up the development of new infrastructure. We built a smart marketing system to enhance the intelligent services in policy application and claims settlement, strengthened cybersecurity and promoted digital transformation in all aspects.



CHAPTER 2 DEEPENING REFORM & INNOVATION TO CONSOLIDATE THE FOUNDATION FOR HIGH-QUALITY DEVELOPMENT

We continued to deepen the professional, market-oriented and systematic reforms, focusing on strategic mainlines of “customer at the center, sales team as the foundation and employee as the partner”. We adopted a set of reform and transformation measures to gain the competitive edge in the market.

INSTITUTION & MECHANISM REFORM

We intensified our top-level design and institutionalized operation, consolidated the synergistic development model of “insurance + service + investment”, and established a new modern marketing concept of “product + service + scenario + technology”. Reforms were advanced to optimize the organizational structure in the headquarters and branches, push forward position and rank frameworks, incentive and restraint mechanism and the selection and appointment of cadres.

We enhanced the AI application and technological empowerment, and optimized financial resource allocation and evaluation mechanisms. We remained committed to building the strong headquarters, using its strength to drive the growth of our branches, and upgraded the “Strong Foundation Initiative” (「強基工程」) to Version 2.0 to empower our branches. With the implementation of institution and mechanism reforms, the Company’s market competitiveness has improved significantly.

PRODUCT INNOVATION & UPGRADE

We prioritized our flagship products to enhance their competitiveness and rolled out the transition to participating insurance, with first year premiums from long-term participating insurance of RMB11,933 million, marking a substantial breakthrough in product transformation. We launched cost-efficient protection type products and enriched the wealth management product portfolio to meet customers' differentiated needs for funds planning. Seizing the opportunity from medical insurance reform, we introduced "Pharma Assured" (醫藥無憂), a medical insurance product that achieved a deep integration of medical insurance and medical services. We also launched "Healthcare Assured" (康護無憂), a service-based payment nursing insurance product that integrated cash payment with nursing services, thereby promoting the transition from traditional compensation to a "product + service" ecosystem, and making the commitment of "Better Products with NCI" a reality.

WORKFORCE DEVELOPMENT

We made efforts to nurture workforce, select, appoint and strengthen ranks of leading cadres and professionals at all levels. Through various methods such as external recruitment and internal training as well as open



selection, we adjusted and optimized the leading cadres and professionals at the headquarters, branches and subsidiaries, ensuring that the right people were in the right positions and that everyone's potential was fully utilized. We also backed our young employees from the headquarters to gain practical experience at the grassroots and enhance their capabilities, effectively strengthening the combat effectiveness of NCI's workforce. Fostering a sense of identity through corporate culture, the "NCI Professional Iron Army" spirit characterized by professional iron army, pursuit of excellence, benevolence and virtue, inheritance and innovation, has become the source of strength for all staff and sales teams across the Company.

QUALITY IMPROVEMENT OF DISTRIBUTION CHANNELS

Individual insurance channel: We optimized organizational structures and personnel appointment for team development, and forged a regular system for team development rooted in basic law and supported by initiatives such as the Talent Cultivation Project (育英工程), Longteng Fengwu (龍騰鳳舞), and the Whole Life Planner (“WLP”) Entrepreneurship Support Program. We distilled our three decades of corporate management wisdom into the *NCI Professional Iron Army Marketing Handbook* (《新華專業鐵軍營銷工作寶典》) and helped sales team refine their management through “Xinzhineng” (鑫智能) system. The “NCI Great Life Partner” (新華好人生合夥人), a new media recruitment campaign, explored pathways for attracting younger and high-quality agents through online platforms. In 2025, the agent headcount in individual insurance channel stabilised, with productivity per capita rising by 43% year-on-year.

Bancassurance channel: Seizing the opportunity from aligning fee experience with registered assumptions,

we elevated the strategic positioning of bancassurance channel and strengthened top-level design and management capabilities. We optimized our layout and boosted efficiency through refined management, consolidated our foundations and concentrated on the three key indicators of healthy regional institution, effective outlet and performing agent. We also reinforced business quality control to raise persistency ratio. Building on the substantial reduction in cost, bancassurance channel achieved first year premiums from long-term insurance of RMB37,934 million and new business value of RMB5,273 million, both reaching historic highs.

Group insurance: We implemented key reform tasks step by step, improved team structure, quality and capability to boost their efficiency. We continued to strengthen outreach to central and state-owned enterprise customers. The productivity per capita increased by 19% year-on-year and operational efficiency improved significantly.



INTELLIGENT OPERATIONS ACCELERATING

We empowered operations through technology, providing our sales teams and customers with streamlined services throughout the entire process from policy application to claims settlement. By enabling online underwriting across all channels, we underwrote 4.57 million policies throughout the year, our audio and video recording efficiency led the industry. Our information updating services achieved a 96% one-minute ultra-fast completion rate, and we paid out over RMB42 billion in maturity

benefits and annuities for the year. More than 96% of claim cases could be submitted via online self-service, and total claims payment reached RMB14.7 billion for the year. Our direct claims settlement service enabled one-stop payment upon discharge, while our fast claims settlement service achieved payment within seconds. Smart customer service was available online around the clock to assist customers, and our offline service counters set up “Senior Citizen Service Stations” to provide warm and caring services for the elderly. Leveraging new technologies such as AI, our operation platform used intelligent navigation to pinpoint self-service portals. In claims review, we have implemented the intelligent early warning to accurately identify potential risks, ensuring efficient case processing. And the “Intelligent Protection Shield” (「保全智盾守護體系」) has been established to monitor and identify cyber fraud risks, thereby safeguarding rights and interests of customers.



DIGITAL & INTELLIGENT TECHNOLOGY LEADING THE WAY

We enhanced our digital and intelligent capabilities centering on large-scale models, and launched 11 intelligent agents throughout the year. These achieved over 97% problem resolution rates and near-100% accuracy in Q&A, empowering over 3,500 counter staff and more than 100 thousand agents nationwide to deliver excellent service experiences. We deployed smart tools such as precisely-assisted consultations, smart customer service, customer profiling and dynamic recommendations to elevate our customer management. We also upgraded techniques for audio and video recording of sales team, significantly reducing recording and quality inspection time and achieving industry-leading service efficiency. We consolidated the foundation for technological advancement, with data center floor space expanding from 7,000 square metres to 27,000 square metres, increasing core support capabilities nearly fourfold. The new-generation “Internet Information Superhighway” was established to achieve a tenfold rise in data transmission efficiency. Our information security also leveled up and met national standards for critical infrastructure protection. We obtained ISO 22301 Business Continuity Management System certification, making our service support among the industry’s foremost. We also attained Data Management Capability Maturity Level 4 certification, elevating data-driven business to new heights.



CHAPTER 3 IMPROVING SERVICE ECOSYSTEM TO SIGNIFICANTLY ENHANCE OUR SERVICES

We implemented the synergistic development model of “insurance + service + investment” and embraced the new modern marketing concept of “product + service + scenario + technology”. We continued to forge the five major service brands, including “Xinhua Zun”, “Xinhua An”, “Xinhua Rui”, “Xinhua Yue” and “Xinhua Kang” (尊安瑞悦康), and build a service ecosystem covering ten fields of “medical care, healthcare, old-age care, wealth management, commerce, taxation, law, education, leisure and culture”. That has provided diversified and personalized services to customers and their families, and put into practice our brand philosophy of “NCI for Enduring Protection, for a Better Life and for Greater Health”. To date, our service ecosystem has reached more than 4 million individual customers, with continuous improvements in service awareness and utilization rates.

“XINHUA ZUN” A QUALITY LIFE MANAGER

Focusing on quality life and wealth succession, we provided customers and their families with services in health management, intergenerational wealth inheritance, global business travel, and cultural and educational entertainment through excellent resources, professional teams and online platforms, helping customers enjoy a quality life.

“XINHUA AN” A GUARDIAN OF HOME-BASED OLD-AGE CARE

Specializing in home-based elderly care, we addressed the pain points of the aging population by offering home-based old-age care services including “medical care, rehabilitation nursing and safety monitoring”, helping the elderly customers enjoy a secure and happy life.

“XINHUA KANG” A FULL-CYCLE HEALTH PARTNER

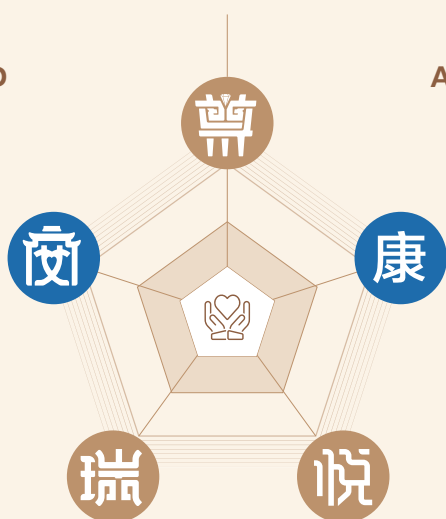
Dedicated to providing customers with a full-chain health services covering medical care, healthcare, disease prevention, rehabilitation and nursing, we built a new integrated health service system that encompassed “prevention, management and protection”.

“XINHUA RUI” AN INCLUSIVE PUBLIC WELFARE SERVICE PROVIDER

Devoted to offering inclusive public services, including healthcare, old-age care, education, legal and tax affairs, business travel, parenting, etc, we effectively tackled customers’ practical challenges and helped enhance their sense of happiness with comprehensive, quality and considerate services.

“XINHUA YUE” A NEW EXPERIENCE OF TRAVEL-BASED HEALTHCARE AND OLD-AGE CARE

Emphasizing on travel-based healthcare and old-age care, Xinhua Yue has three sub-brands, including Xinhua Zunyue (新華尊悦), Xinhua Jiayue (新華嘉悦) and Xinhua Yiyue (新華怡悦). By the end of 2025, we put in place 53 healthcare and old-age care communities in 37 cities, covering east, west, south, north and central China. We carried out 70 travel-based projects in 57 cities at home and abroad, offering customers diverse options.



► CHAPTER 4 FULFILLING SOCIAL RESPONSIBILITIES TO CREATE A BETTER LIFE TOGETHER

We have always convinced that the value of an enterprise lies not only in its business performance but also in its contribution and commitment to the society. We carried out various public welfare initiatives such as customizing insurance products for rural areas, providing steadfast protection for sanitation workers for nine consecutive years, and fortifying a lifeline for young people through first-aid education. With our sense of responsibility and commitment, we are working together to create a better life for all people.

TARGETED SUPPORT FOR RURAL REVITALIZATION

We launched four exclusive products for “rural revitalization”, tailored to the risk characteristics of rural residents. We participated in rural revitalization public welfare insurance projects like “Dingliangzhu” (頂樑柱) and “Jiayou Baobei” (加油寶貝), benefiting 348 thousand specific rural groups. Throughout the year, we settled over 5,500 claims with total payment over RMB6.96 million. We provided fund support for industrial development, security protection and multi-faceted assistance to Shibing County in Guizhou Province, assisting rural areas with financial resources.



CARING FOR SANITATION WORKERS TO SALUTE THE ORDINARY

We have carried out the “NCI Inclusive Insurance Public Welfare Project for Sanitation Workers Nationwide” (新華保險關愛全國環衛工人普惠保險公益項目) for nine consecutive years, the first public welfare initiative in China focused on providing inclusive insurance for sanitation workers. By the end of 2025, the project benefited nearly 6.7 million sanitation workers. A total of 524 claims have been settled with payment amount of RMB46.639 million.



FIRST-AID FOR SAFEGUARDING WELLBEING

We focused on first-aid education among young people, and partnered with public welfare organizations to launch the “Super First-Aid Programme” (超能急救班). This initiative has conducted over 100 first-aid courses for teenagers nationwide in 2025, cultivating the self-rescue and mutual-aid capabilities among the new generation while promoting the virtue of helping others and acting bravely for justice.

BRAND PROTECTION ACCOMPANYING YOUR PEACE

In alignment with the “Healthy China” strategy, we provided insurance protection for over 20 marathon events, the WTT China Smash, the Jiangsu Football City League, and other sporting events, achieving the symbiosis between insurance protection and the spirit of sport. By branding high-speed trains and leveraging city landmark buildings, major commercial districts, airports and public transportation, we ensured that our solemn commitment of “NCI for Enduring Protection, for a Better Life and for Greater Health” resonates deeply with the public.



“Xinli Bao” (「新力寶」), the Brand IP Image of “NCI Guardian”





HONORS AND AWARDS

Fortune Global 500: No.498 (2025)

Fortune China 500: No.129 (2025)

Fortune

Forbes Global 2000: No.712 Globally, No.89 in China (2025)

Forbes

The Asia's 500 Most Influential Brands: No.217 (2025)

The China's 500 Most Valuable Brands: No.82 (2025)

World Brand Lab

World's Top 100 Most Valuable Insurance Brands: No.50 (2025)

China's Top 500 Most Valuable Brands: No.109 (2025)

Brand Finance

Top 50 Global Life Insurers

S&P Global

List of China's Top 500 Enterprises: No.124 (2025)

China Enterprise Confederation

Insurer Financial Strength (IFS) Rating: "A" (Strong)

Fitch Ratings

2025 CCTV Finance: Annual Case of Financial Powerhouse

China Media Group

2025 Innovative Practices in Building a Financial Powerhouse: "FinTech Case"

People's Daily Online

SNSI ESG Rating: AA

Sino-Securities Index ("SNSI")

2025 Golden Bull Insurance Company Award

China Securities Journal

2025 Ark Award for Insurance Company with High-quality Development

Securities Times

2025 Financial Institution with Exceptional Competitiveness in Brand Building

China Business Journal

2025 Annual Leading Insurance Company

21st Century Business Herald

► CHAPTER 5 FUTURE PROSPECTS EMBARK A NEW CHAPTER AT THIRTY



三十而立 新启华章



Looking ahead, as we mark the 30th anniversary of the Company's inception, we will take serving national strategies as our mission, safeguarding people's livelihoods as our principle, and practicing a big insurance philosophy as our direction. We will resolutely pursue the quality-driven development. Efforts will be made to consolidate the strategic mainlines of "customer as the center, sales team as

the foundation, and employee as the partner", and refine the synergistic development model of "insurance + service + investment". We will advance professional, market-oriented and systematic reforms, strengthen and expand our core insurance business while deepening product transformation and optimizing business structure. Efforts will be made to improve our diversified service ecosystem encompassing medical care, healthcare, old-age care, wealth management, etc., thereby elevating our customer management and services. We will enhance our professional investment management and build a broader investment landscape for NCI. We will embrace the AI era and foster core digital and intelligent competitiveness across all domains, including operation, technology and risk control. On the basis of balancing development with security, we will reinforce risk management, internal control and compliant operation. On the new journey of Chinese modernization, we will strive to leverage the insurance industry's role as an economic "shock absorber" and a social "stabilizer", and create long-term and stable value for our customers, shareholders and society.



CORPORATE INFORMATION

BASIC INFORMATION

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

CONTACT INFORMATION

Board Secretary/Joint Company Secretary	LIU Zhiyong
Securities Representative	XU Xiu
Telephone	86-10-85213233
Fax	86-10-85213219
Email	ir@newchinalife.com
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Joint Company Secretary	NG Sau Mei
Telephone	852-35898647
Fax	852-35898359
Email	Jojo.Ng@tmf-group.com
Address	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

INFORMATION DISCLOSURE AND PLACE FOR OBTAINING THE REPORT

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

STOCK INFORMATION

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

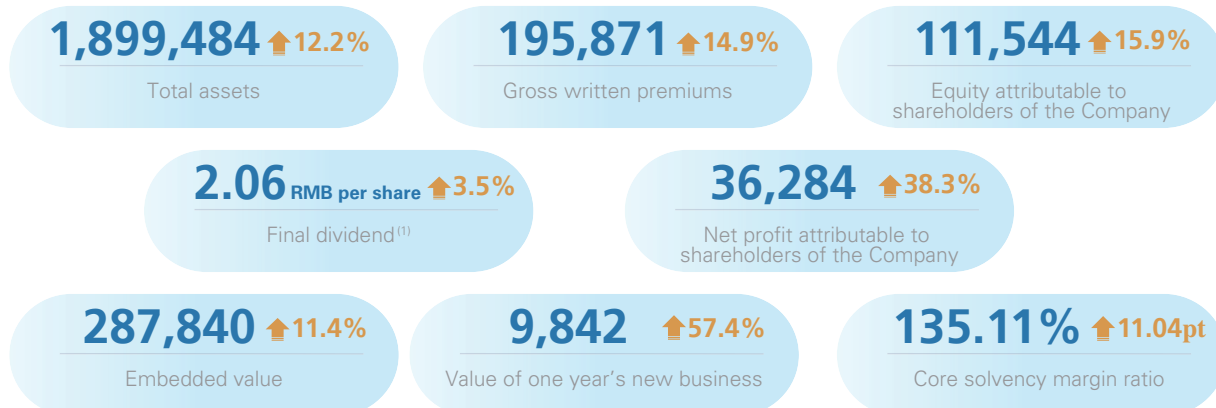
OTHER RELEVANT INFORMATION

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

BUSINESS OVERVIEW

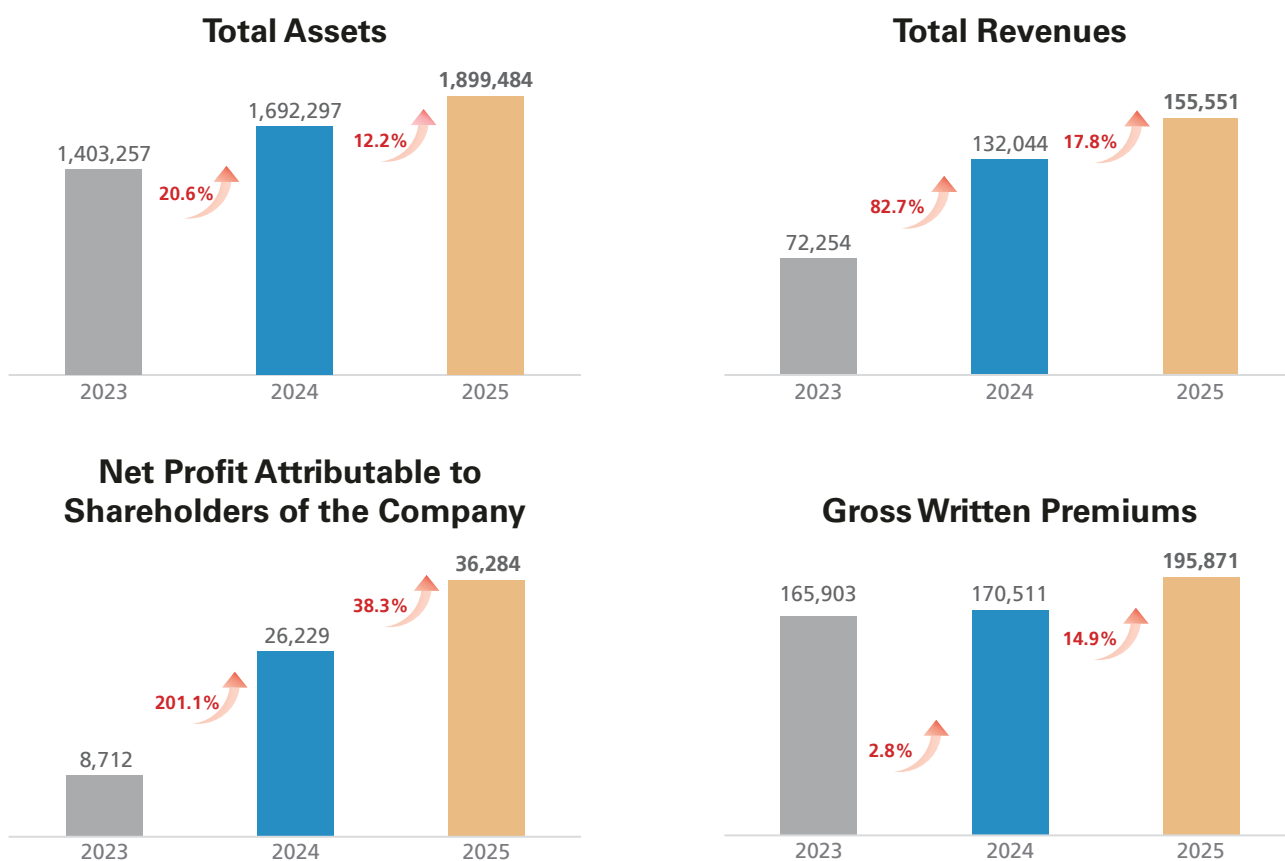
PERFORMANCE OVERVIEW

Unit: RMB in millions



MAJOR OPERATING INDICATORS

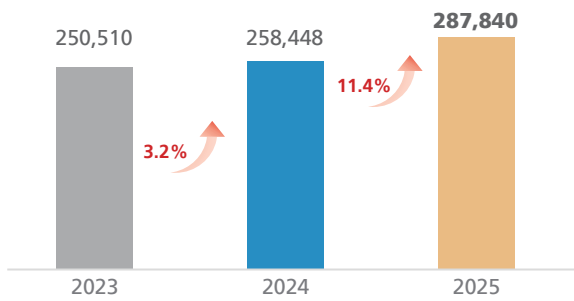
Unit: RMB in millions



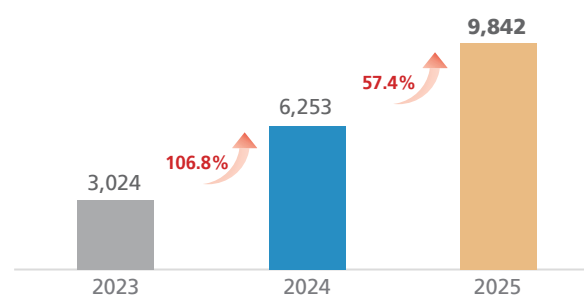
Note:

- The 2025 final dividend is subject to the approval of shareholders' general meeting. Similarly hereinafter.

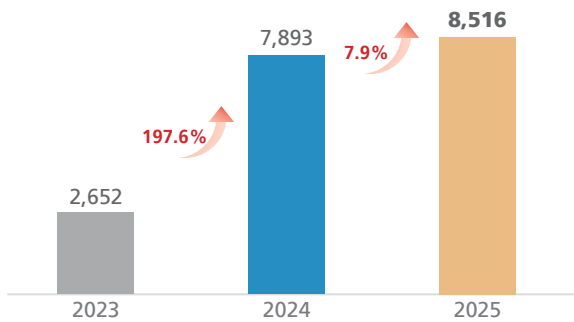
Embedded Value



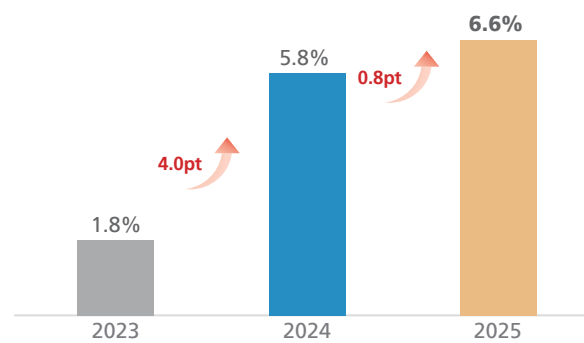
Value of One Year's New Business



Total Amount of Cash Dividend (inclusive of tax)



Total Investment Yield



Unit: RMB in millions

Key Operating Indicators	2025/As of 31 December 2025	2024/As of 31 December 2024
Gross written premiums	195,871	170,511
Agent headcounts (in thousand)	148	146
Investment assets	1,841,227	1,629,361
Total investment yield (%)	6.6	5.8
Comprehensive investment yield (%)	5.0	8.5
Value of one year's new business	9,842	6,253
Embedded value	287,840	258,448
Core solvency margin ratio (%)	135.11	124.07
Comprehensive solvency margin ratio (%)	210.47	217.55

ANALYSIS OF CORE COMPETITIVENESS

PROMINENT BRAND VALUE

The Company adheres to the people-centered value orientation and grounds its brand development in serving national strategies and safeguarding people's pursuit of a better life. Focusing on its main responsibilities and businesses, the Company makes efforts to underpin the real economy and ensure people's livelihoods, and strives to play the insurance industry's role as an economic "shock absorber" and a social "stabilizer". In 2025, the Company engaged in public welfare initiatives, and participated in projects such as sponsoring major athletic events and branding high-speed trains to proactively convey its brand warmth and professional image. Thanks to its stable operations and exceptional services, the Company has been listed among the "Fortune Global 500", and listed in the "World's Top 50 Most Valuable Insurance Brands" for eleven consecutive years, and in the "Asia's Top 500 Brands" for nineteen consecutive years in 2025. The Company received Insurer Financial Strength Rating (IFSR) at "A2" from Moody's and Insurer Financial Strength (IFS) Rating at "A" from Fitch.

ROBUST DEVELOPMENT MOMENTUM

The Company advances its "professional, market-oriented and systematic" reforms to drive strategic transformation. Through in-depth reforms across multiple dimensions, including product system, marketing model, service ecosystem, incentive and restraint mechanism and technology empowerment, the Company continues to build a learning-oriented and service-empowering organization, unleashing its internal momentum and organizational vitality. By integrating top-level design with grassroots practice, the Company shapes the future-oriented core competitiveness, achieving more robust development momentum and enhancing its capacity for sustainable development.

SOLID MAIN BUSINESS

Adhering to the essence of life insurance and long-termism, the Company has made efforts to address the needs of customers' entire life cycle, enhance product and service competitiveness, optimize the service ecosystem for healthcare and old-age care, and promote the specialized development of distribution channels to build a professional, specialized and performance-oriented sales team. The Company provides customers with life-cycle products and services through nationwide distribution and service networks, establishing a solid and extensive customer base. In 2025, the Company achieved GWP of RMB195,871 million, with a year-on-year increase of 14.9% and excellent performance in overall operations.

SUPPORTIVE INDUSTRIAL COLLABORATION

The Company improves the synergistic development model of “insurance + service + investment”. On the asset side, relying on its specialized asset management platform, the Company achieves steady growth in assets scale, and adopts sound and prudent investment tactics, reinforcing the asset-liability synergy. On the service side, efforts are made to build a service ecosystem covering ten major fields of “medical care, healthcare, old-age care, wealth management, commerce, taxation, law, education, leisure and culture”, and unveil service brands of “Xinhua Zun”, “Xinhua An”, “Xinhua Rui”, “Xinhua Yue” and “Xinhua Kang”, providing comprehensive services that cover the whole life cycle of customers and empowering the value growth of insurance business.

PROFESSIONAL AND EFFICIENT MANAGEMENT

The Company possesses an experienced and visionary management team, along with a high-quality and professional talent team in areas such as underwriting, claims, actuarial and risk management. The Company’s organizational structure and decision-making mechanism are agile and efficient, with improved efficiency in execution and operation. In 2025, the Company optimized the “internal cultivation and external recruitment” mechanism, strengthened staffing and succession planning for key positions, and refined incentive and restraint mechanism as well as the career development framework for leading cadres, providing solid talent and organizational support for the Company’s high-quality development.

CORPORATE CULTURE LEADERSHIP

The Company has built a corporate culture in the new era, inherited and summarized its excellent cultural heritage over nearly three decades, promoted the market-oriented genes of pioneering and fighting, integrated the financial culture with Chinese characteristics and deepened its commitment to serving the nation and the people through finance. In 2025, the Company continued to develop its corporate culture, embodying the NCI spirit of “professional iron army, pursuit of excellence, benevolence and virtue, inheritance and innovation”. The cultural cohesion and influence were strengthened, which injected enduring spiritual impetus for the long-term development of the Company.

CHAIRMAN'S STATEMENT



Dear shareholders,

Vast landscapes unfold a new chapter, starlight shines upon the traveler's path. The year 2025 has been an extraordinary and inspiring year for NCI. Over the past year, the Company has implemented the decisions and deployments of the Central Committee of the Communist Party of China ("CPC") and the State Council regarding economic and financial work, pursued the financial development with Chinese characteristics, served the broader national development agenda, and advanced professional, market-oriented and systematic

reforms. Notable achievements have been made in pursuing high-quality development. Off the high base of 2024, the Company's total assets reached approximately RMB1.9 trillion, GWP approached RMB195,871 million, embedded value amounted to RMB287,840 million, net profit attributable to shareholders of the Company achieved RMB36,284 million, and proposed dividend totaled RMB8,516 million (inclusive of tax) as of the year 2025, all hitting record highs. The solvency margin ratio remained at a relatively high level. The growth of

our stock price led the A share and H share insurance sectors with total market capitalization above RMB200 billion, and the Company was ranked the Fortune Global 500. The Company's comprehensive strength reached new milestones, its core competitiveness was significantly enhanced, and its brand influence and market recognition grew substantially. The "14th Five-Year Plan" was successfully concluded and **delivered the best performance since the Company's founding!**

We have kept our original mission of insurance for the people and conveyed our genuine care and warmth to the society over the past year.

The Company has adhered to serving national strategies, strengthened organizational leadership, and established a dedicated task force and formulated implementation plans for the "five priorities" in finance. The related investment exceeded RMB360 billion, increasing by over 20% year on year and accomplishing remarkable results in serving the real economy. The compensation amounted to RMB14.7 billion throughout the year, and the cumulative compensation exceeded RMB136.8 billion since the inception of the Company, demonstrating the people-centered and political-oriented financial work.

In terms of technology finance, we acted on the call to "invest in early-stage, small-scale, long-term and hard technologies". The investment in hard-tech sectors such as semiconductors, AI and biomedicine reached RMB140 billion, with the annual growth rate of 27%.

In terms of green finance, focusing on areas such as new energy, we enriched our supply of exclusive green insurance products, cumulatively served over 7,600 green related enterprises by the end of 2025 and were awarded several key honors including the "ESG Excellent Case" from the Ministry of Ecology and Environment.

In terms of inclusive finance, we provided protection with sum assured over RMB2.7 trillion for more than 64 thousand small and micro enterprises, undertook 46 people's welfare insurance projects, and expanded

our policy-oriented health insurance coverage to 15 regions. **In terms of pension finance**, we improved our multi-tiered healthcare and old-age care insurance system and vigorously developed pension business. Cumulative premiums from the commercial pension insurance as the third pillar exceeded RMB60 billion, and the investment in healthcare and old-age care industries totaled RMB26.8 billion. **In terms of digital finance**, we intensified investment in the digital industry, invested in the country's first batch of data centers, developed the internet insurance business and accelerated our digital transformation. **Regarding rural revitalization**, over RMB70 million funds were introduced throughout the year, reflecting a 15% increase on top of last year's threefold growth, which created jobs for over 1,000 individuals across eight counties in six provinces. We were honored with the "Best Practice Case of Rural Revitalization by Listed Companies".

We grounded in the present while planning for the future over the past year, and mapped out our development direction for the "15th Five-Year Plan".

Guided by the big insurance philosophy and anchored to our vision of forging "China's leading financial service group with insurance business at its core", we have initiated the formulation of both the overarching strategy and subordinate strategic plans for the "15th Five-Year Plan". Through three seminars and a series of extensive and in-depth researches, we have formed a comprehensive strategic management system comprising "one master plan + multiple key sub-plans + various subsidiary and branch plans", thereby ensuring full coverage of the headquarters, subsidiaries and branches. And we have identified three strategic mainlines: "customer as the center, sales team as the foundation, and employee as the partner". Furthermore, the synergistic development model of "insurance + service + investment" was detailed, making our future development direction more concrete and clear.

We made substantial progress in our strategic priorities in the past year, achieving new breakthroughs in high-quality and high-level development. The business transformation made significant strides. We prioritized the transition to participating insurance business and mobilized the front, middle and back-office resources to provide full support, resulting in a notable success in transition to participating insurance. **Product innovation made great progress.** We upgraded the product system from “economic compensation” to “serviced-based protection”. In 2025, we launched a series of innovative products, including Pharma Assured and Healthcare Assured, which quickly became hot topics among the media and customers, reinforcing our brand slogan “Better Products with NCI”. **The marketing system made a breakthrough.** We shifted from traditional life insurance marketing to the new modern marketing model integrating “products + services + scenarios + technology”. We planned a healthy development path for both self-managed and institutionalized operations of sales team, while promoting the reform of building a high-performing agent team with strong units (「強部優組」), which invigorated the entrepreneurial spirit of sales team. **The service ecosystem made remarkable progress.** We upgraded five service brands, namely “Xinhua Zun, Xinhua An, Xinhua Rui, Xinhua Yue and Xinhua Kang”, completed the nationwide layout of over 120 healthcare and old-age care communities, and travel-based projects, significantly enhancing our services. **Operational efficiency saw a breakthrough.** Two smart tools, “Zhangshang NCI (掌上新華)” and “New Era system” (新時代系統) were updated. System response time and stability significantly strengthened, while the time for audio and video recording reduced, and service efficiency led the industry.

We leveraged the advantages of medium- and long-term funds in the past year and established NCI as a model for insurance funds entering the capital market. Adhering to the principle of long-term, value-oriented and prudent investment, we were among the first to respond to the call for insurance funds to enter the capital market and invested RMB46.25 billion to jointly establish three pilot funds in partnership with industry peers. We also involved in the National Venture Capital Guidance Fund in the Beijing-Tianjin-Hebei region, and increased allocations to high-quality equity assets resilient to the low-interest-rate challenges. These endeavors have fostered a more resilient and diversified asset allocation structure and achieved the integration of “scale, return and stability” within the investment portfolio. Our total investment yield for the year 2025 reached 6.6%, maintaining a leading position in the industry. Recognized for our exceptional investment strength and long-term, steady investment performance, we secured seven major awards at the 5th Insurance Investment Golden Bull Awards hosted by *China Securities Journal*. And our efforts in channeling medium- and long-term funds into the capital market were selected as an outstanding case for the “2025 CCTV Finance: Annual Case of Financial Powerhouse”.

We solidified our foundational management to fortify the Company’s high-quality development in the past year. The “Strong Foundation Initiative” was upgraded to Version 2.0, focusing on talent, training, workplace and policies to revitalize grassroots. This initiative was selected as the “2025 Financial High-Quality Development Case” by *Financial News*. We proactively followed the regulation on aligning fee experience with registered assumptions, formulated a dedicated plan to reduce costs and improve efficiency, and helped subordinate institutions shift their

development mindsets. We selected and strengthened ranks of leading cadres and professionals, recruiting a large number of high-calibre professionals in key fields such as healthcare and old-age care, technology and investment. We established a group-wide, penetrating, all-round and intelligent risk management system, and maintained a stable and sound comprehensive risk rating. We summarized and distilled our corporate values and launched the campaign to promote corporate culture, which stimulated the entrepreneurial enthusiasm of our employees. We branded high-speed trains and sponsored marathon events, the Jiangsu Football City League and the WTT China Smash, further enhancing the brand image as “NCI for Enduring Protection, for a Better Life and for Greater Health”.

The achievements of 2025 are attributable to the dedicated efforts of all staff over more than two years of reform and hard work, as well as the support and trust from shareholders and the broader community. On behalf of the Board and management team, I would like to express my sincere gratitude to all shareholders for your care and support! We always share the fruits of the Company’s high-quality development with our shareholders. In 2025, the Company proposed to distribute cash dividends of RMB8,516 million (including distributed interim dividend of RMB2,090 million), representing a growth of 7.9% compared with that of 2024. Over the past 15 years since listing, NCI has cumulatively distributed cash dividends of around RMB44.5 billion to its shareholders. Looking ahead, we will repay your trust and expectations with concrete actions and tangible achievements!

The year 2026 marks the 105th anniversary of the founding of CPC, the commencement of the “15th Five-Year Plan” and the 30th anniversary of the establishment of NCI. In future, factors such as demographic shifts, technological innovation, industrial upgrading, and the reallocation of household wealth will accelerate the transformation of the insurance industry’s functional positioning and business model, placing higher requirements for the Company’s operation and reform. In the new year, we will remain true to our original aspiration and mission of serving the nation and the people through finance, strengthen political leadership and uphold strategic planning. With a competitive spirit and a commitment to excellence, we will enhance our long-term competitiveness and operational quality and efficiency. This will secure a strong start to our “15th Five-Year Plan” and embark on a new journey of the Company’s high-quality development for the next three decades.

We will steadfastly advance the “five priorities” in finance, integrating ourselves into the broader national and regional socio-economic landscape.

Adhering to our functional positioning as the economic “shock absorber” and social “stabilizer”, economic safety net, social security net and disaster prevention net, we will inject more patient capital into the strategy for self-reliance and strength in science and technology. We will expand the products supply of pension and inclusive finance, build a service system integrating “green insurance, green investment and green operation”, and accelerate the Company’s digital transformation. We will persist in targeted assistance, aligning the needs of rural areas with NCI’s capabilities to yield more iconic outcomes.

We will uphold the correct approach to assessing performance and embrace the big insurance philosophy, and pursue inward-focused and high-quality development. Centering on value and efficiency, we will create a virtuous cycle across insurance, investment and service. We will strengthen and expand our core insurance business, push forward the transition towards protection type products such as long-term premium-payment products and health insurance, to boost the competitiveness of our core business, and enhance the endogenous momentum for high-quality development.

We will prioritize targeted investments in strategically key areas to build solid and sustainable competitive advantages for the Company's operation. We will advance team development from a strategic perspective, and build a professional, specialized and performance-oriented development path for our sales team. We will strengthen our bancassurance channel and outlet network, while enhancing group insurance and internet insurance businesses. Deepening the integration of products and services, we will accelerate the development of a distinctive and branded service ecosystem that better meets customers' needs.

We will strengthen our investment management capabilities to solidify the investment foundation for enduring protection. By embracing an investment ecosystem and scenario-based investment perspective, we will collaborate with industry leaders, research institutions and peer organizations to co-create an investment ecosystem. We will improve asset-liability coordination, optimize our asset allocation structure and refine our investment research system. We shall conduct our investment activities with a strong sense of responsibility and "respecting for every premium".

We will devote to foundational work that builds long-term benefits and future momentum, providing strong support for high-quality development. We will continue our commitment to building a robust headquarters, using its strength to make branches better and stronger and to boost capabilities of our subordinated institutions and sales teams. We will maintain a balance between development and security, improve and implement our risk control system. We will increase investment in technology to bolster AI empowerment across all scenarios.

At the age of thirty, we will embark upon a new chapter. Standing at the new starting point of high-quality development in our thirtieth year, we will firmly grasp the baton of our times, and carry forward NCI's excellent traditions. We shall uphold the Party's leadership and corporate culture as our guiding spirit, chart our course through strategic vision, hoist the sails of competitive courage and unwavering resolve, ignite our engines with comprehensive innovation, and fortify our foundations with organizational talent. Thus shall we make greater contributions to the broader national agenda, create higher value for our shareholders, provide better products and services for our customers, and offer a vast stage for our employees to realize their full potential!

YANG Yucheng

Chairman

27 March 2026

A photograph of a business meeting in a modern office. Three people are seated around a white conference table. A man in a blue suit and striped tie is pointing at a laptop screen. A woman in a pink blazer is looking at the screen. Another person is partially visible in the foreground, looking at a document. The background features large windows and a potted plant.

Business Performance

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS

Major accounting data and financial indicators

Unit: RMB in millions

Key accounting data	2025	2024	Change	2023	2022 ⁽¹⁾	2021 ⁽¹⁾
Total revenues	155,551	132,044	17.8%	72,254	209,481	220,027
Profit before income tax	40,525	28,141	44.0%	5,515	6,507	15,670
Net profit attributable to shareholders of the Company	36,284	26,229	38.3%	8,712	9,822	14,947
Net cash flows from operating activities	110,916	96,290	15.2%	91,548	89,385	73,853

	As at 31 December 2025	As at 31 December 2024	Change	As at 31 December 2023	As at 31 December 2022 ⁽¹⁾	As at 31 December 2021 ⁽¹⁾
Total assets	1,899,484	1,692,297	12.2%	1,403,257	1,255,044	1,127,721
Total liabilities	1,787,906	1,596,028	12.0%	1,298,165	1,152,139	1,019,207
Equity attributable to shareholders of the Company	111,544	96,240	15.9%	105,067	102,884	108,497

Note:

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

Key financial indicators	2025	2024	Change	2023	2022	2021
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	11.63	8.41	38.3%	2.79	3.15	4.79
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	11.63	8.41	38.3%	2.79	3.15	4.79
Weighted average return on equity attributable to shareholders of the Company	34.69%	25.88%	8.81pt	7.94%	9.29%	14.22%
Weighted average net cash flows from operating activities per share (RMB)	35.55	30.86	15.2%	29.34	28.65	23.67

	As at 31 December 2025	As at 31 December 2024	Change	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Net assets per share attributable to shareholders of the Company (RMB)	35.75	30.85	15.9%	33.68	32.98	34.77

Other key financial and regulatory indicators

Unit: RMB in millions

Indicators	2025/ As at 31 December 2025	2024/ As at 31 December 2024	Change	2023/ As at 31 December 2023	2022/ As at 31 December 2022 ⁽¹⁾	2021/ As at 31 December 2021
Reinsurance contracts assets	11,065	10,812	2.3%	9,802	10,590	— ⁽³⁾
Insurance contract liabilities	1,532,638	1,366,090	12.2%	1,146,497	1,013,191	—
Insurance revenue	50,297	47,812	5.2%	48,045	56,878	—
Insurance service expenses	(31,748)	(31,575)	0.5%	(33,252)	(33,789)	—
Net expenses from reinsurance contracts held	(415)	(335)	23.9%	(767)	706	—
Finance expenses from insurance contracts issued	(78,162)	(61,185)	27.7%	(26,800)	(43,129)	—
Finance income from reinsurance contracts held	324	338	-4.1%	261	220	—
Surrender rate ⁽²⁾	1.5%	1.9%	-0.4pt	1.9%	1.8%	2.0%

Notes:

- The data of 2022 in the above table has been restated according to the requirements of IFRS 17. The transition date of IFRS 17 was 1 January 2022.
- Surrender rate = surrenders/(balance of life insurance and long-term health insurance contract liabilities at the beginning of the period + premium income of long-term insurance contracts). The indicator is calculated on the basis of IFRS 4.
- “—” represents N/A.

The reasons of the change of main financial indicators

Unit: RMB in millions

Indicators	2025/As at 31 December 2025	2024/As at 31 December 2024	Change	Main reason(s) for change
Total assets	1,899,484	1,692,297	12.2%	Growth of insurance business and appreciation of investment assets
Total liabilities	1,787,906	1,596,028	12.0%	Growth of insurance contract liabilities
Equity in total	111,578	96,269	15.9%	Annual profit attainment
Net profit attributable to shareholders of the Company	36,284	26,229	38.3%	The investment performance increased year on year

The discrepancy between the P.R.C. GAAP and the IFRS Accounting Standards

There is no difference between the consolidated net profit of the Company for the year 2025 and the consolidated equity of the Company as at 31 December 2025 as stated in the financial statements prepared in accordance with the IFRS Accounting Standards and the P.R.C. GAAP.

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

Unit: RMB in millions

	As at 31 December 2025	As at 31 December 2024	Change	Main reason(s) for change
Balance sheet				
Investments in associates and joint ventures	65,633	30,245	117.0%	New investments in associates and joint ventures
Financial assets purchased under agreements to resell	13,999	5,436	157.5%	Requirement of liquidity management
Other assets	6,095	9,658	-36.9%	Decrease in receivables for settlement of investment securities
Borrowings	20,173	30,384	-33.6%	Redemption of capital supplementary bonds during the year
Other liabilities	30,337	18,473	64.2%	Issuance of asset funding plan
Deferred tax liabilities	747	200	273.5%	Increase in deductible temporary differences

Unit: RMB in millions

	2025	2024	Change	Main reason(s) for change
Income statement				
Other investment income	72,067	51,215	40.7%	Increase in gains from disposal of investments
Other income	672	1,100	-38.9%	Impacts of foreign exchange market volatility
Share of profits and losses of associates and joint ventures	5,659	528	971.8%	Increase in investment income from associates
Net impairment losses on other assets	-	(1,190)	-100.0%	No provision for impairment losses of other assets in the current year
Profit before income tax	40,525	28,141	44.0%	Investment performance increased year-on-year
Income tax expense	(4,236)	(1,908)	122.0%	Increase in profit before income tax year-on-year
Net profit for the year	36,289	26,233	38.3%	Investment performance increased year-on-year
Net profit attributable to shareholders of the Company	36,284	26,229	38.3%	Investment performance increased year-on-year
Total other comprehensive income for the year, net of tax	(12,592)	(30,710)	-59.0%	Decrease in insurance contract financial fluctuations losses recognised in other comprehensive income

BUSINESS ANALYSIS

Trend of insurance industry

In 2025, China's macro-economy moved forward despite pressures, achieving progress in pursuit of innovation and quality. The cultivation of new quality productive forces accelerated, while reform and opening-up advanced comprehensively, which laid a solid foundation for and injected strong impetus into the high-quality development of insurance industry. Driven by regulatory guidance and market demand, the life insurance industry entered into a critical period of deepening transformation, demonstrating a sound momentum in steady progress. Regulatory policies such as the "dynamic adjustment of assumed interest rates for life insurance" and "marketing system reform" were implemented to regulate market order and safeguard the healthy and sustainable development of the industry. Meanwhile, regulators proactively encouraged long-term fund to enter the capital market. The advantages of insurance funds as patient capital became increasingly prominent. More investments in technological innovation and the development of new quality productive forces were added and played a vital role in serving the real economy through finance. Against this background, the Company resolutely implemented the decisions and deployments of the CPC Central Committee, practiced the big insurance philosophy, advanced high-quality development and transformation, and focused on its core business to serve the national economy and people's livelihoods. The Company's core business indicators grew steadily, market position remained solid, and the effects of transformation continued to emerge.

Insurance business

In 2025, the Company upheld the general principle of seeking progress while maintaining stability, and adhered to the high-quality development that achieved both volume and value enhancement, as well as quality and structure optimization. The Company has provided specialized and comprehensive insurance protection for various customers, including individuals, families and enterprises. Efforts were made to promote the integrated development of products and services, and strengthen the diversified distribution channels of individual insurance, bancassurance, group insurance and internet insurance, as well as the nationwide service network of the Company. As a result, the Company's value has been significantly enhanced, its business structure optimized, and business quality improved, leading to more robust development quality and internal momentum.



GWP: RMB 195,871 million
YoY increase of 14.9%

● **Business volume**

In 2025, the Company achieved GWP of RMB195,871 million with year-on-year growth rate of 14.9%. First year premiums (“**FYP**”) from long-term insurance business totaled RMB57,782 million, increasing by 48.9% year on year. Among those, first year regular premiums (“**FYRP**”) from long-term insurance business amounted to RMB37,200 million, increasing by 36.7% year on year. And renewal premiums amounted to RMB134,167 million with annual growth rate of 4.9%. The agent headcounts (contracted sales agents) in all distribution channels of the Company reached 148,183, showing a slight increase compared with that of 2024.



NBV: RMB 9,842 million
YoY increase of 57.4%

● **New business value**

In 2025, the value of one year’s new business realized RMB9,842 million, up by 57.4% year on year. The new business value (“**NBV**”) margin reached 16.2% based on first year premiums, increasing by 1.5pt compared with that of 2024.



FYP from long-term insurance business accounting for 64.4% of FYP from long-term insurance business

● **Business structure**

The Company’s regular premium business continued to grow, with first year regular premiums from long-term insurance business accounting for 64.4% of first year premiums from long-term insurance business. The transition to participating insurance products achieved initial results, with the proportion of participating insurance in overall regular premium business increasing quarter by quarter and reaching 77.0% in the fourth quarter. Renewal premiums accounted for 68.5% of GWP, maintaining a “solid contributor” to GWP. First year business and renewal business developed jointly to boost stable growth in the Company’s premium income.



13-month persistency ratio: YoY increase of 1.4pt
25-month persistency ratio: YoY increase of 7.1pt

● **Business quality**

The Company also strengthened business quality control, and improved institutionalized operation and closed-loop management, thereby solidifying the long-term mechanism for quality management and achieving comprehensive enhancement of business quality. The 13-month persistency ratio of individual life insurance business was 97.1%, representing a year-on-year increase of 1.4pt. The 25-month persistency ratio was 93.3%, up by 7.1pt year on year. The surrender rate was 1.5% in 2025, decrease of 0.4pt compared with that of last year.

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
GWP	195,871	170,511	14.9%
First year premiums from long-term insurance business	57,782	38,811	48.9%
Regular premiums	37,200	27,220	36.7%
Regular premiums with payment periods of ten years or more	2,949	3,443	-14.3%
Single premiums	20,582	11,591	77.6%
Renewal premiums	134,167	127,925	4.9%
Premiums from short-term insurance business	3,922	3,775	3.9%

Notes:

- Numbers may not be additive due to rounding. Similarly hereinafter.
- The GWP and premiums mentioned above are calculated pursuant to IFRS 4. Similarly hereinafter.

Analysis by distribution channels

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
Individual insurance channel			
First year premiums from long-term insurance business	19,647	13,718	43.2%
Regular premiums	19,027	13,235	43.8%
Single premiums	620	483	28.4%
Renewal premiums	99,828	101,071	-1.2%
Premiums from short-term insurance business	1,106	1,181	-6.4%
Total	120,581	115,970	4.0%
Bancassurance channel			
First year premiums from long-term insurance business	37,934	24,905	52.3%
Regular premiums	17,974	13,873	29.6%
Single premiums	19,960	11,032	80.9%
Renewal premiums	34,154	26,755	27.7%
Premiums from short-term insurance business	14	14	0.0%
Total	72,102	51,674	39.5%
Group insurance			
First year premiums from long-term insurance business	201	188	6.9%
Renewal premiums	185	99	86.9%
Premiums from short-term insurance business	2,802	2,580	8.6%
Total	3,188	2,867	11.2%
GWP	195,871	170,511	14.9%

Individual life insurance business

Individual insurance channel

The individual insurance channel adhered to its high-quality development, enhanced both business volume and value and accelerated the shift towards participating insurance. With institutionalized operation as the core driver, the Company systematically elevated the channel's professional operation capabilities through five major measures.

In terms of channel management, the Company strengthened the top-level design, implemented institution frameworks, and deepened the “headquarters as the architect, branches as front-line operators” model to reinforce coordination and collaboration across all levels.

In terms of team building, the Company insisted on the team-driven approach. Guided by basic law and honor system, combined with diversified talent recruitment and cultivation policies, the Company consolidated the foundation for recruiting high-quality agents on a regular basis. Relying on the entrepreneurial support program, the Company persistently increased the proportion of younger agents and those with higher education qualifications, while fostering a strong team of high-performing agents. Through tailored cultivation and empowerment, the Company enhanced the productivity of core agents, inspired their “entrepreneurial spirit”, and reinforced the internal driving force and value orientation of sales team.

In terms of product promotion, the Company practiced the competitive strategy of “Better Products with NCI” and remained customer-centric philosophy to meet customers' diversified needs for insurance protection. In line with industry trends and regulatory guidance, the Company fully leveraged the advantages of patient capital, prioritized the shift towards participating insurance products, particularly raising the proportion of participating insurance with payment periods of ten years or more. Meanwhile, the Company persisted in returning to the essence of insurance and advocated for regular sales of protection products.

19.4%

YoY growth in NBV of individual insurance channel

43.8%

YoY growth in the FYRP from long-term insurance business

43.0%

YoY growth in the monthly average comprehensive productivity per capita

In terms of customer management, the Company enhanced customer satisfaction and empowered the team's service capabilities. The Company advanced customer activities systematically, establishing a standardized activity mechanism featuring national coordination, quarterly progression and distinctive themes, which strengthened the customer connection and effective outreach, and achieved improvements in both service capability and customer satisfaction.

In terms of intelligent tool empowerment, the Company developed the "Xinzhineng" (鑫智能) system to build a one-stop digital marketing platform. Centering on two major modules, including customer management and high-performing agent tracking, the Company streamlined data chains, constructed dynamic customer profiles to empower customer management and drive sustained high performance, forming a new paradigm for standardized marketing management.

In 2025, the individual insurance channel realized total premiums of RMB120,581 million with annual growth rate of 4.0%. The first year regular premiums from long-term insurance business amounted to RMB19,027 million, representing an increase of 43.8% year on year. The agent headcounts in individual insurance channel⁽¹⁾ totaled 133.4 thousand. The monthly average number of qualified agents⁽²⁾ reached 22.0 thousand, remaining basically flat compared with that of last year. The monthly average qualified rate⁽³⁾ was 16.5%, up by 0.6pt year on year. The monthly average number of high-performing agents⁽²⁾ reached 15.5 thousand, increasing by 2.0% year on year. The monthly average high-performing rate⁽³⁾ was 11.6%, up by 0.7pt year on year. The monthly average number of agents with first year commission ("FYC") over RMB10,000⁽²⁾ totaled 3.3 thousand. The monthly average proportion of agents with FYC over RMB10,000⁽³⁾ accounted for 2.5% of monthly average agent headcounts, remaining flat compared with that of last year. The monthly average comprehensive productivity per capita⁽⁴⁾ was RMB11.2 thousand with the annual growth rate of 43%.

Notes:

1. The headcounts of agents in individual insurance channel includes contracted sales agents and full-time premium collectors, and no longer covers employed sales personnel. The indicators below are calculated based on such caliber.
2. Monthly average number of qualified agents = $(\sum \text{numbers of qualified agents in a month}) / \text{the number of months in the reporting period}$. The calculation formulas for monthly average number of high-performing agents and monthly average number of agents with FYC over RMB10,000 are the same, where monthly number of qualified agents (high-performing agents, agents with FYC over RMB10,000) refers to the number of agents who have issued one insurance policy or more (including card-type short-term accident insurance policy) which are not cancelled by policy holders in a month and whose FYC in the month is equal to or greater than RMB800 (RMB3,000, RMB10,000).
3. Monthly average qualified rate = $\text{monthly average number of qualified agents} / \text{monthly average number of agents} * 100\%$. The calculation formulas for monthly average high-performing rate and the monthly average proportion of agents with FYC over RMB10,000 are the same, where monthly average number of agents = $(\sum [(\text{number of agents at start of the month} + \text{number of agents at end of the month}) / 2]) / \text{the number of months in the reporting period}$.
4. Monthly average comprehensive productivity per capita = $\text{monthly average first year regular premiums} / \text{monthly average number of agents}$.

Bancassurance channel

The bancassurance channel strictly observed the regulation on aligning fee experience with registered assumptions, adhered to the high-quality development and emphasized both business volume and value, continuously fostering core management capabilities.

In terms of channel collaboration, the Company deepened cooperation with major state-owned banks and joint-stock banks, while partnering with selective regional commercial banks. The Company expanded business network, strengthened strategic synergy between banking and insurance institutions and deepened outlet-level operations, driving significant growth in core banking partners.

In terms of product transformation, the Company deepened the transition towards participating insurance products, constructed a product system catering to diversified needs, and stayed committed to providing customers with whole life cycle services and protection.

In terms of team building, the Company advanced the frameworks of “building a high-performing agent team with strong units” (「強部優組」) and “Three-Thirds Principle” (「三三制」), while fully implementing strategic arrangements such as the “Strong Foundation Initiative” and “XIN Generation Initiative” (XIN計劃). The agent headcounts in the channel has saw steady expansion, with productivity per capita increasing by 17.9% year on year and continuous improvement in team quality and performance.

In 2025, the bancassurance channel realized premiums of RMB72,102 million, increasing by 39.5% year on year. The first year regular premiums from long-term insurance business amounted to RMB17,974 million, representing an annual increase of 29.6%. Renewal premiums totaled RMB34,154 million, up by 27.7% year on year.

110.2%

YoY growth in NBV of bancassurance channel

52.3%

YoY growth in the FYP from long-term insurance business of bancassurance channel

Group insurance business

Group insurance advanced the reform and transformation, adhered to a customer-centric philosophy while focusing on both business scale and efficiency to steadily enhance its operation and management.

In terms of customer expansion, the Company took employee benefits business at the core, intensified efforts to develop central and state-owned enterprises, consolidated the foundation of small and micro enterprise customers and expanded agency cooperation to boost the growth of short-term insurance business.

In terms of team building, the Company upgraded and reshaped its team, revised the basic law, recruited outstanding talents, strengthened team management foundation and advanced the implementation of the “Three Thirds Principle” framework. As a result, the monthly average productivity per capita increased by 19% compared with that of 2024.

In terms of support and empowerment, the Company refined the group insurance product system, optimized platform support, and established the “Xinhua Qikang” (新华企康) health management service platform to improve the quality and efficiency of claim services.

In terms of serving national strategies, the Company implemented the requirements of developing “five priorities” in finance, strengthened underwriting for customers in key areas such as technology, green and inclusive finance, providing protection with sum assured over RMB4 trillion. The Company made efforts to promote policy-oriented insurance business, helped build a multi-level national medical security system, expanded service coverage and participated in 46 people’s welfare insurance projects across 21 provinces and municipalities, offering diversified medical security for insured people.

In 2025, the group insurance realized premiums of RMB3,188 million, representing a year-on-year increase of 11.2%. First year premiums from long-term insurance business amounted to RMB201 million with annual growth rate of 6.9%. The Company realized premiums of RMB1,024 million from policy-oriented health insurance⁽¹⁾, representing an increase of 7.9% year on year, covering 14.86 million customers.

Note:

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

Analysis by types of insurance products

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
GWP	195,871	170,511	14.9%
Traditional insurance	106,690	88,887	20.0%
First year premiums from long-term insurance business	43,875	36,530	20.1%
Renewal premiums	62,707	52,259	20.0%
Premiums from short-term insurance business	108	98	10.2%
Participating insurance⁽¹⁾	37,604	28,278	33.0%
First year premiums from long-term insurance business	11,933	918	1,199.9%
Renewal premiums	25,671	27,360	-6.2%
Premiums from short-term insurance business	—	—	—
Health insurance	50,766	52,527	-3.4%
First year premiums from long-term insurance business	1,974	1,363	44.8%
Renewal premiums	45,721	48,245	-5.2%
Premiums from short-term insurance business	3,071	2,919	5.2%
Accident insurance	743	758	-2.0%
First year premiums from long-term insurance business	—	—	—
Renewal premiums	—	—	—
Premiums from short-term insurance business	743	758	-2.0%
Universal insurance⁽¹⁾	68	61	11.5%
First year premiums from long-term insurance business	—	—	—
Renewal premiums	68	61	11.5%
Premiums from short-term insurance business	—	—	—

Note:

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

In 2025, due to the changes in economic environment, consumption demands, distribution channel development, etc., the Company's first year premiums from long-term participating insurance business increased significantly year-on-year.

Analysis by branches

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
GWP	195,871	170,511	14.9%
Shandong Branch	18,568	16,546	12.2%
Zhejiang Branch	13,206	10,662	23.9%
Henan Branch	12,606	11,665	8.1%
Beijing Branch	12,259	11,410	7.4%
Guangdong Branch	11,673	9,420	23.9%
Shaanxi Branch	10,234	8,868	15.4%
Hubei Branch	9,309	8,088	15.1%
Jiangsu Branch	9,204	7,954	15.7%
Inner Mongolia Branch	7,273	6,456	12.7%
Hunan Branch	6,970	6,234	11.8%
Other Branches	84,569	73,208	15.5%

In 2025, about 56.8% of GWP of the Company were derived from ten branches in populous areas or more developed regions such as Shandong, Zhejiang and Henan.

Insurance products

Product highlights

The Company adhered to the “customer-centric” philosophy in product development. With the goal of “Better Products with NCI”, the Company intensified the supply of diversified insurance products, improved the inclusive insurance system, and enriched the “comprehensive and exquisite” product portfolio that addressed customers’ needs for “birth, aging, illness, death and disability” in their whole life cycle. In 2025, the Company launched a total of 95 new products and there were 211 products totally on the market at the end of 2025.



Health Protection Products

The Company launched the flagship critical illness product such as Zhuoyue Edition of Health Guard (健康無憂卓越版), catering to the personalized and differentiated needs of various customer groups through modular design. The Company introduced the medical insurance product “Pharma Assured” closely aligned with medical insurance DRG reform, complemented by health management services to integrate medical insurance with medical services. The Company also launched service-based payment nursing insurance product “Healthcare Assured” that integrates cash payment with nursing services, driving the transformation from traditional compensation to a “product + service” ecosystem.



Pension & Wealth Management Products

Responding to market changes, the Company strengthened asset-liability coordination and increased the supply of participating insurance products, covering multiple product types including whole life insurance, long-term annuities and endowment insurance. The Company enriched individual pension product portfolio to support the development of a multi-tiered and multi-pillar pension insurance system.



Inclusive Insurance Products

The Company increased the supply of insurance protection for specific groups, launching over 20 inclusive insurance products tailored for segments such as students, children, women, the elderly and new urban residents. In line with the rural revitalization strategy, the Company also launched exclusive insurance products for rural revitalization to help consolidate the achievements in poverty alleviation. In line with the development of the silver economy, the Company enriched the supply of senior-friendly insurance products to strengthen protection for the elderly.

Top 5 insurance products in terms of premium income

Unit: RMB in millions

Rank	Product	Premium income for the year 2025	Main distribution channel	Surrender value
1	Fushengshijia whole life insurance 福盛世家終身壽險	18,182	Bancassurance channel	57
2	Rongyaoxinxiang smart win edition whole life insurance 榮耀鑫享智贏版終身壽險	14,760	Individual insurance channel	20
3	Rongzunshijia whole life insurance 榮尊世家終身壽險	9,480	Bancassurance channel	161
4	Rongxinshijia whole life insurance 榮欣世家終身壽險	7,541	Bancassurance channel	104
5	Rongyaoxinxiang celebration edition whole life insurance 榮耀鑫享慶典版終身壽險	7,173	Individual insurance channel	39

Rank	Product	First year premiums for the year 2025
1	Fushengshijia whole life insurance 福盛世家終身壽險	17,370
2	Rongyaoxinxiang smart win edition whole life insurance 榮耀鑫享智贏版終身壽險	13,529
3	Jufuhui endowment insurance 聚福惠兩全保險	4,823
4	Shengshirongyao smart win edition whole life insurance (participating insurance) 盛世榮耀智贏版終身壽險(分紅型)	4,042
5	Xinanyi endowment insurance 欣安逸兩全保險	3,009

Top 5 customers

During the reporting period, the premium income of top five customers accounted for about 0.47% of GWP of the Company, and there was no related party of the Company. In view of the Company's business nature, the Company has no suppliers directly related to its business.

Business quality

For the 12 months ended 31 December	2025	2024	Change
Persistency ratio of individual life insurance business			
13-month persistency ratio ⁽¹⁾	97.1%	95.7%	1.4pt
25-month persistency ratio ⁽²⁾	93.3%	86.2%	7.1pt

Notes:

1. 13-month persistency ratio = premiums under in-force regular premium life insurance policies 13 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.
2. 25-month persistency ratio = premiums under in-force regular premium life insurance policies 25 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.

Analysis of insurance revenue and insurance service expenses

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
Insurance revenue			
Contracts measured with premium allocation approach	3,668	3,686	-0.5%
Contracts not measured with premium allocation approach	46,629	44,126	5.7%
Total	50,297	47,812	5.2%
Insurance service expenses			
Contracts measured with premium allocation approach	(3,817)	(4,390)	-13.1%
Contracts not measured with premium allocation approach	(27,931)	(27,185)	2.7%
Total	(31,748)	(31,575)	0.5%
Insurance service result of original insurance contracts issued	18,549	16,237	14.2%

In 2025, insurance service result of original insurance contracts issued increased by 14.2% compared with the same period of the previous year, of which, the insurance revenue increased by 5.2% and the insurance service expenses increased by 0.5% compared with the same period of the previous year.

Analysis on insurance contract liabilities

Unit: RMB in millions

Component	As at 31 December 2025	As at 31 December 2024	Change
Liabilities for remaining coverage	1,518,168	1,351,634	12.3%
Liabilities for incurred claims	14,470	14,456	0.1%
Insurance contract liabilities in total	1,532,638	1,366,090	12.2%
Insurance contracts not measured with premium allocation approach	1,530,171	1,363,507	12.2%
Insurance contracts measured with general model	846,422	707,113	19.7%
Insurance contracts measured with variable fee approach	683,749	656,394	4.2%
Insurance contracts measured with premium allocation approach	2,467	2,583	-4.5%
Insurance contract liabilities in total	1,532,638	1,366,090	12.2%
Including: Contractual service margin for issued insurance contracts	181,723	175,867	3.3%
For the 12 months ended 31 December	2025	2024	Change
Contractual service margin for insurance contracts issued on initial recognition in the period	11,875	10,997	8.0%

In 2025, insurance contract liabilities increased by 12.2% compared with the end of the previous year, of which liabilities for remaining coverage increased by 12.3% and insurance contracts measured with general model increased by 19.7% compared with the end of the previous year.

Analysis on reinsurance contract assets

Unit: RMB in millions

Component	As at 31 December 2025	As at 31 December 2024	Change
Reinsurance contract for remaining coverage	9,788	9,643	1.5%
Reinsurance contract for incurred claims	1,277	1,169	9.2%
Reinsurance contract assets	11,065	10,812	2.3%
Contracts not measured with premium allocation approach	11,002	10,727	2.6%
Contracts measured with premium allocation approach	63	85	-25.9%
Reinsurance contract assets	11,065	10,812	2.3%

In 2025, reinsurance contract assets increased by 2.3% compared with the end of the previous year.

Asset management business



**Investment
assets exceeded
RMB 1.84
trillion**

- As of the end of 2025, the Company's investment assets exceeded RMB1.84 trillion, increasing by 13.0% compared with the end of last year.



**Total investment
yield achieved
6.6%**

- In 2025, the Company's investment portfolio achieved a total investment yield of 6.6%, up by 0.8pt year on year, a comprehensive investment yield of 5.0%, and a net investment yield of 2.8%.

In 2025, China's economic fundamentals remained stable, the capital market demonstrated strong performance, and long-term interest rates fluctuated within a low range, presenting an overall pattern of robust equities and stable bonds. The Company earnestly practiced the "big insurance philosophy", integrated itself into the broader national reform and development, and embraced the mission of serving as the main force in underpinning the real economy and the stabilizing anchor in safeguarding financial stability. The Company adhered to the mainline of "risk prevention, strict regulation and development promotion" in investment business, upheld the asset-liability matching principle alongside the philosophy of long-term and value-oriented investment to optimize its investment portfolio. At the strategic asset allocation, the Company has taken fixed-income assets with long duration and stable cash flow as the ballast stone to meet the requirements of asset-liability matching, supplemented by balanced equity assets to bolster long-term investment returns. Guided by such framework, the Company pursued tactical asset allocation and adopted multiple and systematic approaches to navigate in evolving market conditions.

In terms of fixed-income assets, on the one hand, the Company capitalized on allocation opportunities, moderately extended asset duration and narrowed the duration gap between assets and liabilities to replenish the fixed-income asset portfolio. On the other hand, the Company time the market to allocated to fixed-income enhanced products with stable performance to moderately increase return elasticity.

In terms of equity investment, the Company persisted in the philosophy of rational, value-oriented and long-term investment, and boosted equity holdings as anchor assets to stabilize and enhance the investment return.

The Company also improved the investment research system, deepened macroeconomic analysis and judgment and seized trading timing. Meanwhile, the Company advanced digital and intelligent construction and empowered the entire investment process with technology to strengthen investment management capabilities.

Investment portfolio

Unit: RMB in millions

As at 31 December	2025		2024		Amount change
	Amount	Proportion	Amount	Proportion	
Investment assets	1,841,227	100%	1,629,361	100%	13.0%
Classified by investment type					
Cash and cash equivalents	42,898	2.3%	38,432	2.4%	11.6%
Term deposits	293,964	16.0%	282,458	17.3%	4.1%
Financial investments					
Bonds	914,024	49.6%	849,493	52.1%	7.6%
Equity investment plans	22,103	1.2%	20,174	1.2%	9.6%
Debt investment plans ⁽¹⁾	11,277	0.6%	18,563	1.1%	-39.3%
Trust products	2,053	0.1%	17,912	1.1%	-88.5%
Stocks ⁽²⁾	216,452	11.8%	180,795	11.1%	19.7%
Funds	172,574	9.4%	126,324	7.7%	36.6%
Other financial investments ⁽³⁾	72,710	3.9%	48,564	3.0%	49.7%
Investments in associates and joint ventures	65,633	3.6%	30,245	1.9%	117.0%
Investment properties	11,424	0.6%	9,055	0.6%	26.2%
Other investment assets ⁽⁴⁾	16,115	0.9%	7,346	0.5%	119.4%
Classified by accounting methods					
Financial assets at fair value through profit or loss	579,756	31.5%	485,928	29.8%	19.3%
Financial assets at fair value through other comprehensive income ⁽⁵⁾	574,524	31.2%	501,006	30.7%	14.7%
Financial assets measured at amortized cost ⁽⁶⁾	609,890	33.1%	603,127	37.0%	1.1%
Investments in associates and joint ventures	65,633	3.6%	30,245	1.9%	117.0%
Investment properties	11,424	0.6%	9,055	0.6%	26.2%

Notes:

- Debt investment plans mainly consist of infrastructure and real estate funding projects.
- Stocks include common stocks and preferred stocks.
- Other financial investments include asset management plans, private equity, unlisted equity investments, perpetual bonds, certificates of deposit, etc.
- Other investment assets mainly include statutory deposits, financial assets purchased under agreements to resell, dividend receivables and interest receivables, etc.
- Financial assets at fair value through other comprehensive income are debt investments at fair value through other comprehensive income and equity investments designated at fair value through other comprehensive income.
- Financial assets measured at amortized cost are debt investments at amortized cost, term deposits, cash and cash equivalents, etc.

Investment income

China's capital market achieved sound performance in 2025, which enabled the Company's total investment return in 2025 to achieve sound growth off a high base in the same period of last year.

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
Interest income from cash and cash equivalents	165	280	-41.1%
Interest income from term deposits	8,844	8,747	1.1%
Interest and dividend income from financial investments	36,628	35,802	2.3%
Rental income from investment properties	271	321	-15.6%
Interest income from other investment assets ⁽¹⁾	150	133	12.8%
Net investment income⁽²⁾	46,058	45,283	1.7%
Realized gains/(losses) on investment assets	37,373	2,733	1,267.5%
Fair value gains/(losses) on investment assets	22,121	35,718	-38.1%
Impairment losses on investment assets	(3,473)	(4,575)	-24.1%
Share of results of associates and joint ventures under equity method	2,255	528	327.1%
Total investment income⁽³⁾	104,334	79,687	30.9%
Other comprehensive income	(24,406)	36,049	-167.7%
Comprehensive investment income⁽⁴⁾	79,928	115,736	-30.9%
Net investment yield ⁽⁵⁾	2.8%	3.2%	-0.4pt
Total investment yield ⁽⁵⁾	6.6%	5.8%	0.8pt
Comprehensive investment yield ⁽⁵⁾	5.0%	8.5%	-3.5pt

Notes:

- Interest income from other investment assets includes interest income from statutory deposits and financial assets purchased under agreements to resell, etc.
- Net investment income includes interest and dividend income from cash and cash equivalents, term deposits, financial investments and rental income from investment properties.
- Total investment income = net investment income + realized (losses)/gains on investment assets + unrealized gains/(losses) on investment assets + impairment losses on investment assets + share of results of associates and joint ventures under equity method.
- Comprehensive investment income = total investment income + net fair value of debt investments at fair value through other comprehensive income and other equity investments designated at fair value through other comprehensive income for the reporting period + movements in other comprehensive income for the reporting period under the equity method.
- Investment yield = (investment income – interest expenses of financial assets sold under agreements to repurchase)/(monthly average investment assets – monthly average financial assets sold under agreements to repurchase – monthly average interest receivables).
- The calculation of comprehensive investment yield includes the changes in fair value of debt investments at fair value through other comprehensive income (a loss of approximately RMB29,494 million in 2025 and a gain of approximately RMB31,807 million in 2024). Excluding the impact of these fair value changes, the comprehensive investment yield for 2025 would be 6.9%.

Average investment yield for the previous three years

For Years 2023-2025	Average over the past three years
Net investment yield	3.1%
Total investment yield	4.7%
Comprehensive investment yield	5.4%

Investment in non-standard assets

Most of the underlying assets of non-standard assets that the Company holds are loans in institutional financing of non-banking sectors, infrastructure financing, commercial real estate financing and consumption credit financing. The enterprises involved are industrial giants, including large financial institutions, central enterprises and important state-owned enterprises in the first and second tier cities. As of 31 December 2025, the non-standard assets amounted to RMB65,541 million, decreasing by RMB29,587 million compared with the end of last year, accounting for 3.6% of total investment assets and decreasing by 2.2 percentage points compared with the end of last year. The non-standard assets of the Company had good credit enhancement

measures. Apart from financing entities which are exempted from credit enhancement requirements by regulatory authorities, most of non-standard assets are taken the following credit enhancement measures, such as mortgage and pledge, joint guarantee, repurchase agreement, and management of funds, ensuring that the non-standard assets are of high quality and controllable risks.

Ratings

Excluding non-fixed income financial products and portfolio products issued by insurance asset management companies not requiring external ratings, the vast majority of the existing non-standard assets of the Company were rated AAA as of 31 December 2025. The overall credit risk was limited with high safety.

Investment portfolio

Unit: RMB in millions

As at 31 December 2025	Amount	Proportion	Proportion change compared with the end of last year	Amount change compared with the end of last year
Non-standard financial assets				
– Equity investment plans	22,103	33.7%	12.4%	1,929
– Trust products	2,053	3.1%	-15.7%	(15,859)
– Debt investment plans	11,277	17.2%	-2.3%	(7,286)
– Asset management plans	7,000	10.7%	-5.4%	(8,302)
– Private equity investments	14,063	21.5%	6.7%	(2)
– Unlisted equity investments	7,358	11.2%	3.5%	(1)
– Others ⁽¹⁾	1,687	2.6%	0.8%	(66)
Total	65,541	100.0%		(29,587)

Note:

1. Others include asset funding plan, etc.

Major management institutions

Unit: RMB in millions

As at 31 December 2025		
Top 5 management institutions of financial products	Paid amount	Proportion
New China Asset Management Co., Ltd.	10,397	15.9%
CICC Capital Management Co., Ltd.	9,436	14.4%
CIB Wealth Management Co., Ltd.	9,028	13.8%
Taikang Asset Management Co., Ltd.	8,623	13.2%
CMB Wealth Management Co., Ltd.	5,000	7.6%

Investment risk management

The Company persists in the principle of prudent operation, and integrates risk management throughout the whole process of decision-making and investment management. The Company improves its asset-liability management system, and dynamically balances risk and return to ensure its long-term and sustainable development. The Company has established and optimized the risk control mechanism throughout the entire investment process. Focusing on key investment areas, the Company improves investment processes and systems and strives to strengthen risk identification and prevention from the source.

The Company refined risk preference limit indicators by optimizing risk limit indicators and threshold settings for areas such as real estate and concentration, thereby strengthening investment risk monitoring and early warning in key areas.

The Company conducted regular asset risk classification. In accordance with regulatory requirements and combined with its management practices, the Company has refined management responsibilities, and established a management mechanism comprising initial classification, review and approval to conduct asset risk classification with due diligence, and promptly identify potential risk hazards.

The Company also organized self-assessment around the soundness and execution effectiveness of investment risk management systems, optimizing and implementing relevant management systems.

In addition, the Company places great emphasis on technology empowerment, and explores the application of fintech and big data analytics in investment, while investigating the practical use of large-scale risk control models and intelligent systems in investment risk management.

Through the above multi-layered and systematic risk management practices, the Company is committed to building a solid defense mechanism to safeguard assets and ensure long-term value growth.

Analysis on profit sources

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
Insurance service result and others	17,539	12,467	40.7%
Including: Insurance revenue	50,297	47,812	5.2%
Insurance service expenses	(31,748)	(31,575)	0.5%
Investment performance	22,986	15,674	46.7%
Including: Total net investment income ⁽¹⁾	100,824	76,521	31.8%
Net insurance finance expenses for insurance contracts issued ⁽²⁾	(77,838)	(60,847)	27.9%
Profit before income tax	40,525	28,141	44.0%
Income tax	(4,236)	(1,908)	122.0%
Net profit	36,289	26,233	38.3%

Notes:

1. Total net investment income = total investment income – other finance costs.
2. Net insurance finance expenses for insurance contracts issued include finance expenses from insurance contracts issued and finance income from reinsurance contracts held.

ANALYSIS BY COMPONENT

Solvency

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

Unit: RMB in millions

	As at 31 December 2025	As at 31 December 2024	Reason(s) of change
Core capital	201,362	156,883	Movements in discount rate and fair value of financial assets, reclassification of held-to-maturity investments to available-for-sale financial assets and growth in insurance business
Actual capital	313,672	275,089	The reasons mentioned above and the redemption of capital supplementary bonds of RMB10,000 million by the Company
Minimum capital	149,032	126,447	Growth and structural changes in insurance and investment businesses
Core solvency margin ratio ⁽¹⁾	135.11%	124.07%	
Comprehensive solvency margin ratio ⁽¹⁾	210.47%	217.55%	

Note:

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

Liquidity

Gearing ratio

	As at 31 December 2025	As at 31 December 2024
Gearing ratio ⁽¹⁾	94.1%	94.3%

Note:

1. Gearing ratio = total liabilities/total assets.

Consolidated statement of cash flows

Unit: RMB in millions

For the 12 months ended 31 December	2025	2024	Change
Net cash flows from operating activities	110,916	96,290	15.2%
Net cash flows from investing activities	(110,116)	(141,771)	-22.3%
Net cash flows from financing activities	3,739	62,029	-94.0%

The net cash inflows from operating activities in 2025 increased by 15.2% compared with last year due to increase in cash received from premiums for issuing insurance contracts on a year-on-year basis.

The net cash outflows from investing activities in 2025 decreased by 22.3% compared with last year due to increase in cash received from disinvestments on a year-on-year basis.

The net cash inflows from financing activities in 2025 decreased by 94.0% compared with last year due to decrease in cash received from financial assets sold under agreements to repurchase on a year-on-year basis.

Source and use of liquidity

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

The cash and bank deposits of the Company provided liquidity resources to satisfy the requirements of cash outflows. Substantially all of the Company's term deposits were available for utilization subject to interest losses. As of the end of the reporting period, cash and cash equivalents amounted to RMB42,898 million and term deposits amounted to RMB293,964 million. Moreover, the investment portfolio also provided liquidity resources to satisfy the requirements of unexpected cash outflows. As of the end of the reporting period, the book value of financial assets such as bonds, stocks and funds reached RMB1,303,050 million.

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

The liquidity of the Company is sufficient to meet its current cash requirements.

Insurance security fund

For the basis and amount provided for the insurance security fund, please refer to Note 31 to Consolidated Financial Statements of this report.

Reinsurance business

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

FUTURE PROSPECTS

Trend of insurance industry

The year 2026 marks the commencement of the "15th Five-Year Plan". Key national initiatives, such as building a financial powerhouse and improving the multi-tiered social security system, have both anchored the industry's mission within the broader national agenda and pointed out the strategic direction for the industry to serve the real economy and safeguard people's livelihoods. The fundamental trend of China's long-term economic improvement continues to be consolidated. The accumulation of household wealth, coupled with the population aging, is steadily unleashing demands for life insurance and creating opportunities for structural growth. Meanwhile, against the backdrops of declining long-term interest rates and deepening regulatory policies, industry competition has shifted from scale expansion to a comprehensive contest of value and capabilities. Thus the industry transformation trends and regulatory guidance have placed greater requirements for the Company's strategic determination and operational resilience.

Development strategy

Guided by the strategic orientation of “embracing the big insurance philosophy and building a strong NCI”, the Company will take serving national strategies and safeguarding people’s wellbeing as its fundamental mission, continue to advance professional, market-oriented and systematic reforms, and construct a “customer-centric” development framework. The Company will enhance product and service supply, diversified ecosystem empowerment and investment management and strategically focus on regional presence, talent development, professional development of distribution channels, refined customer management, and technological and intelligent empowerment. The Company will coordinate development and security, and strengthen and optimize its insurance business in the new journey of Chinese modernization to earnestly fulfill its core mission of serving the real economy and ensuring people’s wellbeing, and to create long-term and stable value for its customers, shareholders and society.

Business plan

In 2026, the Company will uphold the general principle of “seeking progress while maintaining stability, improving quality and efficiency”, and pursue the inward-focused and high-quality development. The Company will adhere to the “customer-centric” philosophy, strive to build a financial industry ecosystem and provide customers with multi-dimensional, comprehensive and whole life-cycle services to achieve customer-driven operations. The Company will stick to the value-oriented concept, advance the synergistic development model of “insurance + service + investment” to bolster its high-quality development. The Company will balance development with security, and establish a full-process, full-coverage and penetrating risk management system to enhance asset-liability management, risk prevention and mitigation capabilities, and to consolidate the foundation for its high-quality development.

Possible risks and measures to be taken

Possible risks

The current trend of economic and social recovery and improvement continues to be consolidated. In 2026, global environment remains severe, with ongoing geopolitical conflicts and financial market volatility operating at high levels. The complexity of the internal and external environment still exists to a certain extent. The socio-economic environment, demographic structure and customer needs have undergone significant changes in recent years. The industry is still in a period of deep adjustment and transformation, and risk prevention and control in key areas still require continuous attention.

Measures to be taken

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

OTHER DISCLOSURES

In 2025, the Company issued “Corporate Value and Return Enhancement Action Plan” announcement and made solid progress in all areas of work. So far, the core measures have yielded certain results, as outlined below:

Fulfilling financial mission to achieve high-quality development of core business

The Company firmly upheld the political and people-oriented finance and enhanced management framework for serving national strategies. A dedicated task force and implementation plan for the “five priorities” in finance were set up to ensure full engagement and comprehensive oversight. By the end of the reporting period, investments in the “five priorities” in finance reached over RMB360 billion, marking a year-on-year increase of over 20%. Harnessing the unique strengths of insurance funds as the “long-term capital, patient capital and strategic capital”, the Company refined its asset allocation and bolstered the investment management capabilities. In 2025, the investment assets of the Company exceeded RMB1.84 trillion, with total investment yield of 6.6% and comprehensive investment yield of 5.0%.

Expanding the depth, breadth and diversity of insurance services

The Company embraced a “customer-centric” philosophy, and upgraded its five major service brands, namely Xinhua Zun, Xinhua An, Xinhua Rui, Xinhua Yue and Xinhua Kang, improving services covering ten major fields of “medical care, healthcare, old-age care, wealth management, commerce, taxation, law, education, leisure and culture”. Over 120 healthcare and old-age care and travel-based service networks were rolled out nationwide. Meanwhile, the Company also improved its multi-tiered product system that covers the entire life cycle of customers, leading to continuous improvements

in business quality and simultaneous growth in business volume and value. In 2025, the Company achieved GWP of RMB195,871 million, representing a year-on-year increase of 14.9%. The value of one year’s new business realized RMB9,842 million, representing a year-on-year increase of 57.4%.

Deepening institution and mechanism reform to invigorate the organization

The Company steadily advanced professional, market-oriented and systematic reforms, and established a core system featuring high adaptability, competitiveness and integrated operations. Driven by institutionalized operation, the Company promoted self-operation and fully stimulated its internal vitality and growth momentum. In 2025, the individual insurance channel saw a stabilized agent force, with productivity per capita rising by 43% year on year. The bancassurance channel set new records in both first year premiums and new business value. The group insurance also marked a improvement in operating efficiency.

Securing investor recognition for high-quality development and achieving new highs in market value and share price

The Company maintained compliant operations, consistently boosting its value-creation and investor-return to achieve high-level development of the Company and benefits sharing for shareholders. In 2025, the Company proposed to distribute cash dividends of RMB8,516 million, up by 7.9% compared with that of 2024. In 2025, the Company’s share price growth led the A share and H share insurance sectors, securing a total market value exceeding RMB200 billion.

EMBEDDED VALUE

INDEPENDENT ACTUARY'S REPORT ON REVIEW OF EMBEDDED VALUE INFORMATION

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

We have reviewed embedded value results ("EV Results") of New China Life Insurance Company Ltd. ("NCI" or "the company") as of 31 Dec 2025. Our review of EV results includes: embedded value and the value of one year's new business as of 31 Dec 2025, sensitivity analysis, and the analysis of change of the embedded value.

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

Scope of work

Our scope of work covered:

- A review of whether methodology and assumptions used for calculating the embedded value and the value of one year's new business as of 31 Dec 2025 are consistent with the requirements of Appraisal of Embedded Value and market information.

- A review of the embedded value and the value of one year's new business as of 31 Dec 2025;
- A review of the sensitivity tests of the value of in-force business and the value of one year's new business as of 31 Dec 2025; and
- A review of the analysis of change of the embedded value from 31 Dec 2024 to 31 Dec 2025.

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

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

Opinion

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

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

- The embedded value results of all significant aspects are consistent with the methodology and assumptions shown in the Embedded Value section of 2025 annual report.

We confirm that the results shown in the Embedded Value section of 2025 annual report are consistent with those reviewed by us.

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

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

Grace Jiang, FSA
Ben Cheng, FIA

PricewaterhouseCoopers Consultants (Shenzhen)
Ltd., Beijing Branch
27 March 2026

1. BACKGROUND

In order to provide investors with an additional tool to understand our economic value and business results, we have prepared the Company's Embedded Value as of 31 Dec 2025 and have disclosed the relevant information in this section.

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

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

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

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

2. DEFINITIONS OF EMBEDDED VALUE

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

“Adjusted Net Worth” (ANW) is equal to the sum of:

Net assets, defined as assets less corresponding policy liabilities and other liabilities valued; and

Net-of-tax adjustments for relevant differences between the market value and the book value of assets, together with relevant net-of-tax adjustments to certain liabilities.

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

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

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

3. KEY ASSUMPTIONS

In determining the value of in-force business and the value of one year's new business as of 31 Dec 2025, we have assumed that the Company continues to operate as a going concern under the current economic and regulatory environment, and the relevant regulations for determining policy liabilities and required capital remain unchanged. The operational assumptions are mainly based on the results of experience analyses of the Company, together with reference to the overall experience of the Chinese life insurance industry, as well as with regard to expected future operating experience. As such, these assumptions represent our best estimates of the future based on information currently available at the valuation date.

(1) Risk discount rate

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

(2) Investment returns

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

(3) Mortality

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

(4) Morbidity

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

(5) Invalidation rate and surrender rate

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

(6) Expenses

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

(7) Commission and handling fees

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

(8) Policyholder bonuses and dividends

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

(9) Tax

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

(10) Cost of required capital

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

(11) Other assumptions

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

Our current reinsurance arrangements have been assumed to remain unaltered.

4. EMBEDDED VALUE RESULTS

The table below shows our embedded value and value of one year's new business as of 31 Dec 2025 and their corresponding results as of prior valuation date.

Embedded value

Unit: RMB in millions

Valuation Date	31 Dec 2025	31 Dec 2024
Adjusted Net Worth	212,414	189,233
Value of In-Force Business Before Cost of Required Capital Held	113,197	104,223
Cost of Required Capital Held	(37,770)	(35,008)
Value of In-Force Business After Cost of Required Capital Held	75,427	69,215
Embedded Value	287,840	258,448

Notes:

- The impact of major reinsurance contracts has been reflected in the embedded value.
- Numbers may not be additive due to rounding.

Value of one year's new business

Unit: RMB in millions

Valuation Date	31 Dec 2025	31 Dec 2024
Value of One Year's New Business Before Cost of Required Capital Held	11,885	8,468
Cost of Required Capital Held	(2,043)	(2,215)
Value of One Year's New Business After Cost of Required Capital Held	9,842	6,253

Notes:

- The first year premiums used to calculate the value of one year's new business as of 31 Dec 2025 and 31 Dec 2024 were RMB60,914 million and RMB42,683 million respectively.
- The impact of major reinsurance contracts has been reflected in the value of one year's new business.
- Numbers may not be additive due to rounding.

Value of one year's new business by channel

Unit: RMB in millions

Valuation Date	31 Dec 2025	31 Dec 2024
Individual insurance channel	4,805	4,025
Bancassurance channel	5,273	2,509
Group insurance channel	(236)	(281)
Total	9,842	6,253

Notes:

1. The first year premiums used to calculate the value of one year's new business as of 31 Dec 2025 and 31 Dec 2024 were RMB60,914 million and RMB42,683 million respectively.
2. The impact of major reinsurance contracts has been reflected in the value of one year's new business.
3. Numbers may not be additive due to rounding.

5. ANALYSIS OF CHANGE

The analysis of change in Embedded Value from 31 December 2024 to 31 December 2025 is shown below.

Unit: RMB in millions

Analysis of Change in EV from 31 December 2024 to 31 December 2025		
1.	EV at the beginning of period	258,448
2.	Impact of Value of New Business	9,842
3.	Expected Return	15,578
4.	Operating Experience Variances	6,884
5.	Economic Experience Variances	6,410
6.	Operating Assumption Changes	(4,222)
7.	Economic Assumption Changes	–
8.	Capital Injection/Shareholder Dividend Payment	(8,298)
9.	Others	198
10.	Value Change Other Than Life Insurance Business	3,000
11.	EV at the end of period	287,840

Note: Numbers may not be additive due to rounding.

Items 2 to 10 are explained below:

2. Value of new business as measured at the point of issuing.
3. Expected return on adjusted net worth and value of in-force business during the relevant period.
4. Reflects the difference between the actual operating experience in the period (including mortality, morbidity, discontinuance rates, expenses, taxes and etc.) and the assumed at the beginning of the period.

5. Reflects the difference between actual and expected investment returns, among other factors.
6. Reflects the change in operating assumptions between valuation dates.
7. Reflects the change in economic assumptions between valuation dates.
8. Capital injection and other dividend payment to shareholders.
9. Other miscellaneous items.
10. Value change other than those arising from the life insurance business.

6. SENSITIVITY TESTS

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

Unit: RMB in millions

VIF and Value of One Year's New Business Sensitivity Results as of 31 Dec 2025	VIF after Cost of Required Capital Held	Value of One Year's New Business after Cost of Required Capital Held
Scenarios		
Base Scenario	75,427	9,842
Risk Discount Rate at 9.0%	69,933	9,373
Risk Discount Rate at 8.0%	81,375	10,353
Investment Return 50bps higher	114,639	12,956
Investment Return 50bps lower	36,965	6,685
Expenses 10% higher (110% of Base)	73,201	8,743
Expenses 10% lower (90% of Base)	77,652	10,942
Discontinuance Rates 10% higher (110% of Base)	77,039	9,550
Discontinuance Rates 10% lower (90% of Base)	73,698	10,159
Mortality 10% higher (110% of Base)	74,458	9,723
Mortality 10% lower (90% of Base)	76,401	9,962
Morbidity and Loss Ratio 10% higher (110% of Base)	69,700	9,509
Morbidity and Loss Ratio 10% lower (90% of Base)	81,209	10,176
Profit Sharing between Participating Policyholders and Shareholders is assumed to be 75%/25% instead of 70%/30%	71,668	9,656

Corporate Governance



DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

CURRENT DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

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

Unit: RMB10,000

Name	Position	Gender	Date of birth	Term of office	Remuneration received from the Company	Various benefits, social security, housing provident fund, enterprise annuity, etc., paid by the Company	Total remuneration (before tax) received from the Company	Whether receiving remuneration from related parties
YANG Yucheng	Chairman	Male	June 1971	Since December 2023	165.55	26.29	191.84	No
	Executive Director							
GONG Xingfeng	Executive Director	Male	October 1970	Since December 2024	126.00	40.12	166.12	No
	President							
	Financial Principal							
YANG Xue	Non-Executive Director	Female	June 1974	Since October 2021	-	-	-	Yes
MAO Sixue ⁽¹⁾	Non-Executive Director	Female	October 1975	Since March 2025	-	-	-	Yes
HU Aimin	Non-Executive Director	Male	December 1973	Since June 2016	-	-	-	Yes
ZHANG Xiaodong ⁽²⁾	Non-Executive Director	Male	October 1967	Since August 2025	-	-	-	Yes
MA Yiu Tim ⁽³⁾	Independent Non-Executive Director	Male	October 1954	Since December 2019	22.68	-	27.00	No
XU Xu	Independent Non-Executive Director	Female	September 1978	Since December 2022	26.72	-	32.00	No
GUO Yongqing	Independent Non-Executive Director	Male	October 1974	Since December 2022	26.72	-	32.00	No
ZHUO Zhi ⁽¹⁾	Independent Non-Executive Director	Male	December 1963	Since June 2025	11.34	-	13.50	No
QIN Hongbo	Vice President	Male	August 1975	Since November 2021	126.00	35.31	161.31	No
WANG Lianwen	Vice President	Male	April 1968	Since December 2022	126.00	43.63	169.63	No
LI Wenfeng	Assistant President	Male	October 1981	Since February 2024	105.01	25.63	130.64	No
LIU Chen ⁽⁴⁾	Assistant President	Female	August 1974	Since March 2024	100.45	27.21	127.66	No
	Chief Information Officer			Since August 2025				
LIU Zhiyong ⁽⁵⁾	Assistant President	Male	March 1972	Since March 2024	100.45	26.40	126.85	No
	Board Secretary			Since April 2025				

Name	Position	Gender	Date of birth	Term of office	Remuneration	Various benefits, social security, housing provident fund, enterprise annuity, etc.,	Total	Whether
					received from the Company	paid by the Company	remuneration (before tax) received from the Company	receiving remuneration from related parties
WANG Xigang	Chief Compliance Officer	Male	December 1973	Since April 2017	121.71	37.22	158.93	No
PAN Xing ⁽⁶⁾	Chief Actuary	Male	January 1977	Since March 2025	79.99	22.73	102.72	No

Notes:

- On 10 January 2025, the First Extraordinary General Meeting of 2025 of the Company considered and approved the *Proposal on the Election of Ms. MAO Sixue as a Non-executive Director of the Eighth Session of the Board* and the *Proposal on the Election of Mr. ZHUO Zhi as an Independent Non-executive Director of the Eighth Session of the Board*. On 26 March 2025, the NFRA ratified the qualification of Ms. MAO Sixue as a director of the Company. On 5 June 2025, the NFRA ratified the qualification of Mr. ZHUO Zhi as an independent director of the Company. Ms. MAO Sixue and Mr. ZHUO Zhi have confirmed that they have obtained the legal advice referred to in Rule 3.09D of the *Hong Kong Listing Rules* on 16 December 2024 and understood their obligations as a director of the Company under the *Hong Kong Listing Rules*.
- On 27 June 2025, the Annual General Meeting of 2024 of the Company considered and approved the *Proposal on the Election of Mr. ZHANG Xiaodong as a Non-executive Director of the Eighth Session of the Board*. On 6 August 2025, the NFRA ratified the qualification of Mr. ZHANG Xiaodong as a director of the Company. Mr. ZHANG Xiaodong has confirmed that he has obtained the legal advice referred to in Rule 3.09D of the *Hong Kong Listing Rules* on 6 August 2025 and understood his obligations as a director of the Company under the *Hong Kong Listing Rules*.
- On 3 December 2025, as Mr. MA Yiu Tim had served as an independent non-executive director of the Company for six consecutive years, he tendered his resignation from positions as an independent non-executive director, member of the Nomination and Remuneration Committee and the Risk Management and Consumer Rights Protection Committee under the Board in accordance with relevant regulations. Pursuant to relevant laws and regulations, the requirements of the securities regulatory authority where the Company's shares are listed and the provisions of the *Articles of Association*, Mr. MA Yiu Tim maintained his directorship as an independent non-executive director and respective responsibilities in the Board committees, until a new independent non-executive director is elected by the shareholders' general meeting of the Company and the qualification of the newly appointed independent non-executive director is approved by the NFRA.

On 24 December 2025, the Fourth Extraordinary General Meeting of 2025 of the Company considered and approved the *Proposal on the Election of Directors of the Ninth Session of the Board*. As approved by the shareholders' general meeting, Mr. YANG Yucheng and Mr. GONG Xingfeng were elected as the executive directors of the ninth session of the Board, Ms. YANG Xue, Ms. MAO Sixue, Mr. HU Aimin and Mr. ZHANG Xiaodong were elected as the non-executive directors of the ninth session of the Board, and Ms. XU Xu, Mr. GUO Yongqing, Mr. ZHUO Zhi and Ms. Sau Fun CHEUNG were elected as the independent non-executive directors of the ninth session of the Board. In particular, the qualification of Ms. Sau Fun CHEUNG as an independent non-executive director is subject to the approval of the NFRA. Before her qualification is approved, Mr. MA Yiu Tim, an independent non-executive director of the Company, will continue to perform his duties in accordance with the requirements of laws and regulations as well as the *Articles of Association*.
- On 28 August 2025, the 36th meeting of the eighth session of the Board agreed to appoint Ms. LIU Chen as the Chief Information Officer of the Company.
- On 9 December 2024, the 27th meeting of the eighth session of the Board agreed to appoint Mr. LIU Zhiyong as the Board Secretary and Joint Company Secretary of the Company. His qualification as Board Secretary was ratified by the NFRA on 10 April 2025.
- On 27 December 2024, the 28th meeting of the eighth session of the Board agreed to appoint Mr. PAN Xing as the Chief Actuary of the Company. His qualification as Chief Actuary was ratified by the NFRA on 28 March 2025.
- On 27 February 2026, the 4th meeting of the ninth session of the Board considered and approved the *Proposal on the Appointment of Auditing Officer of the Company*, and agreed to appoint Mr. TAN Li as the Auditing Officer of the Company. His qualification is subject to ratification by the NFRA.
- The remuneration of directors, supervisors and members of senior management of the Company shall be calculated for their relevant term of office during the reporting period. Total remuneration before income tax includes basic salaries, bonuses, allowances, subsidies, employee benefits, insurance premiums, provident funds, annuities and other forms of remuneration received from the Company. Similarly hereinafter.
- The performance bonus for the members of senior management in 2025 has not yet been finalized. Relevant details will be separately disclosed later.

RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The resigned directors, supervisors and senior management (key personnel) of the Company as of the date of the disclosure of this report are as follows:

Unit: RMB10,000

Name	Position	Gender	Date of birth	Term of office	Reason for change	Remuneration received from the Company	Various benefits, social security, housing provident fund, enterprise annuity, etc., paid by the Company	Total remuneration (before tax) received from the Company	Whether receiving remuneration from related parties
HE Xingda	Non-Executive Director	Male	September 1979	From October 2021 to March 2025	Work related reasons	-	-	-	Yes
LI Qiqiang	Non-Executive Director	Male	November 1971	From August 2019 to June 2025	Work related reasons	-	-	-	Yes
LAI Guanrong	Independent Non-Executive Director	Male	December 1962	From December 2022 to December 2025	Expiration of term of office	22.68	-	27.00	No
BI Tao	Auditing Officer	Male	January 1975	From September 2023 to March 2026	Work adjustment	84.86	29.53	114.39	No
LIU Debin	Shareholder Representative Supervisor Chairman of the Board of Supervisors	Male	August 1967	From June 2021 to January 2026	The abolishment of the Board of Supervisors	-	-	-	Yes
YU Jiannan	Shareholder Representative Supervisor	Male	March 1973	From February 2018 to January 2026	The abolishment of the Board of Supervisors	-	-	-	Yes
LIU Chongsong	Employee Representative Supervisor	Male	October 1965	From August 2019 to January 2026	The abolishment of the Board of Supervisors	110.02	35.85	145.86	No
WANG Zhongzhu	Employee Representative Supervisor	Male	October 1967	From March 2016 to January 2026	The abolishment of the Board of Supervisors	74.32	32.81	107.13	No

The Third Extraordinary General Meeting of 2025 of the Company held on 31 October 2025 considered and approved the *Proposal on Amendments to the Articles of Association and the Abolishment of the Board of Supervisors*. On 13 January 2026, the NFRA approved the amendments to the *Articles of Association*. The Board of Supervisors was cancelled and Mr. LIU Debin, Mr. YU Jiannan, Mr. LIU Chongsong and Mr. WANG Zhongzhu ceased to serve as supervisors of the Company as of the same date.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographies of directors

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



Mr. YANG Yucheng | Chinese

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



Mr. GONG Xingfeng | Chinese

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



Ms. YANG Xue | Chinese

Ms. YANG Xue has been a Non-executive Director of the Company since October 2021, a Director of New China Pension Company since October 2023 and a Director of New China Asset Management Company since October 2025. Ms. Yang is currently working as managing director in Huijin. Ms. Yang joined CIC in December 2010, and successively worked as deputy senior manager, senior manager and the head of training and development team of human resources department, senior manager of organization department of the Party Committee/human resources department, director of training and development division/Party School Office in CIC. Before that, Ms. Yang worked in Societe Generale (China) Limited, BP (China) Investment Company Limited, etc. Ms. Yang obtained her master's degree in business administration from Fordham University in the United States in 2010. Ms. Yang possesses the human resources management qualification (Level 1).



Ms. MAO Sixue | Chinese

Ms. MAO Sixue has been a Non-executive Director of the Company since March 2025 and a Director of New China Asset Management Company since October 2025. Ms. Mao is currently working as the managing director in Huijin. Ms. Mao joined CIC in June 2008, and she successively engaged in foreign investment in the equity investment department, the special investment department, Junyi asset management company (君義資產管理公司), the investment department II and the private equity investment department II, serving as deputy senior manager, senior manager and team leader. Prior to that, Ms. Mao worked in Dacheng Fund Management Co., Ltd. and Orient Fund Management Co., Ltd. Ms. Mao obtained her master's degree in economics from Central University of Finance and Economics in 2001, and obtained her master's degree in business administration from the University of Chicago in the United States in 2008.



Mr. HU Aimin | Chinese

Mr. HU Aimin has been a Non-executive Director of the Company since June 2016. Mr. Hu is currently the general manager of Industrial Finance Development Center of China Baowu, the secretary of the Party Committee and chairman of Hwabao Investment, the chairman of Hwabao (Shanghai) Equity Investment Co., Ltd. and Hwabao Futures Co., Ltd., as well as the director of CICC Ruide (Shanghai) Equity Investment and Management Co., Ltd., and China Bohai Bank Co., Ltd. (a company listed on the HKSE, stock code: 09668). Before that, Mr. Hu once served as the chairman and secretary of the Party Committee of Hwabao Investment, the director and general manager of Hwabao Investment, the chairman of Hwabao Securities Co., Ltd., the general manager of Industrial Finance Development Center and secretary of Industrial Finance Working Party Committee of China Baowu, the director, secretary of the Party Committee and senior vice president of Shanghai Baosteel Packaging Co., Ltd., the general manager of investment management department in Industrial Finance Development Center of China Baowu, and the general manager of capital operation department and investment management department of Baosteel Group. Mr. Hu obtained his bachelor's degree in economics from Jiangxi University of Finance and Economics in 1995.



Mr. ZHANG Xiaodong | Chinese

Mr. ZHANG Xiaodong has been a Non-executive Director of the Company since August 2025. Mr. Zhang currently serves as a director of Shanxi Taigang Stainless Steel Co., Ltd. ("**TISCO**", a company listed on the SZSE, stock code: 000825). Prior to that, Mr. Zhang served as the chairman and secretary to the Party Branch of Hwabao (Shanghai) Equity Investment Co., Ltd., the deputy chief accountant of Taiyuan Iron & Steel (Group) Co., Ltd. ("**TISCO Group**"), a supervisor of TISCO, the head of the accounting and finance department of TISCO Group, the general manager of TISCO (Tianjin) Financial Leasing Co., Ltd. (太鋼(天津)融資租賃有限公司), the general manager of TISCO (Tianjin) Commercial Factoring Co., Ltd. (太鋼(天津)商業保理有限公司), a member of standing committee of the Party Committee and chief accountant of TISCO Group, a member of standing committee of the Party Committee of TISCO, the head of the Carbon Neutrality Fund Preparatory Group of China Baowu, etc. Mr. Zhang obtained his master's degree in business administration from Renmin University of China in 2014 and holds the professional title of senior accountant.



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

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



Ms. XU Xu | Chinese

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



Mr. GUO Yongqing | Chinese

Mr. GUO Yongqing has been an Independent Non-executive Director of the Company since December 2022. Mr. Guo is currently a professor of Shanghai National Accounting Institute, a member of the Advisory Committee for Chinese Enterprise Accounting Standards and a member of the Strategy Committee for Chinese Accounting Standards. Mr. Guo also serves as an independent director of Shanghai Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600021), J-Yuan Trust Co., Ltd. (a company listed on the SSE, stock code: 600816) and Bank of Jiaying Co., Ltd. Mr. Guo once served as an independent non-executive director of Shanghai Haohai Biological Technology Co., Ltd. (a company listed on the SSE, stock code: 688366; the HKSE, stock code: 06826), Yango Group Co., Ltd. (a company listed on the SZSE, stock code: 000671), Tianjin Capital Environmental Protection Group Company Limited (a company listed on the SSE and HKSE, stock codes: 600874 and 01065, respectively), Chongqing Porton Pharmacy Science & Technology Co., Ltd. (a company listed on the SZSE, stock code: 300363), Fosun Tourism Group, etc. Mr. Guo holds the certified public accountant (CPA) qualification and obtained his doctor's degree in accounting from Shanghai University of Finance and Economics in 2002.



Mr. ZHUO Zhi | Chinese

Mr. ZHUO Zhi has been an Independent Non-executive Director of the Company since June 2025. Mr. Zhuo is currently the director and professor of the China Insurance Development Research Center of Southwestern University of Finance and Economics, and also serves as a member of the Applied Economics Discipline Appraisal Group of the Academic Degrees Committee under the State Council (國務院應用經濟學學科評議組), the deputy director of the Undergraduate Steering Committee for Finance Teaching under the Ministry of Education (教育部金融學類本科教學指導委員會), the deputy director of China National Master of Insurance Education Supervisory Committee (全國保險專業學位研究生教育指導委員會), etc. Mr. Zhuo concurrently serves as an independent director of Sichuan Rural Commercial Bank (四川農商聯合銀行) and Dajia Insurance Group Co., Ltd. Mr. Zhuo previously served as deputy secretary of the Party Committee, president and professor of Shandong University of Finance and Economics, and held the positions of deputy secretary of the Party Committee, president and professor of Southwestern University of Finance and Economics. Mr. Zhuo obtained his doctor's degree in monetary banking (insurance) from Southwestern University of Finance and Economics in 1997, and conducted postdoctoral research in insurance risk management at the University of Mannheim in Germany from 1997 to 1999.

Members of senior management

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

Please refer to the biographies of current directors in this section for Mr. GONG Xingfeng's biography.



Mr. QIN Hongbo | Chinese

Mr. QIN Hongbo has been a Vice President of the Company since November 2021. He has been the Director and Chairman of New China Asset Management Company since November 2024 and the Head of Regulatory Statistics of the Company since July 2025. Mr. Qin joined the Company in September 2021. He served as chief risk officer of the Company from September 2022 to May 2024. Mr. Qin once served as the general manager of development and reform department, employee representative supervisor, head of the board of directors office, general manager of strategy and development department, chief strategy officer and spokesman of China Reinsurance (Group) Corporation. He once worked as the supervisor, director and deputy general manager of China Continent Property & Casualty Insurance Company Ltd., director of China Life Reinsurance Company Ltd. and China Reinsurance (Hong Kong) Company Limited. Mr. Qin obtained his PhD in economics from University of International Business and Economics in 2011 and holds a senior economist title.



Mr. WANG Lianwen | Chinese

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



Mr. LI Wenfeng | Chinese

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



Ms. LIU Chen | Chinese

Ms. LIU Chen has been an Assistant President of the Company since March 2024 and Chief Information Officer since August 2025. Ms. Liu joined the Company in 1996 and was appointed as corporate director in 2013. From December 2003 to March 2024, Ms. Liu served as general manager of customer service department, premium department and customer service department/consumer rights protection department. Ms. Liu obtained her master's degree in economics from Central University of Finance and Economics, obtained her EMBA degree from Tsinghua University in 2012, and possesses professional qualifications as a certified economist and Fellow of the Life Management Institute (FLMI).



Mr. LIU Zhiyong | Chinese

Mr. LIU Zhiyong has been an Assistant President of the Company since March 2024 and the Board Secretary of the Company since April 2025. Mr. Liu is concurrently the Head of the Party Organization Committee of the Company. Mr. Liu once served as senior manager of the human resources department and the head of the research and planning team of CIC, the designated supervisor of the securities management department/insurance management department of Huijin, general manager of the human resources department of the Company and vice president of NCI Research and Training Institute. Mr. Liu once worked in PICC Property and Casualty Company Limited. Mr. Liu obtained his PhD in management from Renmin University of China in 2017 and holds an economist title.



Mr. WANG Xigang | Chinese

Mr. WANG Xigang works as the Chief Compliance Officer of the Company. Mr. Wang joined the Company in 1998 and served as general manager of legal affairs department, legal compliance department, legal compliance and risk management department, and general manager (as the corporate director) of legal compliance and risk management department and legal compliance department since 2005. Mr. Wang obtained his PhD in law from Renmin University of China in 2008, obtained his EMBA from School of Economics and Management of Tsinghua University in 2011, and is qualified as a practicing lawyer of the People's Republic of China.



Mr. PAN Xing | Chinese

Mr. PAN Xing has been the Chief Actuary and General Manager of the Product and Market Department of the Company. Mr. Pan engaged in product development since joining the Company in 2003. Mr. Pan was appointed as assistant to general manager of the product development department in June 2017 and deputy general manager of the product development department in March 2022. In November 2022, he was transferred to New China Pension Company, where he served as the chief actuary, financial principal and general manager of the operation management center. Mr. Pan obtained his PhD in finance from University of International Business and Economics in 2014 and he is a Fellow of China Association of Actuaries.

OTHER POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT

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

Positions in corporate shareholders

Name	Corporate shareholders	Position	Term
YANG Xue	Huijin	Managing Director	Since August 2021
MAO Sixue	Huijin	Managing Director	Since November 2024

Major positions in other entities

Name	Other entities	Position	Term
HU Aimin	Hwabao Investment Co., Ltd.	Secretary of the Party Committee, Chairman of the Board of Directors	Since December 2019
	Hwabao Futures Co., Ltd.	Chairman of the Board of Directors	Since March 2024
	Hwabao (Shanghai) Equity Investment Co., Ltd.	Chairman of the Board of Directors	Since June 2025
	CICC Ruide (Shanghai) Equity Investment and Management Co., Ltd.	Director	Since January 2016
	China Bohai Bank Co., Ltd.	Director	Since September 2018
ZHANG Xiaodong	Shanxi Taigang Stainless Steel Co., Ltd.	Director	Since December 2018
GUO Yongqing	Shanghai Electric Power Co., Ltd.	Independent Director	Since June 2021
	J-Yuan Trust Co., Ltd.	Independent Director	Since September 2022
	Bank of Jiaxing Co., Ltd.	Independent Director	Since March 2023
ZHUO Zhi	Sichuan Rural Commercial Bank	Independent Director	Since January 2024
	Dajia Insurance Group Co., Ltd.	Independent Director	Since February 2025

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

In accordance with the market-oriented and international principles, the remuneration of directors and senior management of the Company is determined based on the factors such as the Company's operating results and performance evaluation with reference to the remuneration in the market. The *Administrative Measures on Remuneration of Senior Management* serves as the basis for determining the remuneration of senior management of the Company. The Nomination and Remuneration Committee under the Board formulates evaluation plans and remuneration schemes for directors and senior management. Independent non-executive directors express their independent opinions on remuneration or incentive measures of directors and senior management of the Company. The remuneration of directors is approved by shareholders' general meeting, while the remuneration of senior management is approved by the meeting of the Board.

During the reporting period, the aggregate amount of pre-tax remuneration that directors and senior management (key personnel) received from the Company was RMB18.3458 million. For detailed remuneration of each individual, please refer to the relevant part in this section.

The Nomination and Remuneration Committee under the Board is in charge of performance evaluation of senior management of the Company. The annual performance evaluation plan is determined in accordance with the medium- and long-term development strategy and annual operation plan of the Company and implemented upon consideration and approval by the Board. The annual performance bonus of senior management is linked to operating results of the Company and their individual

evaluation results. The Company has established a position-based and performance-oriented remuneration incentive system with reference to the market benchmark. The remuneration of senior management comprises basic remuneration, performance bonus, welfare and allowances, etc. The Company has implemented a deferred payment system and recourse and deduction system for performance bonus of senior management with the payment term of three years according to the regulatory requirements.

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

SHAREHOLDING OF DIRECTORS AND SENIOR MANAGEMENT

Shareholding of the Company's A shares by directors and senior management

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

Interests and short positions of directors and chief executives in shares under Hong Kong laws and regulations

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

PUNISHMENT BY SECURITY REGULATORY AUTHORITY IN THE PREVIOUS THREE YEARS

Neither directors nor members of senior management of the Company currently in office or resigned during the reporting period were subject to the punishment by securities regulatory authority in the previous three years.

EMPLOYEES

As of 31 December 2025, there were a total of 27,726 employees who entered into employment contracts with the Company (life insurance headquarters, 35 branches and major subsidiaries⁽¹⁾).

Expertise	Number	Proportion
Management	1,843	6.6%
Professional personnel	6,314	22.8%
Marketing and marketing management	16,687	60.2%
Of which: contractual field sales personnel	5,401	19.5%
Other	2,882	10.4%
Total	27,726	100%

Note:

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

Education background	Number	Proportion
Master's degree and above	2,286	8.2%
Bachelor's degree	20,469	73.8%
Lower than bachelor's degree	4,971	18.0%
Total	27,726	100%

Gender (including senior management)	Number	Proportion
Male	10,229	36.9%
Female	17,497	63.1%
Total	27,726	100%

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

REMUNERATION POLICY AND TRAINING PLAN FOR EMPLOYEES

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

In 2025, the Company promoted the construction of a learning-oriented organization to serve national strategies, prevent and resolve financial risks and contribute to its high-quality development. Various trainings including political competence, leadership, professional ability and general ability were tailored to different employees, achieving 100% coverage with an annual average training duration exceeding 103 hours per employee. For training of sales team, the Company continued to advance the WLP training system, recording over 1.18 million training participations throughout the year with an average learning duration exceeding 47 hours per agent.

In 2026, employee training will be guided by the Company's "15th Five-Year Plan", consolidate learning mechanisms, deepen training effectiveness and innovate talent development models to achieve the "Comprehensive Deepening Year" development goal for a learning-oriented organization, thereby providing capability support for the high-quality development of the Company. The agent training will closely center on "systematic, specialized, intelligent and standardized" transformation. With the team as its foundation, the Company will continue to implement the WLP training.

THE NUMBER OF RESIGNED AND RETIRED EMPLOYEES WITH EXPENSES BORNE BY THE COMPANY

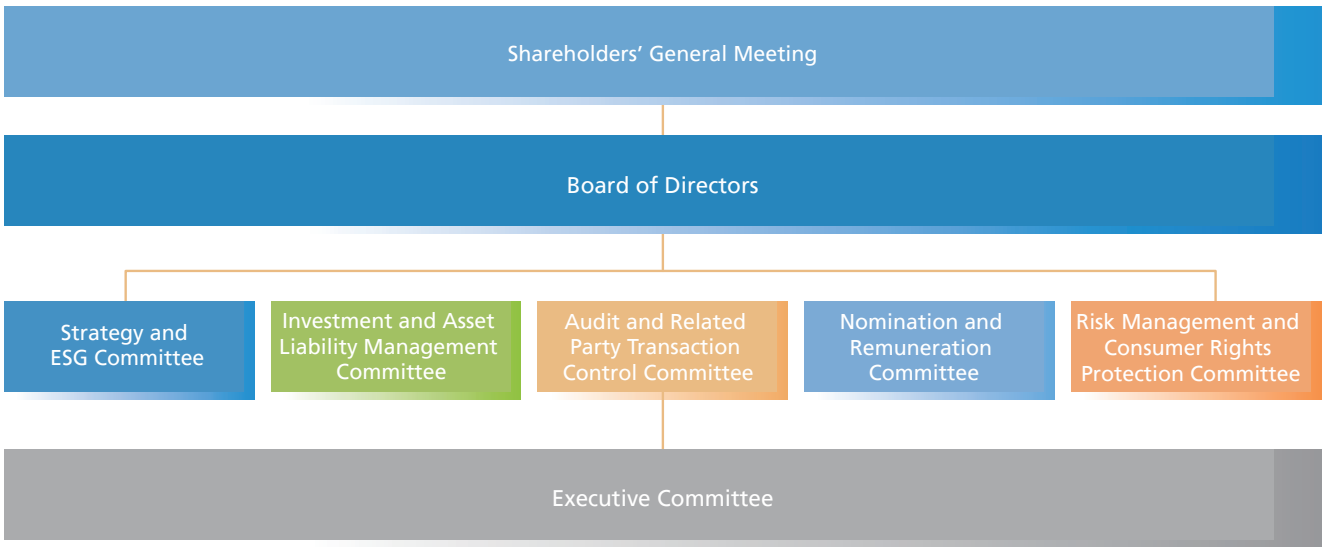
There were no resigned and retired employees with expenses borne by the Company.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

In strict compliance with the *Company Law*, *Insurance Law*, *Securities Law*, *Corporate Governance Code* and other applicable laws and administrative regulations as well as requirements of domestic and overseas regulatory authorities on corporate governance, the Company continued to build the corporate governance system featuring “clear delineation of powers and responsibilities, each party fulfilling its respective duties, mutual coordination, and effective checks and balances” to enhance governance efficiency. During the reporting period, the Company strengthened the top-level design of corporate governance, and the proposal on amendments to the *Articles of Association* and the abolishment of the board of supervisors has been considered and approved at the Third Extraordinary General Meeting of 2025, which has been ratified by the NFRA.

Corporate Governance Structure



Shareholders' rights and communication with minority shareholders

Shareholders' rights

The Company places emphasis on communication with shareholders to facilitate their understanding of the Company's performance, prospects and market environment, and fully protects their right to know. The Company also prioritizes the formulation of dividend policies to ensure reasonable investment returns for shareholders.

According to the *Articles of Association*, the shareholders' general meeting is the supreme authority of the Company and shall exercise the following functions and powers: to elect and replace directors from non-employees' representatives and to decide the remuneration of directors; to consider and approve the profit distribution plan and loss recovery plan of the Company; to resolve on the increase or decrease in the registered capital of the Company; to resolve on listing, share repurchase and issue of securities such as corporate bonds of the Company; and to review and amend the *Articles of Association*, etc.

Shareholder(s) shall have the right to propose convening an extraordinary general meeting. Pursuant to the *Articles of Association*, shareholder(s) individually or jointly holding 10% or more of the total voting shares of the Company for at least 90 consecutive days ("**Proposing Shareholders**") shall have the right to propose to the Board to convene an extraordinary general meeting. When proposing an extraordinary general meeting, the Proposing Shareholders shall submit topics and proposals with complete contents in

writing to the Board and make sure that the aforesaid proposals do not violate laws, rules, regulations and the *Articles of Association*. Shareholders shall comply with the provisions and procedures regarding the convening of an extraordinary general meeting as set out in the *Articles of Association*.

Shareholder(s) shall have the right to make extraordinary proposals to the shareholders' general meeting. Pursuant to the *Articles of Association*, shareholder(s) individually or jointly holding 1% or more of the Company's shares shall make extraordinary proposals 12 days prior to the convening of shareholders' general meeting and notify the convener in writing.

Shareholder(s) shall have the right to make enquiries to the Company for relevant information. According to the *Articles of Association*, shareholders may obtain the information such as the list of registered shareholders, profiles of directors, President and senior management, share capital and minutes of shareholders' general meetings (for reference only). Shareholders shall make requests to the Company in writing and provide evidence of equity interests for inspection of or access to relevant information. For details, please refer to the *Articles of Association* disclosed by the Company on the website of the HKSE and the official website of the Company.

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

Communication with minority shareholders

The shareholders' general meeting improved the communication channels with shareholders, and actively gathered comments and suggestions from shareholders, ensuring that shareholders had the rights to know, participate in and vote on material matters of the Company, and creating a sound environment for shareholders to participate in decision-making and to equally exercise rights. Shareholders were also familiar with the procedures for conducting a poll in detail.

The Company strictly abided by relevant regulations and requirements on corporate governance and the protection of minority investors. Adhering to being responsible for shareholders, the Company refined corporate governance and optimized communication with investors. The senior management answered in detail the concerned questions from minority investors at results announcement. The Company had daily interaction with minority investors by answering hotlines and replying to its investor relations emails and responding to messages on the E-interactive platform of the SSE. And the Company protected the rights and interests of minority investors by adopting online voting during shareholders' general meetings, sending SMS reminders for meeting notices, counting votes from minority investors separately, and implementing public disclosure mechanisms.

Directors and Board of Directors

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

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

Corporate governance function

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

Corporate Culture

The Company remains committed to its role as a state-owned financial enterprise, cultivates a financial culture with Chinese characteristics, and steadfastly advances the development and implementation of its corporate culture. By fostering a culture of integrity, the Company aims to lay a solid spiritual foundation for its reform and development and rally the strength needed to drive progress. The Company has carried forward the market-oriented genes of pioneering and fighting, whilst promoting the NCI spirit of “professional iron army, pursuit of excellence, benevolence and virtue, inheritance and innovation”. The Company has rolled out a series of activities to promote corporate culture throughout the year, organising cultural activities such as awards ceremonies, themed speeches, seminars and training sessions and cultural creativity exhibitions. More than 150 activities have been held, which has brought to the fore a group of vivid practitioners of the NCI Spirit, effectively inspiring the enthusiasm of our staff and management to take initiative and achieve success. The cohesion, unity and combat effectiveness of our workforce have continued to strengthen, providing a solid cultural foundation and spiritual impetus for the Company’s sound management and sustainable development.

Duties of the Board

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

Attendance of meetings of the Board and Board committees

The meetings of Board held during the year

Number of the meetings of the Board held during the year	14
Including: Number of on-site meetings	14
Number of meetings held via other communication means	0
Number of on-site meetings assisted by other communication means	0

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

Attendance in person/Number of scheduled attendance									
Name	Shareholders' general meeting	Meetings of the Board	Attendance by proxy	Whether one has failed to attend two consecutive meetings in person	Strategy and ESG Committee	Investment and Asset Liability Management Committee	Audit and Related Party Transaction Control Committee	Nomination and Remuneration Committee	Risk Management and Consumer Rights Protection Committee
Executive Directors									
YANG Yucheng	5/5	14/14	0	No	9/9	9/9	— ⁽¹⁾	—	—
GONG Xingfeng	5/5	14/14	0	No	9/9	9/9	—	—	—
Non-executive Directors									
YANG Xue	5/5	14/14	0	No	8/8	—	—	9/9	13/13
MAO Sixue ⁽²⁾	3/3	11/11	0	No	—	6/6	7/7	—	—
HU Aimin	5/5	14/14	0	No	9/9	9/9	—	—	—
ZHANG Xiaodong ⁽²⁾	2/2	7/7	0	No	—	—	3/3	3/3	5/5
Independent Non-executive Directors									
MA Yiu Tim	5/5	14/14	0	No	—	—	—	9/9	13/13
XU Xu	5/5	14/14	0	No	—	—	10/10	9/9	13/13
GUO Yongqing	5/5	14/14	0	No	—	—	10/10	9/9	13/13
ZHUO Zhi ⁽²⁾⁽³⁾	3/3	9/9	0	No	0/0 ⁽³⁾	—	5/5	5/5	—
Resigned Non-executive Directors									
HE Xingda	2/2	3/3	0	No	—	3/3	3/3	—	3/3
LI Qiqiang	2/2	5/5	0	No	—	—	5/5	4/4	5/5
Resigned Independent Non-executive Directors									
LAI Guanrong	5/5	12/12	0	No	9/9	8/8	10/10	—	—

Notes:

1. "—" means such director is not a member of the Board committees.
2. The qualifications of Ms. MAO Sixue as a non-executive director and Mr. ZHUO Zhi as an independent non-executive director have been ratified in March 2025 and June 2025, respectively. Both of them were present at the First Extraordinary General Meeting of 2025 held on 10 January 2025 as candidates for directors. The qualification of Mr. ZHANG Xiaodong as a non-executive director has been ratified in August 2025, and he was present at the Annual General Meeting of 2024 held on 27 June 2025 as a candidate for director.
3. Mr. ZHUO Zhi, an independent non-executive director of the Company, was elected as a member of the Strategy and ESG Committee at the 1st meeting of the ninth session of the Board held on 24 December 2025.
4. During the reporting period, for details of the Company's new appointment and resignation of directors, please refer to Section 6 "Directors, Senior Management and Employees" of this report.

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

Committees under the Board

The Board establishes 5 committees which are Strategy and ESG Committee, Investment and Asset Liability Management Committee, Audit and Related Party Transaction Control Committee, Nomination and Remuneration Committee, and Risk Management and Consumer Rights Protection Committee. The committees are accountable to the Board and perform their duties by giving professional opinions to the Board. All important opinions and recommendations put forward by members of Board committees have been adopted by the Company. For the information on each member's attendance at the respective meeting(s) of each Board committee, please refer to the relevant parts of this section.

Strategy and ESG Committee

As of the date of the disclosure of this report, the Strategy and ESG Committee consisted of 5 directors, including 2 executive directors YANG Yucheng (chairman) and GONG Xingfeng, 2 non-executive directors YANG Xue and HU Aimin, and 1 independent non-executive director ZHUO Zhi.

Duties of the Strategy and ESG Committee

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

Meetings

During the reporting period, the Strategy and ESG Committee held 9 meetings. The meeting details were as follows:

Date	Content of meetings
2025-2-27	To consider 2 proposals including the <i>Proposal on the Issuance of Domestic Undated Capital Bonds</i>
2025-3-26	To consider 3 proposals including the <i>Proposal on the Formulation of Administrative Measures on the Market Value</i>
2025-4-28	To consider 3 proposals including the <i>Proposal on the Comprehensive Evaluation Report on Development Plan for the Year 2024</i>
2025-5-27	To consider 2 proposals including the <i>Proposal on Amendments to the Terms of Reference of the Board Committees</i>
2025-7-25	To consider 2 proposals including the <i>Proposal on the Aggregate Funding Arrangements for External Donations Including Targeted Assistance for the Year 2025</i>
2025-8-27	To consider 2 proposals including the <i>Proposal on the Interim Profit Distribution Plan for the Year 2025</i>
2025-9-29	To consider 3 proposals including the <i>Proposal on Amendments to the Articles of Association and the Abolishment of the Board of Supervisors</i>
2025-10-29	To consider 2 proposals including the <i>Proposal on Amendments to Certain Provisions of the Scheme for the Board of Directors' Delegation of Powers to the Senior Management</i>
2025-12-2	To consider the <i>Proposal on the Donation of New China Asset Management (Hong Kong) Limited to Support Fire Relief in Hong Kong</i> (《關於新華資產管理(香港)有限公司支援香港火災捐贈事項的議案》)

Investment and Asset Liability Management Committee

As of the date of the disclosure of this report, the Investment and Asset Liability Management Committee consisted of 4 directors, including 2 executive directors YANG Yucheng and GONG Xingfeng, 2 non-executive directors MAO Sixue (chairman) and HU Aimin.

Duties of the Investment and Asset Liability Management Committee

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

Meetings

During the reporting period, the Investment and Asset Liability Management Committee held 9 meetings. The meeting details were as follows:

Date	Content of meetings
2025-1-24	To consider 2 proposals including the <i>Proposal on the Equity Investment Projects</i>
2025-2-27	To consider the <i>Proposal on Capital Increase in the Subsidiary and the Adjustment of Shareholding Structure</i>
2025-3-26	To consider 3 proposals including the <i>Proposal on Amendments to the Asset and Liability Management Measures</i>
2025-4-28	To consider 9 proposals including the <i>Proposal on the Report of Non-insurance Subsidiaries for the Year 2024</i>
2025-5-27	To consider 2 proposals including the <i>Proposal on the Report of Asset and Liability Management for the Year 2024</i>
2025-6-12	To consider the <i>Proposal on the Application of Pilot Investment Fund III No. 1</i>
2025-9-29	To consider the <i>Proposal on Amendments to the Provisional Measures for Risk Classification of Insurance Assets (2025)</i>
2025-10-29	To consider the <i>Proposal on Amendments to Certain Provisions of the Scheme for the Board of Directors' Delegation of Powers to the Senior Management</i>
2025-12-31	To consider the <i>Proposal on Investment in Equity Investment Funds</i>

Audit and Related Party Transaction Control Committee

As of the date of the disclosure of this report, the Audit and Related Party Transaction Control Committee consisted of 5 directors, including 2 non-executive directors MAO Sixue and ZHANG Xiaodong, 3 independent non-executive directors GUO Yongqing (chairman), XU Xu and ZHUO Zhi.

Duties of the Audit and Related Party Transaction Control Committee

The Audit and Related Party Transaction Control Committee performs the following duties and responsibilities: to assess the effectiveness of risk management and internal control, to guide internal auditing, to review the financial information and disclosure of financial information, to manage, review and control risks of related party transactions, etc., and make recommendations to the Board, to exercise the functions and powers of the board of supervisors as stipulated by the *Company Law* and regulatory requirements.

Meetings

During the reporting period, the Audit and Related Party Transaction Control Committee held 10 meetings. The meeting details were as follows:

Date	Content of meetings
2025-1-24	To consider 2 proposals including the <i>Proposal on Solvency Report for the Fourth Quarter for the Year 2024</i>
2025-2-27	To consider 2 proposals including the <i>Proposal on Enhancing the Asset and Liability Matching Management</i>
2025-3-26	To consider 9 proposals including the <i>Proposal on Annual Report (A Shares/H Shares) for the Year 2024</i>
2025-4-28	To consider 8 proposals including the <i>Proposal on the First Quarter Report 2025</i>
2025-5-27	To consider 3 proposals including the <i>Proposal on the Stress Test Report on Solvency for the Year 2024</i>
2025-7-25	To consider the <i>Proposal on Solvency Report for the Second Quarter for the Year 2025</i>
2025-8-27	To consider 2 proposals including the <i>Proposal on the Interim Report (A Shares and H Shares) for the Year 2025</i>
2025-9-29	To consider the <i>Proposal on the Engagement of External Auditors for Auditing during Tenure, after Resignation of Senior Management in the Second Half of 2025 and for the Year 2026</i>
2025-10-29	To consider 3 proposals including the <i>Proposal on the Third Quarter Report 2025</i>
2025-11-28	To listen to the <i>Internal Auditing Report for the First Three Quarters of 2025</i>

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

During the reporting period, the Audit and Related Party Transaction Control Committee, in accordance with the requirements for the preparation of annual report and relevant rules of procedures, kept sufficient and timely communication with external auditors, reviewed the financial statements prepared by the Company, offered professional opinions on the Annual Report 2024 and agreed to the submission to the Board for consideration. The Audit and Related Party Transaction Control Committee also reviewed the Company's interim and quarterly results, offered professional opinions and agreed to the submission to the Board for consideration.

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

The Audit and Related Party Transaction Control Committee paid special attention to internal control of the Company. Relevant departments of the Company reported their work to the Audit and Related Party Transaction Control Committee regularly or irregularly, so that the Audit and Related Party Transaction Control Committee promptly understood problems in the internal control of the Company. The Audit and Related Party Transaction Control Committee had no objection on matters under supervision during the reporting period.

Nomination and Remuneration Committee

As of the date of the disclosure of this report, the Nomination and Remuneration Committee consisted of 6 directors, including 2 non-executive directors YANG Xue and ZHANG Xiaodong, and 4 independent non-executive directors XU Xu (chairman), MA Yiu Tim, GUO Yongqing and ZHUO Zhi.

Duties of the Nomination and Remuneration Committee

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

Election of directors

Shareholder(s) individually or jointly holding 3% or more of the total voting shares of the Company, or the Nomination and Remuneration Committee under the Board, shall have the right to nominate candidates for non-independent directors. The number of candidates for directors that a nominator proposes to nominate shall not exceed the number of directors proposed to be appointed. Shareholder(s) individually or jointly holding 1% or more of the shares of the Company, the Nomination and Remuneration Committee and the Audit and Related Party Transaction Control Committee under the Board may nominate independent non-executive directors. Shareholders holding more than one third of shares of the Company, their related shareholders and persons acting in concert shall not nominate independent non-executive directors, and shareholders and their related parties that have already nominated non-independent directors are not allowed to nominate independent non-executive directors. The Nomination and Remuneration Committee and the Audit and Related Party Transaction Control Committee under the Board shall nominate independent non-executive directors by meeting resolutions. The Nomination and Remuneration Committee under the Board shall review the candidates for directors pursuant to laws, rules, regulations and the *Articles of Association*, and submit its opinions to the Board. Directors are elected by the shareholders' general meeting with a term of office for 3 years. Each director shall be re-elected upon expiration of his or her term of office. But the cumulative term of independent non-executive directors shall not exceed 6 years.

In 2025, the Nomination and Remuneration Committee of the eighth session of the Board nominated YANG Yucheng, GONG Xingfeng, XU Xu, GUO Yongqing, ZHUO Zhi and Sau Fun CHEUNG as candidates for directors of the ninth session of the Board, and reviewed the qualifications of candidates for directors of the ninth session of the Board. The Nomination and Remuneration Committee under the Board considered that the conditions of candidates for directors met relevant laws, regulations, regulatory requirements and the *Articles of Association* on the qualifications of directors, and agreed to submit relevant proposals to the Board for consideration.

Board Diversity Policy

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

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

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

Age	Aged 50 and below: 2 Aged 51-55: 5 Aged 56-60: 1 Aged above 61: 2
Duration of term	2 years and below: 4 2-6 years: 4 Above 6 years: 2
Type of directors	Executive directors: 2 Non-executive directors: 4 Independent non-executive directors: 4
Gender	Female: 3 Male: 7

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

Meetings

During the reporting period, the Nomination and Remuneration Committee held 9 meetings. The meeting details were as follows:

Date	Content of meetings
2025-2-27	To consider 2 proposals including the <i>Proposal on the Adjustment to the Composition of the Board Committees</i>
2025-3-26	To consider 3 proposals including the <i>Proposal on the Report of Performance of Directors for the Year 2024</i>
2025-4-28	To consider 2 proposals including the <i>Proposal on the Corporate Governance Report for the Year 2024</i>
2025-5-27	To consider 2 proposals including the <i>Proposal on Amendments to the Terms of Reference of the Board Committees</i>
2025-6-12	To consider the <i>Proposal on the Nomination of Mr. ZHANG Xiaodong as the Candidate for Non-executive Director of the Eighth Session of the Board</i>
2025-8-27	To consider 3 proposals including the <i>Proposal on the Adjustment to the Composition of the Board Committees</i>
2025-9-29	To consider the <i>Proposal on Amendments to the Working Rules of the Executive Committee</i>
2025-10-29	To consider 3 proposals including the <i>Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Management</i>
2025-11-28	To consider 2 proposals including the <i>Proposal on the Nomination of Candidates for Directors of the Ninth Session of the Board</i>

Risk Management and Consumer Rights Protection Committee

As of the date of the disclosure of this report, the Risk Management and Consumer Rights Protection Committee consisted of 5 directors, including 2 non-executive directors YANG Xue (chairman) and ZHANG Xiaodong, and 3 independent non-executive directors MA Yiu Tim, XU Xu and GUO Yongqing.

Duties of the Risk Management and Consumer Rights Protection Committee

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

Meetings

During the reporting period, the Risk Management and Consumer Rights Protection Committee held 13 meetings. The meeting details were as follows:

Date	Content of meetings
2025-1-24	To consider 2 proposals including the <i>Proposal on Solvency Report for the Fourth Quarter for the Year 2024</i>
2025-2-27	To consider 5 proposals including the <i>Proposal on the Summary Report of Consumer Rights Protection for the Year 2024</i>
2025-3-26	To consider 3 proposals including the <i>Proposal on the Assessment Report of Case Risk Prevention and Control for the Year 2024</i>
2025-4-28	To consider 13 proposals including the <i>Proposal on the Comprehensive Risk Management Report for the Year 2024</i>
2025-5-27	To consider 7 proposals including the <i>Proposal on the Stress Test Report on Solvency for the Year 2024</i>
2025-6-12	To consider the <i>Proposal on the Application of Pilot Investment Fund III No. 1</i>
2025-7-25	To consider 2 proposals including the <i>Proposal on Solvency Report for the Second Quarter for the Year 2025</i>
2025-8-27	To consider 3 proposals including the <i>Proposal on Amendments to the Compliance Management Measures (2025 Version)</i>
2025-9-29	To consider the <i>Proposal on Amendments to the Provisional Measures for Risk Classification of Insurance Assets (2025)</i>
2025-10-29	To consider the <i>Proposal on the Issuance of Domestic Undated Capital Bonds</i>
2025-11-28	To listen to the <i>Report on Action Plan for Rectification Following the Anti-money Laundering Regulatory Inspection (《關於公司反洗錢監管走訪整改工作方案的匯報》)</i>
2025-12-2	To consider the <i>Proposal on the Donation of New China Asset Management (Hong Kong) Limited to Support Fire Relief in Hong Kong</i>
2025-12-31	To consider the <i>Proposal on Investment in Equity Investment Funds</i>

Performance of Independent Non-executive Directors

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

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

Independent non-executive directors' attendance of meetings

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

Objections from independent non-executive directors to major issues

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

Confirmation of independence of independent non-executive directors

The Company has obtained written confirmation of each independent non-executive director on his/her independence from the Company. The Company confirmed that all independent non-executive directors were independent from the Company during the year ended 31 December 2025.

Pursuant to the *Articles of Association*, independent non-executive directors may, if needed, independently engage an intermediary institution to audit, advise or examine on specific matters of the Company at the expenses of the Company. Based on the above mechanism and the performance of duties of independent non-executive directors, the Board obtained independent views and opinions during the reporting period, and optimized the Company's operation management and corporate governance.

Training and Research of Directors

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

In addition, the Company arranged directors to participate in trainings on policies, laws and regulations, and professional knowledge about insurance industry, and to study the latest laws and regulations and regulatory rules issued by regulatory authorities. During the reporting period, Ms. XU Xu, Mr. GUO Yongqing and Mr. ZHUO Zhi, the independent non-executive directors of the Company, attended follow-up training for independent directors of listed companies held by the SSE. Mr. YANG Yucheng, the chairman of the Company, attended 2025 supervision conference of listed companies in Beijing organized by the CSRC Beijing Bureau. Chairman YANG Yucheng and Director GONG Xingfeng participated in training for chairman (general manager), chief financial officer and board secretary of listed companies in Beijing organized by The Listed Companies Association of Beijing. Mr. GONG Xingfeng, Ms. MAO Sixue and Mr. ZHANG Xiaodong, the directors of the Company, attended orientation training for director, supervisor, and senior management of listed companies organized by the SSE. All directors attended 2025 special training for director and supervisor held by The Listed Companies Association of Beijing, and training on the new *Anti-money Laundering Law*, key interpretations and response strategies, training on director's performance for listed companies on the HKSE, and ESG matters, etc. organized by the Company.

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

In 2025, the directors of the Company adhered to the "research-first, problem-oriented" approach and conducted research on the topic of "study on issues related to special reserves for participating insurance accounts of insurance companies". They made multiple trips to industry peers and financial institutions for benchmarking research, studying the current state of industry management and identifying deep-rooted issues. This provided forward-looking analysis, valuable insights and recommendations to support the Company's high-quality development.

Supervisors and the Board of Supervisors

Supervisors and the Board of Supervisors

In 2025, the Board of Supervisors consisted of 4 supervisors, including 2 shareholder representative supervisors and 2 employee representative supervisors.

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

During the reporting period, the Board of Supervisors held 4 regular meetings and 6 ad hoc meetings. The Board of Supervisors found no material risk to the Company and had no objection on matters under supervision during the reporting period. The announcements in relation to the meetings and the resolutions of the Board of Supervisors were published on the websites of the HKSE, the SSE and *Economic Information Daily*.

Independent Opinions Expressed by the Board of Supervisors on Relevant Matters

Legal Operation of the Company

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

Truthfulness of Financial Statements

The Company's interim financial statements and quarterly reports 2025 were true, objective and accurate reflection of the Company's financial situation and operating results.

Related Party Transaction

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

Internal Control Report Review

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

Reputation Risk Management

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

Operational Risk Management

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

Implementation of Resolutions of Shareholders' General Meeting

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

Information Disclosure Supervision

During the reporting period, the Board of Supervisors supervised the information disclosure of the Company, and no illegal or non-compliance issues on information disclosure of the Company were found throughout the whole year.

The Third Extraordinary General Meeting of 2025 of the Company held on 31 October 2025 considered and approved the *Proposal on Amendments to the Articles of Association* and the *Abolishment of the Board of Supervisors*. On 13 January 2026, the NFRA approved the amendments to the *Articles of Association*, and the Board of Supervisors was cancelled on the same day.

Chairman and President

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

Executive Committee

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

Company Secretary

During the reporting period, the Company externally appointed Ms. NG Sau Mei to work as Joint Company Secretary of the Company. The main contact person for Ms. NG Sau Mei in the Company was Mr. LIU Zhiyong, the Board Secretary and Joint Company Secretary of the Company. For the contact information for Mr. LIU Zhiyong, please refer to Section 1 "Corporate Information" of this report.

Both Mr. LIU Zhiyong and Ms. NG Sau Mei attended relevant professional trainings for no less than 15 hours.

Amendments to the Articles of Association and Other Corporate Governance Systems

On 24 March 2025, the amendments to the *Articles of Association*, which was made at the Annual General Meeting of 2023, was ratified by the NFRA. For detailed information, please refer to relevant announcement disclosed on the website of the HKSE.

On 30 September 2025, in accordance with applicable laws, rules, regulations and the Company's practices, the 37th meeting of the eighth session of the Board considered and approved the *Proposal on Amendments to the Articles of Association and the Abolishment of the Board of Supervisors*, the *Proposal on Amendments to the Rules of Procedures of General Meeting* and the *Proposal on Amendments to the Rules of Procedures of the Board of Directors*. The above proposals have been considered and approved by the Third Extraordinary General Meeting of 2025 held on 31 October 2025, and ratified by the NFRA. For detailed information, please refer to relevant announcement disclosed by the Company on the website of the HKSE.

In 2025, the Company amended the terms of reference of the Board committees, the working rules of the executive committee, and the administrative measures for related party transactions, and completed the corporate governance procedures.

Information Disclosure and Investor Relations

During the reporting period, the Company strictly observed various regulatory rules of the listing places regarding information disclosure to ensure their effective implementation, established and improved the information disclosure mechanism, and disclosed regular reports and temporary announcements on the SSE and the HKSE in a timely, accurate and complete manner. The Company has strengthened its proactive management of information disclosure through various measures such as conducting internal training, establishing liaison groups, and implementing proactive tracking and closed-loop management. These measures ensured that the Company's information disclosure practices were compliant. The Company focused on investors' needs, treated all kinds of investors fairly, fully and effectively presented the Company's business performance to investors and other stakeholders with clear and concise expressions. After the disclosure of annual report and interim report, the Company published *A Visual Guide to NCI's Performance for the Year 2024*, the *Highlights of Semi-Annual Performance of NCI in Figures* and other related information through its WeChat public account. These materials were illustrated with both text and images, enhanced the readability of regular reports, and improved the effectiveness of the Company's information disclosure.

As of 2025, the Company has won the highest rating of Class A in information disclosure of listed companies by the SSE for ten consecutive years.

The Company placed high importance on communication and interaction with investors, improved its investor relationship management, and enriched the content and form of investor relations. During the reporting period, the Company convened four results announcement through on-site meetings, teleconferences and live video broadcastings and held non-deal roadshow, providing investors with diversified communication channels. Through daily investors and analysts visits, participation in investment summits and other activities, the Company maintained smooth communication with capital market and provided sufficient information on its operation and development timely. Meanwhile, the Company proactively responded to the call to strengthen the interests protection of minority investors. The senior management answered in detail the concerned questions from minority investors at the results announcement and a communication channel with minority investors through text Q&A session was established. The Company had daily interaction with minority investors by answering hotlines and replying to its investor relations emails and responding to messages on the E-interactive platform of the SSE in order to protect the rights and interests of minority investors. In 2025, the Company was honored with the "Excellent Practice Case Award of 2024 Annual Results Announcement" from the China Association for Public Companies.

The Company has reviewed the implementation and effectiveness of shareholder communication policy during the reporting period. The Company confirms its shareholder communication policy can effectively protect shareholders' rights and interests and guarantee the smooth communication between shareholders and the Company.

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

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

DIVIDEND DISTRIBUTION

Dividend Distribution Policies

According to Article 269 of the *Articles of Association*, the major dividend distribution policies of the Company are set out below:

1. The Company may distribute dividends in the form of cash, shares or a combination of cash and shares. The Company may distribute interim dividend.
2. If the profit for the year and the accumulated undistributed profits of the Company are positive, the profit distribution plan will be formulated by the Board based on the Company's solvency margin ratio, business development and operation results, subject to the laws and regulations and requirements promulgated by regulatory authorities on solvency margin ratio.

3. The Company shall give priority to dividend distribution in cash. Where the Company's operation is in a sound condition, and the Board considers that the share price of the Company fails to reflect its share capital scale and that the distribution of dividend in shares will be favorable to all shareholders of the Company as a whole, the Company may propose dividend distribution in shares, provided that the above conditions of cash dividend are fully met.
4. The Board shall thoroughly discuss the rationality of profit distribution plan and produce a special resolution to the shareholders' general meeting for consideration. Independent directors of the Company shall express their independent opinions on the profit distribution plans. In considering the profit distribution plan at the shareholders' general meeting, the Company shall maintain active communications and exchanges with shareholders, particularly minority shareholders through various channels, carefully listen to the feedbacks and requests of minority shareholders, and give timely response to minority shareholders on the relevant matters. After a resolution approving such profit distribution plan is passed at the shareholders' general meeting, the Board shall distribute the dividends within two months from the convention of such shareholders' general meeting.

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

Distributable reserve for shareholders

Net profit attributable to shareholders of the Company as contained in the 2025 Consolidated Financial Statements of the Company reached RMB36,284 million and net profit attributable to the parent company as contained in the financial statements totaled RMB34,920 million. As of 31 December 2025, the accumulative profit available for distribution of the Company from previous years reached RMB95,826 million. There was no deficit to be covered. According to the *Articles of Association*, the distributable net profit for 2025 of the Company totaled RMB34,920 million.

Profit distribution plan of 2025

According to the proposed profit distribution plan of 2025 considered and approved by the 5th meeting of the ninth session of the Board on 27 March 2026, the Company planned to distribute a final cash dividend of RMB2.06 (inclusive of tax) per share to all shareholders of the Company of 2025, totaling approximately

RMB6,426 million. The Company distributed 2025 interim cash dividend of RMB0.67 (inclusive of tax) per share to all shareholders, totaling approximately RMB2,090 million. The Company proposes to distribute the total cash dividend of RMB8,516 million for the year 2025, representing approximately 23.5% of the net profit attributable to shareholders of the Company as contained in the 2025 financial statements of the Company. The remaining retained profits shall be carried forward to 2026 and distributed in future.

The Company did not implement transfer of capital reserve to share capital in 2025.

The aforementioned proposed profit distribution plan has yet to be approved by the shareholders' general meeting. The Company expects that 2025 final dividend will be distributed on Friday, 7 August 2026 to all shareholders. Please refer to the announcement published by the Company in due course for more details.

Dividend distribution in recent three years

Year of distribution	Amount of dividend per share (RMB) (inclusive of tax)	Total amount of cash dividend (RMB million) (inclusive of tax)	Net profit attributable to shareholders of the Company achieved within the year as contained in the financial statements (RMB million)	Percentage of the total amount of cash dividend in net profit attributable to shareholders of the Company as contained in the financial statements
2025 (including interim and final)	2.73	8,516	36,284	23.5%
2024 (including interim and final)	2.53	7,893	26,229	30.1%
2023	0.85	2,652	8,712	30.4%

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

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

COMPLIANCE WITH MODEL CODE

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

RESPONSIBILITIES OF DIRECTORS TOWARDS FINANCIAL STATEMENTS

Directors confirmed that they were obliged to prepare financial statements and to truly and fairly report the Company's situation. The statement made by the Company's auditor about its responsibility for reporting the accounts is set out in *Audited Financial Statements 2025* of this report. To the knowledge of the directors, there were no issues or conditions occurred in the reporting period that might have significant adverse effects on the Company's sustainable operation. Directors considered that the Company had enough resources for sustainable operation in the foreseeable future, therefore the financial statements should be prepared on a going concern basis.

MANAGEMENT OF SUBSIDIARIES

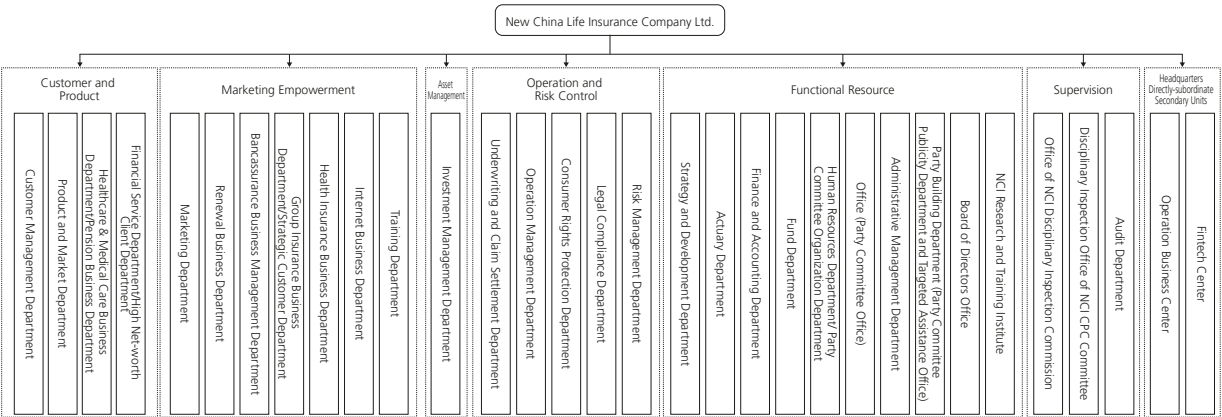
In order to strengthen the management over subsidiaries and ensure that there are rules to follow in the management of subsidiaries, the Company has formulated internal management measures such as the *Administrative Measures for Holding and Equity Participating Companies of New China Life Insurance Company Ltd. (Trial Implementation) (2024)* (《新華人壽保險股份有限公司控參股公司(暫行)管理辦法(2024版)》). Such measures have clearly defined a model of “business alignment and functional penetration” for subsidiaries. Subsidiaries shall operate and manage independently in accordance with the *Company Law*

and other laws and regulations as well as the articles of association. And major matters of subsidiaries shall be submitted to the Company for examination and approval, and daily operation and management matters shall be independently decided by subsidiaries in accordance with the authorization of the Company. The Company has also formulated penetrative management systems for subsidiaries and improved the management system and mechanism of all departments. The Company strengthened the penetrating management in material matters, risks and personnel of subsidiaries to improve management efficiency.

DEPARTMENT AND BRANCH OFFICES OF THE COMPANY

Department of the Company

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



Branch offices

As of 31 December 2025, there are 1,724 branches and subordinate institutions of the Company, including 35 branches, 275 sub-branches (including Guangzhou municipal branch offices), 751 outlets, 634 marketing service offices and 39 business offices.

THE OVERALL EVALUATION OF CORPORATE GOVERNANCE

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

THE COMPANY'S COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is responsible for fulfilling corporate governance responsibilities as set out in Article A.2.1 of the *Corporate Governance Code*. During the reporting period, the Board held a meeting to review the Company's compliance with the *Corporate Governance Code* and the disclosures in the corporate governance report. Save as disclosed in this report, directors were not aware of any information that would reasonably indicate that the Company had not complied with the applicable code provisions as set out in the *Corporate Governance Code* at any time during the period from 1 January 2025 to 31 December 2025.

INTERNAL CONTROL

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

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

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

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

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

The Company, focusing on high-quality development, strengthened the “internalization of external regulations”, consolidated the foundation for internal control management and steadily pushed forward internal control in various business areas. **In respect of marketing control**, the Company improved the marketing management framework, built up comprehensive systems and procedures to manage business and sales agents, and continued to manage intermediary channels, as well as systems and procedures to manage sales agents, training and quality, and strictly regulated promotion and marketing activities. The Company also enhanced business quality and observed the regulation of aligning fee experience with registered assumptions, strengthened marketing risk monitoring, managed business quality and implemented accountability, to prevent the risk of misleading marketing. **In respect of operation control**, the Company continued to optimize operation management system, and the business management processes, the management and control measures in key links and the construction of systems in areas such as new policies, underwriting, updating information, claim settlement, customer service, reinsurance, etc., and continued to improve the mechanism for customer information management, strengthened the protection of consumers’ rights and interests and continued to defuse risks in operation.

In respect of accounting and financial control, the

Company established a comprehensive and standardized accounting and financial management framework and system, enhanced various management mechanism in budget management, accounting calculation, tax management, funds payment and receivable management, expense management, etc. Besides, the Company also optimized information system, identified, managed and controlled financial and accounting risks, improved finance efficiency and information quality to ensure the truthfulness, completeness, accuracy and timeliness of financial statements and relevant information. **In respect of funds utilization**, the Company formulated a standardized funds management system, defined the process of funds allocation, and tightened the authorization and approval system to ensure the safety of the Company's funds. The Company also formulated administrative measures on entrusted investment, administrative measures on real estate investment, administrative measures on the risk classification of investment assets, etc., prepared guidelines on the utilization of insurance funds annually, strictly complied with regulatory requirements on the utilization of funds, controlled risks and standardized the utilization of insurance funds to effectively prevent risks. **In respect of information technology control**, the Company set up information security management system, strengthened overall planning and basic management of information system through the formulation of the system, preparation of procedures, implementation of specific operation and safety awareness training, strengthened the design, development, operation, maintenance, security management, confidentiality management, disaster relief management, outsourcing service management, security management of mobile application, and continued to improve information technology and security management and control.

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

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

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

curbing illegal and irregular practices in operation and management.

The Board assumes responsibility for establishing and maintaining a robust internal control system and ensuring its effective implementation. The Board also takes responsibility for identifying material internal control deficiencies and the annual internal control evaluation report. Meanwhile, the Company has built a dedicated internal control unit to regularly assess internal control risks. The Company provides reasonable assurance for non-existence of material false statements or loss. On the basis of the *Basic Standards for Enterprise Internal Control* (《企業內部控制基本規範》) (Cai Kuai [2008] No.7), the *Circular on Printing and Distributing the Implementary Guidelines for Enterprises Internal Control* (《關於印發企業內部控制配套指引的通知》) (Cai Kuai [2010] No.11) and other regulatory requirements on internal control, taking into account the internal control system and assessment methods of the Company, the Board conducted annual assessment on internal control in a comprehensive way, which covered marketing, operation, finance, funds utilization, information technology management and other aspects of headquarters, branches and subsidiaries. The time interval of 2025 assessment is from 1 January 2025 to 31 December 2025. During the reporting period, the risk management and internal control department has confirmed to the Board that the operation of internal control was operating effectively. After the assessment, the Board was of the view that the Company's internal control system construction and operation were effective and adequate as a whole and the auditor has issued a standard and unqualified internal control audit report.

For details of the Company's internal control assessment, please refer to the *Internal Control Assessment Report 2025* separately disclosed by the Company on the same day and the internal control audit report issued by the auditor.

RISK MANAGEMENT

RISK MANAGEMENT SYSTEM – OVERALL STRATEGIES

The Company has established a risk management system covering all major business areas which the Board bears ultimate responsibility, the Executive Committee provides direct leadership, the Risk Management Department coordinates, relevant functional departments and subordinated institutions cooperate, and audit department offers independent audit oversight.

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

The Company made steady progress in risk management system and procedure, continued to improve risk management system and optimized the management process. In 2025, the Company constantly optimized its compliance management institution and mechanism, and amended its core document, the *Compliance Management Measures*; carried out annual evaluation and inspection on risk preference system, and updated

the *Statement of Risk Preference of 2025* (《2025年度風險偏好陳述書》); improved the mechanism for asset risk classification, and amended and issued the *Provisional Measures for Risk Classification of Insurance Assets (2025)* (《保險資產風險分類管理暫行辦法(2025)》); reinforced operational risk management, and amended the *Operational Risk Management Measures* (《操作風險管理辦法》). In 2025, the Company further improved risk management procedures, advanced the internal control management measures and systems in operation and management activities including marketing, operation, finance, funds utilization, information technology and other aspects of the Company, strengthened money laundering risk management system, complied with the requirements of the latest laws and regulations on anti-money laundering, built anti-money laundering management culture to fulfill the legal obligations of anti-money laundering and enhance the quality and efficiency of anti-money laundering.

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

In 2025, the Company constantly optimized its risk monitoring and reporting mechanism, and conducted regular monitoring and analysis of various risks, including market risk, credit risk, insurance risk, operational risk, strategic risk, reputation risk and liquidity risk under the comprehensive risk management system on a monthly basis. Meanwhile, the Company focused on the progress of asset allocation and its risk control to provide the headquarters, branches and subsidiaries with risk warning and reminder of related risks.

In 2025, the Company constantly optimized its risk control and compliance management system. The risk management subsystem was able to collect and process data, monitor key risk indicators and give early warning, and manage risk statement, to monitor indicators and data in the course of operation and management of the Company through modern information technology. The internal control subsystem covered the whole internal control management modules including internal control evaluation, defect rectification and operation risk event management, which intensified the basic risk control management. The compliance management system was able to monitor and give early warning for key business indicators, monitor key compliance assessment indicators, and report important compliance information, achieving the efficient application of information technology in compliance management and enhancing the overall efficiency of compliance monitoring and compliance management. Anti-money laundering and the related system realized various functions such as customer due diligence, transaction monitoring and analysis, monitoring list maintenance and filtering to provide strong support for the risk management in money laundering.

RISK IDENTIFICATION AND CONTROL

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

Market risk

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

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

In order to handle market risks, the Company primarily adopted the following measures: 1. placing emphasis on macroeconomic studies and prudently analyzing domestic and international market trends; 2. making prudent investment and focusing on asset-liability matching management; 3. sticking to value-oriented investment, selecting assets with potential value appreciation, and pursuing medium- and long-term investment earnings; 4. proactively managing the positions of equity assets and conducting regular stress tests to measure their impacts on investment return and solvency margin ratio in order to keep exposure within control; 5. regularly analyzing the historical risks and returns of major assets classes; and 6. enhancing risk monitoring and early warning to strengthen emergency management.

Credit risk

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

Credit risk of investment business

The Company primarily monitored the credit rating and concentration of investment targets and counterparties and improved the investment proportion of counterparties with high credit rating, ensuring the overall credit risk exposure within control. More than 95% of investment deposits and bonds held by the Company have a credit rating of AAA and credit ratings of major counterparties are AAA.

To address the credit risks of investment business, the Company primarily adopted the following measures in 2025: 1. strictly enforcing the internal credit and credit rating system for counterparties and stringently checking on credit-based investment products; 2. implementing entity credit for credit-related assets and enhancing concentration management of a single entity to prevent credit risks; 3. monitoring the credit risk of investment portfolios, analyzing and assessing the possibility and impact of credit default events; 4. establishing a “Negative List” management mechanism in key funds utilization, and updating the “Negative List” after dynamic assessment of market changes; and 5. optimizing the risk asset classification management system and strengthening the penetrating risk management.

Reinsurance credit risk

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

As of the end of 2025, in terms of reinsurance counterparties, the Company had 9 reinsurers, and all of their credit ratings were above grade A. Six of them obtained Standard & Poor’s ratings: one company had a rating of AA+, two companies AA-, two companies A+, and one company A. The other three companies obtained A.M. Best’s ratings: two companies A+ and one company A-. The Company had good credit distribution within the ceding business.

Insurance risk

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

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

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

Operational risk

Operational risks refer to risks that expose the Company to losses due to inappropriate internal operation procedures, personnel, information technology systems or external events, including legal risks. The major operational risks faced by the Company include misleading sales and criminal insurance cases.

Risk of misleading sales

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

To effectively address the risk of misleading sales, the Company mainly adopted the following measures in 2025: 1. strengthening governance of problems from the sources, improving internal control management systems in various distribution channels, amending systems in key fields including the basic law, quality management measures, and embedding relevant regulatory requirements for the rectification of distribution channels into the Company's internal control system to prevent misleading sales from the sources; 2. leveraging the role of supervision and collaboration, placing emphasis on joint problem solving. Frontline and back-office departments of the headquarters enhanced the supervision and management of subordinated institutions, with focus on improving the

areas in terms of mechanism, processes and systems; 3. improving the review mechanism for consumers' rights and interests protection, constantly amending and reviewing work system, and conducting consumers' rights and interests protection examination on products and services in respect of design and development, pricing management, agreement, marketing and publicity; improving the consumer complaint handling mechanisms, and smoothing complaint channels; and 4. strengthening publicity and training, accountability and education. According to regulatory requirements, the management personnel should be held responsible for misleading sales. The Company made promotional and training materials combined with typical cases from the industry and the Company to strengthen publicity and training and enhance the compliance awareness of both internal staff and external agents.

Risk of criminal insurance cases

Risks of criminal insurance cases refer to risks that insurance company employees and agents who, in the course of business operation, exploit their positions to infringe upon the legitimate rights and interests of the company or of customers, or misuse the company's important blank certificates, seals and business premises to obtain the company's credit for illegal financial activities such as illegal fund-raising, and other criminal cases that have been filed and investigated by public security, judicial and supervisory authorities, which may bring economic loss, reputation damage or other adverse impacts to the Company.

To effectively address risks of criminal insurance cases, the Company mainly adopted the following measures in 2025: 1. constantly improving the system and mechanism for case prevention, strengthening the organization and leadership of case prevention, reinforcing departmental coordination, and proactively

publicizing the latest regulatory requirements to prevent case risks; 2. conducting case risk monitoring on a regular basis by means of indicators, complaints and others, supervising branches to discover and mitigate risks in a timely manner, and establishing the list of high-risk personnel; 3. carrying out risk screening of criminal cases throughout the Company, conducting screening on agents using insurance business or the Company's credits for illegal fund-raising, illegal sale of non-insurance financial products, fraud and embezzlement of funds of customers and the Company, private loans, and other hidden risks; 4. focusing on key risk areas and combating fraudulent claims with great determination; 5. conducting regular warning education and training to ensure compliance; and 6. strengthening mitigation and reporting of criminal cases, and reinforcing the supervision of case prevention for subordinated institutions, so as to strengthen the responsibility of case prevention.

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

Reputation risk

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

The coverage of the Company by external media in 2025 was primarily positive and objective. Guided by the prevention-first approach, the Company has established a routine, long-term and effective management mechanism with focus on pre-emptive risk assessment and daily

precaution. The Company manages daily public opinion through 24/7 monitoring. The Company has established a comprehensive reputation risk management system that covers all channels and subordinated institutions in terms of organizational structure, system, daily monitoring and risk disposal with excellent linkage mechanism. In response to untrue or negative public opinion, the Company communicates with the media in a timely manner, carries out positive publicity at the earliest time, properly handles public opinion, clarifies untrue negative reports, and reduces the impact of public opinions on the Company's reputation and image.

Strategic risk

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

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

In 2025, the Company mainly adopted the following measures: 1. coordinating the successful conclusion of the "14th Five-Year Plan" and mapping out the "15th Five-Year Plan"; 2. carrying out regular analysis of market conditions, and actively seizing the market

opportunities in light of development needs of the Company; 3. holding regular management meetings for annual operation plans and key initiatives to promote the sustained high-quality development of the Company; 4. formulating appraisal schemes scientifically to guarantee alignment with the Company's overall planning; and 5. strengthening communication and coordination, enhancing the synergy between strategy management department and related functional departments to form a coordinated and feedback mechanism on strategy planning. In 2025, the soundness of the Company's strategic risk management system and the effectiveness of its implementation were maintained.

Liquidity risk

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

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

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

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

ENVIRONMENT INFORMATION

The Company actively responds to the national call for advancing ecological civilization and achieving the goals of “carbon peaking and carbon neutrality”, and integrates the green development philosophy into the entire process of corporate governance and operation. The Company vigorously promotes green office practices and low-carbon operations, improves resource utilization efficiency and deepens its sustainable development.

The Company, as a financial institution, generated greenhouse gas emissions at the operational level mainly from energy consumption in its workplaces and data centers. The Company has strictly complied with and implemented the *Environmental Protection Law of the People’s Republic of China*, the *Energy Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China* and other laws and regulations, and has established and enforced various energy conservation management systems. In 2025, the Company assessed energy consumption at its headquarters and implemented precise energy-saving measures. For energy-consuming scenarios in data centers, the Company effectively reduced the Power Usage Effectiveness (PUE) by optimising air conditioning operating, enhancing thermal management and utilising natural cooling sources. Meanwhile, the Company promoted the electrification of official vehicles and advocated for green commuting to reduce carbon emissions in operations.

The Company remains committed to building a fully paperless and green service model through digital transformation. In 2025, the Company upgraded the enquiry and processing functions of “Zhangshang NCI” App, enabling online business handling, such as checking policies, correspondence, pending tasks and premium payments. Electronic policy applications, electronic receipts and documents were promoted in both individual and group insurance businesses, significantly increasing the online service rate. In addition, the Company rolled out the application of “electronic invoices” (數電發票) and electronic accounting archives nationwide. While providing customers with efficient and convenient services, these efforts substantially reduced paper consumption and resource wastage, and lowered the operational carbon footprint.

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

For more information, please refer to the *Environmental, Social, Governance (ESG) and Corporate Social Responsibility Report 2025* disclosed by the Company on the website of the HKSE on the same day.

SOCIAL RESPONSIBILITY

Support the Real Economy and Serve the National Strategy

The Company continues to solidify its role as a mainstay in bolstering the real economy, optimizes its investment layout, increases funding for major national strategies, key areas and weak links such as technological innovation, industrial upgrading and low-carbon

development, and makes overall plans to promote the development of “five priorities” in finance. As of the end of 2025, the Company invested over RMB360 billion in serving the “five priorities” in finance, and contributed RMB46.25 billion to jointly establish three pilot funds and safeguard capital market stability. Through adhering to the strategy of investing in early-stage, small-scale, long-term, and hard technologies, the Company fostered the development of new quality productive forces.

The Company made coordinated efforts to support the unicorn enterprises. The Company invested in the first batch of technology innovation bond ETFs, supported new generation information technology, biotechnology and other strategically emerging industries clusters, as well as enterprises that use special and sophisticated technologies, with the investment of RMB140 billion. The Company backed the green development and the “dual carbon” strategies by means of subscribing to multiple publicly offered REITs in the new energy sector, with the investment of RMB75.1 billion. Efforts were made to expand inclusive insurance coverage, improve its quality and efficiency, fully support rural revitalization, and improve people’s livelihoods and boost consumption. Specifically, the Company subscribed to multiple ABS products backed by loans to small and micro enterprise, consumer finance, and rental housing REITs, with the investment of RMB55.6 billion in inclusive finance. The Company improved the multi-tiered healthcare and old-age care insurance system, vigorously developed second and third pillars of pension business, accelerated the layout of the medical care, healthcare and old-age care ecosystem, and increased investment in the healthcare and old-age care industry, with the amount reaching RMB26.8 billion. The Company also invested in the first batch of data center REITs, enhanced the application of AI, and allocated a total of RMB1.09 billion throughout the

year for digital transformation. Over RMB68 billion were invested to support the development of enterprises in the digital industry chains, such as AI, cloud computing and digital economy.

Rural Revitalization

In 2025, the Company proactively implemented the decisions and deployments of the CPC Central Committee, and continued to support the national strategy of rural revitalization. Throughout the year, over RMB70.92 million assistance funds were coordinated and allocated for rural revitalization. Among them, the Company carried out more than 20 assistance projects on “Five Revitalization Initiatives” in Shibing County, Guizhou Province and Chayouzhong Banner, Ulanqab, Inner Mongolia Autonomous Region, and supported rural revitalization projects in Xinjiang Autonomous Region, Hebei, Yunnan, Hubei and other regions. The total value of agricultural products directly procured or sold by the Company from poverty-alleviated areas amounted to RMB36.11 million, and RMB18.99 million paid and unpaid assistance funds were introduced for Shibing County. Meanwhile, the Company called on its employees, Party members and cadres to donate money and materials to contribute to rural revitalization.

The Company capitalized on its core business to safeguard against rural communities falling back into poverty, and adopted an “insurance + public welfare” model to precisely address the needs of agriculture, rural areas and farmers. Since winning the bids for the two national-level public welfare insurance projects, “Dingliangzhu” and “Jiayou Baobei”, the Company has provided services for 348 thousand individuals nationwide, settled over 5,500 claims, and paid out more than RMB6.96 million. In 2025, the Company introduced over RMB1.50 million funds to provide “Dingliangzhu”

public welfare insurance for 20 thousand breadwinners of families in Shibing County, and offer “Jiayou Mulan” (加油木蘭) public welfare insurance for 16.9 thousand women who had been lifted out of poverty. Leveraging its core strengths in insurance, the Company has added multiple layers of protection for rural households.

The Foundation, in cooperation with China Foundation for Rural Development, China Women’s Development Foundation and other charitable organizations, carried out a series of rural revitalization projects in Shibing County, Guizhou Province, including the New Farmers’ Bookshop (新農書屋), Warmth for Every Home (愛暖萬家), Angel Project (天使工程), Love with Food Support (愛加餐), and the Fishing Programme (授漁計劃). These efforts provided systematic and multi-dimensional support in local areas such as talent revival, cultural revitalization, industrial development, educational advancement, medical treatment and public health, and social welfare.

In 2025, the Company was awarded the “Best Practice Case of Rural Revitalization by Listed Companies” by China Association for Public Companies.

Help Employees Grow

Through creating a tolerant, equal, mutual trust and collaborative environment for employees, the Company makes efforts to guarantee the rights and interests of employees, promote their mental and physical health, and build platforms for their improvements to synchronize the Company’s values with employees’ values.

The Company has always put people first, and abided by various laws and regulations, including the *Labor Law of the People’s Republic of China* and the *Labor Contract Law of the People’s Republic of China*, and strived for building a talent development system that is aligned with business growth. A dual career track system has been established to combine management and specialist roles. Under a unified job grading structure, the system provided employees with diversified and tailored development pathways, making all types of talents gain the opportunity to grow and achieve personal breakthroughs within a sound mechanism that allows for both promotion and demotion, as well as entry and exit.

The Company has systematically planned its talent development in line with its strategic objectives, and improved the full-chain mechanism covering selection, cultivation, appointment, incentive and restraint. The Company constantly optimized its workforce structure through a combination of regular reviews, internal cultivation and external recruitment. In recent years, the competitive appointment approach has effectively stimulated the vitality of the organization, and given rise to a large number of key personnel who are eager to bear responsibilities, willing to take risks and capable of delivering results. Meanwhile, with an open vision, the Company has recruited leading talents in key fields, creating a virtuous cycle where “the recruitment of one individual drives the development of a group of people”.

The Company has always regarded the growth of employees as a long-term cornerstone for the future. While safeguarding employees’ legitimate rights and interests and prioritising their physical and mental well-being, the Company has endeavored to align employees with its value creation and enable mutual growth, achieving a symbiotic relationship between personal development and organizational progress.

Consumer Rights Protection

Important information on consumer rights protection

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

In terms of institution development, the Board, as the highest decision-making body for the protection of consumer rights and interests, formulates the strategies, policies and objectives for consumer rights protection and oversees their effective execution and implementation. Under the Board, the Risk Management and Consumer Rights Protection Committee carries out activities related to consumer rights protection within the Board's mandate. At both the headquarters and branch levels, a consumer rights protection affairs committee, composed of relevant senior management and key department principals, has been structured to uniformly plan and coordinate the deployment of consumer rights protection, forming a top-down management system for consumer rights protection.

In terms of mechanism development, the Company has formulated the *Measures for the Administration of Consumer Rights Protection* (《消費者權益保護管理辦法》), which clearly define the organisational framework, division of responsibilities and relevant management standards for consumer rights protection. Supporting systems and documents have also been developed to build a comprehensive management system for consumer rights protection covering pre-event, during-event and post-event stages. This ensures the effective implementation of all consumer rights protection initiatives and the robust safeguarding of consumers' legitimate rights and interests.

In 2025, the Company strictly implemented laws, regulations, and regulatory requirements related to consumer rights protection. The Company formulated or revised more than 30 documents concerning consumer rights protection, such as the *Measures for Product Suitability Management* (《產品適當性管理辦法》), the *Measures for Data Security Management (2025 Revision)* (《數據安全管理辦法(2025年修訂)》), the *Implementation Rules for Training Management of Consumers' Rights Protection (Trial)* (《消費者權益保護培訓管理實施細則(試行)》), and the *Implementation Rules for Diversified Resolution of Consumer Disputes (Trial)* (《消費糾紛多元化解工作保障實施細則(試行)》) to optimize working mechanisms for consumer rights protection in areas such as product and service review, consumer rights protection auditing and performance evaluation. Meanwhile, the Company consistently strengthened the management over product suitability, marketing and publicity, information disclosure, traceability of marketing behavior, cooperative institutions and consumer services, carried out consumer education and publicity on a regular basis, and properly resolved various consumer complaints and disputes to effectively protect the legitimate rights and interests of consumers.

Consumer complaints and handling

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

According to the notice on consumer complaints in the insurance industry for the year 2025 from the NFRA, the Company recorded a total of 1,803 complaints, with a rate of 0.92 complaints per RMB100 million premiums and 0.41 complaints per 10,000 policies. Based on the main issues reflected in the complaints, surrender dispute complaints accounted for 54.35% and sales dispute complaints accounted for 37.77%. The distribution of complaints is as follows:

Branch	Number of complaints	Proportion (%)	Branch	Number of complaints	Proportion (%)
Shaanxi	190	10.54	Yunnan	28	1.55
Jilin	188	10.43	Ningxia	27	1.50
Xinjiang	132	7.32	Guizhou	25	1.39
Inner Mongolia	130	7.21	Qinghai	23	1.28
Jiangsu	129	7.15	Tianjin	23	1.28
Jiangxi	129	7.15	Zhejiang	22	1.22
Hunan	95	5.27	Anhui	19	1.05
Beijing	91	5.05	Gansu	13	0.72
Shandong	86	4.77	Shanghai	13	0.72
Hebei	56	3.11	Liaoning	12	0.67
Sichuan	54	3.00	Chongqing	12	0.67
Guangdong	51	2.83	Qingdao	10	0.55
Henan	50	2.77	Hainan	8	0.44
Fujian	37	2.05	Xiamen	8	0.44
Heilongjiang	33	1.83	Shenzhen	8	0.44
Guangxi	31	1.72	Dalian	7	0.39
Hubei	30	1.66	Ningbo	3	0.17
Shanxi	30	1.66			

For other complaints of the Company, please refer to the relevant chapters of the *Environmental, Social, Governance (ESG) and Corporate Social Responsibility Report 2025* disclosed by the Company on the website of the HKSE on the same day.

Education and Publicity on Consumer Rights Protection

The Company attaches great importance to the education and publicity on consumer rights protection. In 2025, the Company conducted a total of 47.4 thousand education and publicity activities on consumer rights protection, reaching 105 million consumers.

Consumer Rights Protection Audit and Supervision

The Company has established a regular and standardized internal audit mechanism for consumer rights protection, which has defined the audit cycle, frequency, key points and scope, and conducted a special audit once a year to assess the implementation of this mechanism at both the headquarters and branch levels. In 2025, the Company carried out a comprehensive review of the development of consumer rights protection system and mechanisms, as well as the safeguarding of eight fundamental rights, including the right to information, the right to make independent choice, and the right to personal information security. By issuing a special report, the Company objectively assessed current performance and identified directions for future improvement to fully leverage the effectiveness of supervision. The *Special Audit Report on Consumer Rights Protection for the Year 2024-2025* has been formally considered and approved at the 1st meeting of the ninth session of the Board.

Public Welfare Actions and Charitable Donations

The Company leverages the strengths of insurance industry to gradually form a unique public welfare model of “insurance products + public welfare platforms + volunteer services” and explore a distinctive path for undertaking social responsibility. In 2025, the donation for public welfare exceeded RMB8.41 million.

In 2025, the Company continued the “NCI Inclusive Insurance Public Welfare Project for Sanitation Workers Nationwide”, providing accidental injury insurance of RMB100,000 per person for over 620 thousand sanitation workers across China. Since 2017, the project has benefited nearly 6.70 million sanitation workers cumulatively, and settled 524 claims, with a compensation payment of RMB46.639 million.

The Company actively served the people’s livelihoods by contributing to social first-aid capacity. In 2025, through the Foundation, the Company launched the “Super First-Aid Programme” public welfare project to popularize first-aid knowledge among young people. This project carried out over 100 activities throughout the year, engaging more than 5,000 teenagers nationwide. In addition, the Zhejiang Branch established a red cross unit in the office building, creating a dedicated offline red cross hub that integrates functions like knowledge dissemination, cultural promotion, and teaching and training. By virtue of the innovative development model of “building + unit”, the Zhejiang Branch was awarded the title of “National Red Cross Model Unit” (全國紅十字模範單位).

By the end of 2025, the volunteer team of the Company had more than 35 thousand members, and carried out over 4,300 activities such as achieving carbon peaking and carbon neutrality, respecting and helping the elderly and caring for sanitation workers. A total of 46 thousand volunteers took part in various activities and more than 90 thousand hours of service were provided throughout the year.

On 7 January 2025, a 6.8-magnitude earthquake hit Shigatse City, Xizang Autonomous Region. The Company immediately activated an emergency response mechanism and donated RMB1 million to the earthquake-stricken areas in Xizang. On 30 November 2025, a five-alarm fire broke out at Wang Fuk Court in Tai Po District, New Territories, Hong Kong. Following the disaster, the Asset Management Company (Hong Kong) promptly donated HKD1 million to fully support disaster relief and post-disaster reconstruction.

For details of fulfilling social responsibilities of the Company, please refer to the *Environmental, Social, Governance (ESG) and Corporate Social Responsibility Report 2025* disclosed by the Company on the website of the HKSE on the same day.

THE BOARD OF DIRECTORS REPORT AND SIGNIFICANT EVENTS

MAIN BUSINESSES

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

BUSINESS REVIEW

Annual business and business results analysis

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

Major risks and uncertain factors

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

Environment policy

The Company is not listed as a key pollutant discharge unit by the environmental protection department. For details of environmental protection, please refer to the *Environmental, Social, Governance (ESG) and Corporate Social Responsibility Report 2025* disclosed on the website of the HKSE on the same day.

Principal employees and customers

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

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

Compliance with relevant laws and regulations

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

Company’s relations with employees and customers

Details of the Company’s relations with employees and customers are set out in Section 6 “Directors, Senior Management and Employees” and Section 8 “Environmental and Social Responsibility” of this report.

Prospects

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

Post-balance sheet events

Please refer to Note 44 to “Consolidated Financial Statements” of this report for any material event that occurs after the financial year 2025 and has significant impact on the Company.

USE OF PROCEEDS

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

PROPERTY, PLANT AND EQUIPMENT

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

INVESTMENT PROPERTY

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

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

SHARE CAPITAL

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

BOND ISSUANCE AND BOND DETAILS

The Second Extraordinary General Meeting of 2025 held on 31 March 2025 of the Company considered and approved the *Proposal on the Issuance of Domestic Undated Capital Bonds*, authorizing the issuance of up to RMB10,000 million (inclusive) in domestic undated capital bonds subject to regulatory approval. For more details, please refer to *Circulars of the Second Extraordinary General Meeting of 2025* and *Poll Results of the Second Extraordinary General Meeting of 2025* published on the website of the HKSE on 11 March 2025 and 31 March 2025, respectively by the Company.

The Fourth Extraordinary General Meeting of 2025 held on 24 December 2025 of the Company considered and approved the *Proposal on the Issuance of Domestic Undated Capital Bonds*, authorizing the issuance of up to RMB10,000 million (inclusive) in domestic undated capital bonds subject to regulatory approval. For more details, please refer to *Circulars of the Fourth Extraordinary General Meeting of 2025* and *Poll Results of the Fourth Extraordinary General Meeting of 2025 and Appointment of Directors* published on the website of the HKSE on 4 December 2025 and 24 December 2025, respectively by the Company.

The Company exercised its redemption right in respect of the “2020 Capital Supplementary Bonds of New China Life Insurance Company Ltd.” on 13 May 2025, and redeemed the entire issue. As of the end of the reporting period, the Company’s issued and outstanding capital supplementary bonds stood at RMB20,000 million.

MATERIAL ACQUISITION AND DISPOSAL

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

SIGNIFICANT INVESTMENT

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

MAJOR TRANSACTION

On 21 February 2025, the NFRA approved the continued investment of the Company, together with China Life Insurance Company Limited (“**China Life**”), in the Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund II initiated by Guofeng Xinghua (Beijing) Private Fund Management Co., Ltd. (國豐興華(北京)私募基金管理有限公司). On 13 May 2025, the NFRA further approved the joint investment by the Company and several insurers including China Life in the Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund III initiated by the same fund manager. Currently, both funds maintain stable operations.

On 22 May 2025 and 4 July 2025, the Company invested RMB10 billion and RMB11.25 billion respectively to subscribe for the units of Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund II and Fund III No.1 sponsored by Guofeng Xinghua (Beijing) Private Fund Management Co., Ltd., and entered into fund agreements. Currently, both funds maintain stable operations.

For more details, please refer to relevant announcements disclosed on the website of the HKSE on 29 April, 22 May, 12 June and 4 July 2025, respectively.

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

BANK LOANS

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

PLEDGE OF ASSETS

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

SEIZURE, DISTRAINMENT OR FREEZE OF MAJOR ASSETS

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

EXCHANGE RATE RISK AND HEDGING

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

MANAGEMENT CONTRACTS

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

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

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

PRE-EMPTIVE RIGHT

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

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

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

INTERESTS OF DIRECTORS IN COMPETITIVE BUSINESSES

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

SERVICE CONTRACT AND REMUNERATIONS OF DIRECTORS

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

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

INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

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

RIGHTS OF DIRECTORS TO ACQUIRE SHARES

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

STATEMENT OF THE BOARD ON INTERNAL CONTROL RESPONSIBILITY

According to the assessment of effectiveness of internal control performed as of 31 December 2025 by the Board in compliance with the *Basic Norms of Enterprise Internal Control* (Cai Kuai [2008] No. 7) and *Circular on Printing and Distributing the Implementary Guidelines for Enterprises Internal Control* (Cai Kuai [2010] No. 11) and other internal control regulatory requirements, the Board was of the view that the construction and operation of internal control system were effective as a whole.

PERMITTED INDEMNITY PROVISION FOR DIRECTORS

For the year ended 31 December 2025, there were no and had been no permitted indemnity provision benefiting the directors or the directors of the Company's associated companies. The Company has purchased proper liability insurance for directors during the year to indemnify the legal liability incurred by directors' fulfilling their duties. The governing law of such policy is P.R.C. law.

SUFFICIENT PUBLIC FLOAT

According to the data obtained from public resources by the Company and according to the knowledge of the directors as of the latest practicable date before the publication of this report, the Company has been in compliance with the requirement of the public float in accordance with the *Hong Kong Listing Rules*.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2025, the Company had not entered into any equity-linked agreement.

AUDIT AND RELATED PARTY TRANSACTION CONTROL COMMITTEE

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company and its subsidiaries did not have any other future plans for material investments or capital assets as at 31 December 2025. However, the Company will closely follow industry opportunities to broaden its revenue base and profit potential and maximise shareholders' value in the long term.

CONNECTED TRANSACTION

According to the *Hong Kong Listing Rules*, the transaction between the Company and the Company's connected person (as defined in *Hong Kong Listing Rules*) constituted the connected transaction of the Company during the reporting period. The Company monitored and managed such transactions in strict accordance with the *Hong Kong Listing Rules* and abided by relevant rules and regulations of *Hong Kong Listing Rules*. Details of the related party transactions are set out in Note 37 to "Consolidated Financial Statements" of this report. Among which, certain transactions fell under the definition of connected transactions in Chapter 14A of *Hong Kong Listing Rules* and such transactions were complied with relevant requirements of *Hong Kong Listing Rules*.

SIGNIFICANT CONTRACTS AND THEIR PERFORMANCE

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

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

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

In 2025, the Company made expected credit-impaired provisions for such entrusted assets and recognized credit impairment losses of RMB3,473 million.

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

CONTINGENT LIABILITIES

So far as known to the Board, as at 31 December 2025, there had been no litigation, arbitration or claim of material importance in which the Company or its respective subsidiaries was engaged or pending or which threatened against the Company or its respective subsidiaries.

APPOINTMENT OF ACCOUNTING FIRMS

The Annual General Meeting of 2024 of the Company held on 27 June 2025 considered and approved the *Proposal on the Re-appointment of Accounting Firms for the Year 2025*, and resolved to re-appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP as domestic auditor of the Company, and to re-appoint Deloitte Touche Tohmatsu as international auditor of the Company. For details, please refer to the *Overseas Regulatory Announcement – Announcement in relation to Proposed Re-appointment of Accounting Firms for the Year 2025* (《海外監管公告—建議續聘2025年度會計師事務所的公告》) published on the website of the HKSE on 27 March 2025 and the *Poll Results of the Annual General Meeting of 2024, Appointment of Non-Executive Director and Distribution of 2024 Final Dividend* published on the website of the HKSE on 27 June 2025 by the Company. The Audit and Related Party Transaction Control Committee of the Company has no dissenting opinion regarding appointment of accounting firm during the reporting period. Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu have

been offering auditing services for annual financial statements and internal control of the Company for four consecutive years.

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

Tohmatsu Certified Public Accountants LLP, has also been offering auditing services for the Company since 2022. Ms. TONG Meiyin, the partner and certified public accountant from Deloitte Touche Tohmatsu, has been offering auditing services for the Company since 2022.

The Company did not change its auditors mentioned above in the previous three years.

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

Unit: RMB10,000		
Items	2025	2024
Auditing services for financial statements – auditing, reviewing and executing agreed-upon procedures	1,851.0	1,993.5
Internal control and auditing services	194.5	194.5
Other attestation services	–	–
Total	2,045.5	2,188.0

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

For details of the commitment made by Huijin, the controlling shareholder of the Company, to avoid horizontal competition, please refer to the *Overseas Regulatory Announcement – Announcement on the Conditions of Unfulfilled Commitments of the Company's Shareholders, Related Parties and the Company* (《海外監管公告－關於公司股東、關聯方及公司未履行完畢承諾情況的公告》) published on 13 February 2014 by the Company on the website of the HKSE.

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

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

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

CREDIT OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLED

During the reporting period, neither the Company nor its controlling shareholder or actual controller had any enforceable court judgments of significant amount or outstanding due and payable debts.

SUSPECTED VIOLATIONS OF LAWS OR REGULATIONS AND PENALTY OF THE COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

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

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

SIGNIFICANT LITIGATION, ARBITRATION EVENTS

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

CONTRIBUTION SCHEME

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

YANG Yucheng

Chairman

27 March 2026

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

CHANGES IN SHARE CAPITAL

As of 31 December 2025, there was no change in the total number of shares and structure of share capital of the Company.

Unit: share

	31 December 2025		Increase or decrease during the reporting period (+, -)					31 December 2024	
	Number	Percentage	New shares		Transfer from		Sub-total	Number	Percentage
			issued	Bonus shares	reserve	Others			
1. Shares with selling restrictions	- ⁽¹⁾	-	-	-	-	-	-	-	-
2. Shares without selling restrictions									
1. Ordinary shares denominated in RMB	2,085,439,340	66.85%	-	-	-	-	-	2,085,439,340	66.85%
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares (H Share)	1,034,107,260	33.15%	-	-	-	-	-	1,034,107,260	33.15%
4. Others	-	-	-	-	-	-	-	-	-
Total	3,119,546,600	100.00%	-	-	-	-	-	3,119,546,600	100.00%
3. Total number of shares	3,119,546,600	100.00%	-	-	-	-	-	3,119,546,600	100.00%

Note:

1. “-” represents “0”.

ISSUE AND LISTING OF SECURITIES

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

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

REPURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

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

SHAREHOLDERS PROFILE

Number of shareholders and their shareholdings

As of the end of the reporting period, there were 65,813 shareholders of the Company, including 65,550 A share shareholders and 263 H share shareholders.

As of 28 February 2026, there were 69,313 shareholders of the Company, including 69,051 A share shareholders and 262 H share shareholders.

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

Unit: share

Name of the shareholders	Number of shares held at the end of reporting period	Percentage of the shareholding (%)	Increase or decrease of shareholding during the reporting period (+, -)	Number of shares held with selling restrictions ⁽¹⁾	Shares pledged or frozen		Character of the shareholders	Types of shares
					Status	Number of shares		
Central Huijin Investment Ltd.	977,530,534	31.34	- ⁽⁵⁾	-	-	-	State-owned	A
HKSCC Nominees Limited ⁽²⁾	972,933,411	31.19	+183,900	-	Unknown	Unknown	Overseas legal person	H
China Baowu Steel Group Corporation Limited	377,162,581	12.09	-	-	-	-	State-owned legal person	A
Hwabao Investment Co., Ltd. ⁽³⁾	60,503,300	1.94	-	-	-	-	State-owned legal person	H
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Asset Management Plan	51,023,902	1.64	+46,669,502	-	-	-	Others	A
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Asset Management Plan	51,023,901	1.64	+46,669,501	-	-	-	Others	A
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	51,009,591	1.64	+7,399,908	-	-	-	Overseas legal person	A
Central Huijin Asset Management Ltd.	28,249,200	0.91	-	-	-	-	State-owned legal person	A
National Social Security Fund 114 Combination	16,476,100	0.53	+8,247,206	-	-	-	Others	A
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	13,827,650	0.44	-592,200	-	-	-	Others	A
Description of related-party relations or concerted action among the aforesaid shareholders	Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. and Hwabao Investment Co., Ltd. is a wholly-owned subsidiary of China Baowu Steel Group Corporation Limited. Save for the above, the Company is not aware of any related-party relationship among the aforesaid shareholders or whether they are parties acting in concert.							
Description of margin trading and security lending by top 10 shareholders and top 10 shareholders without selling restrictions	None.							

Notes:

- As of the end of the reporting period, none of the Company's A shares or H shares were subject to selling restrictions.
- HKSCC Nominees Limited is a company that holds shares on behalf of the clients of Hong Kong stock brokers and other participants of CCASS system. The relevant regulations of the HKSE do not require such persons to declare whether their shareholdings are pledged or frozen. Therefore, HKSCC Nominees Limited is unable to calculate or provide the number of shares pledged or frozen.
- As of 31 December 2025, Hwabao Investment, the wholly-owned subsidiary of China Baowu, held 60,503,300 H shares of the Company, which are registered under the name of HKSCC Nominees Limited. To avoid repeated calculation, the number of shares held by Hwabao Investment was subtracted from the number of shares held by HKSCC Nominees Limited.
- Hong Kong Securities Clearing Company Limited (HKSCC) is a nominal holder of shares in the Shanghai-Hong Kong Stock Connect.
- "-" represents "0".

Controlling shareholder and actual controller

The controlling shareholder and actual controller of the Company is Huijin. There were no changes in Huijin's shareholding in the Company during the reporting period. Huijin is a wholly state-owned company established in Beijing on 16 December 2003. The registered capital of Huijin is RMB828,209 million. The legal representative of Huijin is Mr. ZHANG Qingsong. Huijin, in accordance

with authorization by the State Council, makes equity investments in major state-owned financial enterprises, and shall to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not conduct any other business or commercial activity, nor does it intervene in the daily operations of major state-owned financial enterprises which it controls.

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

No.	Name	Percentage of Huijin's equity participation
1	Industrial and Commercial Bank of China Limited★☆	34.79%
2	Agricultural Bank of China Limited★☆	40.14%
3	Bank of China Limited★☆	58.59%
4	China Construction Bank Corporation★☆	54.61%
5	Shenwan Hongyuan Group Co., Ltd.★☆	20.05%
6	China Reinsurance (Group) Corporation☆	71.56%
7	New China Life Insurance Company Ltd.★☆	31.34%
8	China International Capital Corporation Limited★☆	40.11%
9	CSC Financial Co., Ltd.★☆	30.76%

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

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

China Baowu

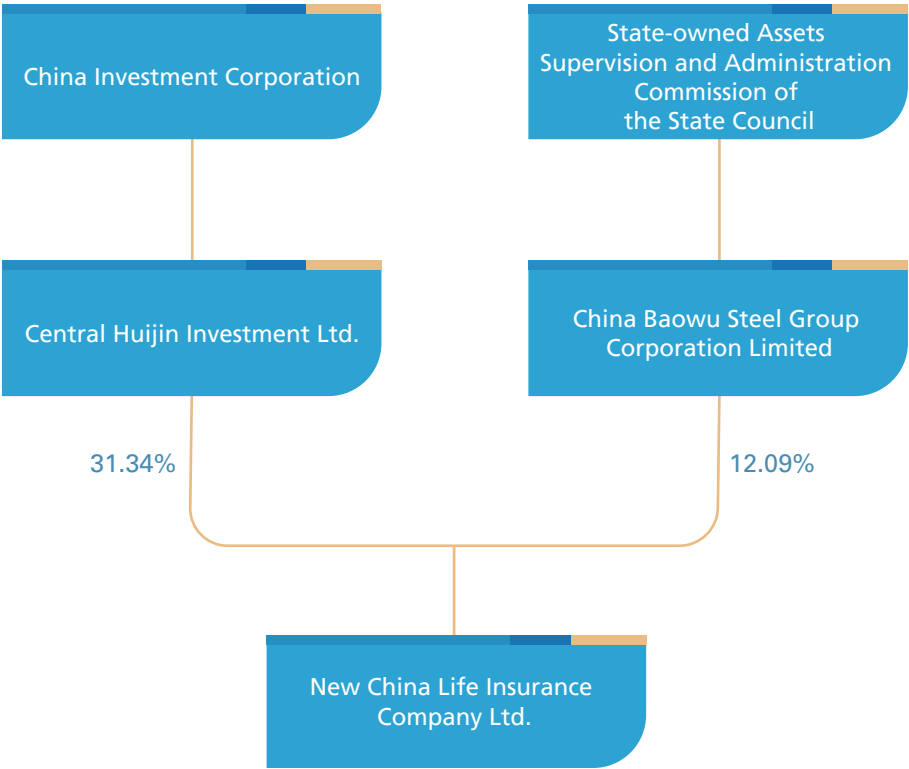
China Baowu was jointly reorganized by the former Baosteel Group Corporation and Wuhan Iron and Steel (Group) Corporation. China Baowu, established on 1 December 2016 in accordance with law, is a wholly state-owned corporation for which the State-owned Assets Supervision and Administration Commission of the State Council performs the duties of investor on behalf of the State Council. The registered capital of China Baowu is RMB52,897 million. The legal representative of China Baowu is Mr. HU Wangming. The business scope of China Baowu is as follows:

Licensed projects: retail of publications; wholesale of publications.

General projects: engaging in investment activities with self-owned funds; investment management; asset management services with self-owned funds; enterprise headquarters management; land use right leasing; non-residential real estate leasing; human resources services (excluding occupational intermediary activities and labor dispatch services); enterprise management consulting.

Save as disclosed above, as of 31 December 2025, there were no other corporate shareholders holding 10% or more of the shares in the Company (excluding HKSCC Nominees Limited).

The following chart sets forth the connections between the Company and the ultimate controllers of the corporate shareholders holding 10% or more of shares in the Company as of 31 December 2025:



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

To the best of the knowledge of the directors of the Company upon reasonable enquiry, as of 31 December 2025, China Baowu held 377,162,581 A shares of the Company, which accounted for 12.09% of the total issued shares of the Company, and 18.09% of the total issued A shares of the Company.

In addition to the above, to the best of the knowledge of the directors of the Company upon reasonable enquiry, as of 31 December 2025, the following persons (other than directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, and have been entered into the register maintained by the Company pursuant to Section 336 of the SFO:

Unit: share

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

Notes:

1. Data disclosed in the table above are mainly based on the information provided on the website of the HKSE (www.hkexnews.hk).
2. Pursuant to Section 336 of the SFO, the shareholders of the Company are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Company changes, it is not necessary for the shareholder to notify the Company and the HKSE unless several criteria have been fulfilled. Therefore, a shareholder's latest shareholding in the Company may be different from the shareholding filed with the HKSE.
3. According to the above disclosure, as of 31 December 2025, China Baowu held 377,162,581 A shares of the Company and 60,503,300 H shares of the Company through Hwabao Investment, representing 18.09% of the total number of issued A shares and 5.85% of the total number of issued H shares of the Company respectively, accounting for 14.03% of the total number of issued shares of the Company.

Save as disclosed above, as at 31 December 2025, the Company was not aware of anyone (other than the directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which have been entered into the register pursuant to Section 336 of the SFO.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES UNDER HONG KONG LAWS AND REGULATIONS

As of 31 December 2025, according to the information available to the Company and the information our directors are aware of, there were no interests and short positions (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) held by our directors and chief executives in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be entered into the register maintained by the Company pursuant to Section 352 of the SFO or which shall be notified to the Company and the HKSE pursuant to the *Model Code*.

Section 11 Financial Report

INDEPENDENT AUDITOR'S REPORT

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

OPINION

We have audited the consolidated financial statements of New China Life Insurance Company Limited. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 143 to 312, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<i>Valuation of insurance contract liabilities</i>	
As at 31 December 2025, the amount of insurance contract liabilities was RMB1,532,638 million and is of importance to the consolidated financial statements. As disclosed in Note 3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty, the Group groups insurance contracts for measuring purpose. The Group uses appropriate measurement method and actuarial model to estimate insurance contract liabilities, which includes significant actuarial assumptions, such as discount rates, lapse rates, morbidity rates, mortality rates, acquisition and maintenance expense rates, policy dividend rates as well as risk adjustment for non-financial risk to account for the uncertainties of these assumptions. These methods, models and assumptions involve management's use of significant accounting estimates and judgments, which could make a significant impact on the insurance contract liabilities. Based on the analysis above, we have identified the valuation of insurance contract liabilities as a key audit matter. Refer to Note 3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty, Note 4 (1)(c) and Note 15 to the consolidated financial statements.	We performed the following audit procedures: • Obtained an understanding of the Group's internal controls for determining insurance contract liabilities, evaluated and tested the design and operating effectiveness of key internal controls (including the effectiveness of the related IT systems for the measurement and processing of insurance contract liabilities) • Tested completeness and accuracy of the underlying data used in the actuarial model. • Assisted by our actuarial specialists to: ✓ Evaluate the appropriateness of the level of aggregation and the measurement methods adopted for each group of contracts; ✓ Evaluate the appropriateness of the determination of the coverage units; ✓ Assess the appropriateness of the actuarial model, methodology and key assumptions used, including the discount rates, lapse rates, morbidity rates, mortality rates, acquisition and maintenance expense rates, policy dividend rates, etc.; ✓ Assess the reasonableness of key actuarial assumptions and judgments, by comparing them to historical experience and industry data; ✓ Assess the reasonableness of assumptions and model changes applied to the actuarial models; ✓ Review sensitivity analysis of the key assumptions to evaluate the impact on insurance contract liabilities from the assumptions changes individually or as a whole; and ✓ Perform independent actuarial modelling to verify the calculation accuracy of the actuarial model, the calculation of contractual service margin at initial recognition and the subsequent amortisation on a sample basis.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<i>Fair value of level 3 financial assets</i>	
As at 31 December 2025, the Group held financial assets measured at fair value, with a carrying value of RMB1,154,281 million, of which, RMB52,156 million was level 3 financial assets. The fair value of level 3 financial assets are measured based on significant unobservable inputs. As disclosed in Note 3 Key Sources of Estimation Uncertainty (3), the Group evaluated the fair value of financial assets with active market quotation and valuation techniques. Regarding the level 3 financial assets which primarily include trust plans, equity investment plans, unlisted equity investments, etc., the Group applies significant accounting judgment and estimation to determine the valuation techniques and significant unobservable inputs in assessing these level 3 financial assets. We have identified the fair value of the Group's level 3 financial assets as a key audit matter due to the significant uncertainty from the accounting judgment and estimate. Refer to Note 3 Key Sources of Estimation Uncertainty (3) and Note 4(4) to the consolidated financial statements.	We performed the following audit procedures: • Obtained an understanding of the Group's internal controls for the assessment of fair value of level 3 financial assets, evaluated and tested the design and operating effectiveness of key internal controls. • On a sample basis, performed the following procedures with the assistance of our internal valuation experts when necessary: ✓ Reviewed and evaluated the reasonableness of the Group's valuation methodology; ✓ Tested the accuracy of the underlying data for fair value measurement on a sample basis; ✓ Reviewed the appropriateness of assumptions used to measure the fair value of financial assets; ✓ Reviewed and evaluated the accuracy of valuation results of the financial assets provided by the Group.

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025 (All amounts in RMB millions unless otherwise stated)

	Notes	31 December 2025	31 December 2024
ASSETS			
Property, plant and equipment	6	16,572	17,990
Investment properties	7	11,424	9,055
Right-of-use assets	8	746	847
Intangible assets	9	3,128	4,054
Investments in associates and joint ventures	10	65,633	30,245
Financial investments			
– Financial assets at fair value through profit or loss	11(1)	579,756	485,928
– Debt investments at amortised cost	11(2)	256,913	274,891
– Debt investments at fair value through other comprehensive income	11(3)	535,968	470,366
– Equity investments designated at fair value through other comprehensive income	11(4)	38,556	30,640
Term deposits	12	293,964	282,458
Statutory deposits	13	1,770	1,807
Financial assets purchased under agreements to resell	14	13,999	5,436
Derivative financial instruments		1	–
Reinsurance contract assets	15	11,065	10,812
Deferred tax assets	16	20,996	19,678
Other assets	17	6,095	9,658
Cash and cash equivalents		42,898	38,432
Total assets		1,899,484	1,692,297

	Notes	31 December 2025	31 December 2024
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	15	1,532,638	1,366,090
Borrowings	18	20,173	30,384
Lease liabilities	8	627	715
Financial liabilities at fair value through profit or loss	19	9,860	8,549
Financial assets sold under agreements to repurchase	20	193,518	171,588
Derivative financial instruments		–	4
Other liabilities	21	30,337	18,473
Current income tax liabilities		6	25
Deferred tax liabilities	16	747	200
Total liabilities		1,787,906	1,596,028
Shareholders' equity			
Share capital	22	3,120	3,120
Reserves	23	(18,095)	(15,056)
Retained earnings	23	126,519	108,176
Equity attributable to owners of the Company		111,544	96,240
Non-controlling interests		34	29
Total equity		111,578	96,269
Total liabilities and equity		1,899,484	1,692,297

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

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Mr. Yang Yucheng
CHAIRMAN
EXECUTIVE DIRECTOR

Mr. Gong Xingfeng
EXECUTIVE DIRECTOR
PRESIDENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025 (All amounts in RMB millions unless otherwise stated)

	Notes	For the year ended 31 December	
		2025	2024
REVENUES			
Insurance revenue	24	50,297	47,812
Interest income	25	32,515	31,917
Other investment income	26	72,067	51,215
Including: Gains arising from the derecognition of financial assets measured at amortised cost	26	2,376	2,890
Other income	27	672	1,100
Total revenues		155,551	132,044
BENEFITS, CLAIMS AND EXPENSES			
Insurance service expenses	28	(31,748)	(31,575)
Net expenses from reinsurance contracts held		(415)	(335)
Finance expenses from insurance contracts issued	29	(78,162)	(61,185)
Less: Finance income from reinsurance contracts held	29	324	338
Net impairment losses on financial assets	30	(3,479)	(3,415)
Other expenses	31	(3,695)	(3,903)
Total benefits, claims and expenses		(117,175)	(100,075)
Share of profits and losses of associates and joint ventures		5,659	528
Net impairment losses on other assets	32	–	(1,190)
Other finance costs	33	(3,510)	(3,166)
Profit before income tax		40,525	28,141
Income tax expense	16	(4,236)	(1,908)
Net profit for the year		36,289	26,233
Net profit for the year attributable to:			
– Owners of the Company	34	36,284	26,229
– Non-controlling interests		5	4

	Notes	For the year ended 31 December	
		2025	2024
Net profit for the year		36,289	26,233
Items that will not be reclassified subsequently to profit or loss:		3,994	3,240
Changes in fair value on equity investments designated at fair value through other comprehensive income		3,251	2,600
Share of other comprehensive income of associates and joint ventures under the equity method		909	900
Insurance finance expenses from insurance contracts with direct participation features for which the Group holds the underlying items		(166)	(260)
Items that may be reclassified subsequently to profit or loss:		(16,586)	(33,950)
Changes in fair value on debt investments at fair value through other comprehensive income		(23,288)	23,150
Impairment losses on debt investments at fair value through other comprehensive income		1,168	705
Finance income/(expenses) from insurance contracts issued		5,429	(58,266)
Finance income from reinsurance contracts held		112	555
Share of other comprehensive income of associates and joint ventures under the equity method		5	(94)
Currency translation differences		(12)	–
Total other comprehensive income for the year, net of tax		(12,592)	(30,710)
Total comprehensive income for the year		23,697	(4,477)
Total comprehensive income for the year attributable to:			
– Owners of the Company		23,692	(4,481)
– Non-controlling interests		5	4
Earnings per share (RMB)			
Basic	35	11.63	8.41
Diluted	35	11.63	8.41

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025 (All amounts in RMB millions unless otherwise stated)

	For the year ended 31 December 2025					
	Attributable to owners of the Company				Non-controlling Interests	Total equity
	Share capital	Reserves	Retained earnings	Total		
As at 1 January 2025	3,120	(15,056)	108,176	96,240	29	96,269
Net profit for the year	–	–	36,284	36,284	5	36,289
Other comprehensive income	–	(12,592)	–	(12,592)	–	(12,592)
Total comprehensive income	–	(12,592)	36,284	23,692	5	23,697
Dividends paid	–	–	(8,298)	(8,298)	–	(8,298)
Appropriation to reserves	–	9,508	(9,508)	–	–	–
Total transactions with owners	–	9,508	(17,806)	(8,298)	–	(8,298)
Reserves to retained earnings	–	135	(135)	–	–	–
Others	–	(90)	–	(90)	–	(90)
As at 31 December 2025	3,120	(18,095)	126,519	111,544	34	111,578

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025 (All amounts in RMB millions unless otherwise stated)

	For the year ended 31 December	
	2025	2024
Operating activities		
Profit before income tax	40,525	28,141
Adjustments for:		
Investment income	(104,582)	(83,132)
Share of profits and losses of associates and joint ventures	(5,659)	(528)
Other finance costs	3,510	3,166
Changes in insurance contract liabilities	173,494	141,630
Changes in reinsurance contract assets	(103)	(270)
Depreciation and amortisation	1,802	1,848
Net impairment losses on financial assets	3,479	3,415
Net impairment losses on other assets	–	1,190
Losses of disposal of property, plant and equipment, intangible assets and other assets	4	3
Changes in operational assets and liabilities:		
Receivables and payables	(1,018)	1,093
Investment contracts	(231)	(7)
Income tax paid	(305)	(259)
Net cash flows from operating activities	110,916	96,290
Investing activities		
Proceeds from sales and maturities of financial investments	693,414	572,273
Purchases of financial investments	(836,707)	(732,422)
Proceeds from disposal of property, plant and equipment, intangible assets and other assets	9	11
Purchases of property, plant and equipment, intangible assets and other assets	(1,482)	(1,100)
Interests received	38,078	34,036
Dividends received	9,185	8,857
Financial assets purchased under agreements to resell, net	(5,219)	(2,847)
Changes from structured entities	5,411	1,046
Term deposits, net and others	(12,805)	(21,625)
Net cash flows used in investing activities	(110,116)	(141,771)

	For the year ended 31 December	
	2025	2024
Financing activities		
Capital injected into structured entities by non-controlling interests	18,472	7,834
Payment of redemption for structured entities to non-controlling interests	(25,580)	(10,817)
Proceeds from issuance of asset funding plans	14,320	–
Payment of redemption for asset funding plans	–	(6,440)
Interests and dividends paid	(12,079)	(5,129)
Cash received from the issuance of capital supplementary bonds	–	10,000
Payment of redemption for capital supplementary bonds	(10,000)	–
Financial assets sold under agreements to repurchase, net	18,968	67,011
Payment of lease liabilities	(362)	(430)
Net cash flows from financing activities	3,739	62,029
Effects of exchange rate changes on cash and cash equivalents	(73)	96
Net increase in cash and cash equivalents	4,466	16,644
Cash and cash equivalents		
Beginning of the year	38,432	21,788
End of the year	42,898	38,432
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	42,898	38,432
Cash and cash equivalents at end of the year	42,898	38,432

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (All amounts in RMB millions unless otherwise stated)

1. BACKGROUND AND PRINCIPAL ACTIVITIES

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

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

As at 31 December 2025, the Company has equity interests in subsidiaries and consolidated structured entities as set out in Note 42. The Company, its subsidiaries and its consolidated structured entities are hereinafter collectively referred to as the "Group".

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(1) Basis of preparation of consolidated financial statements

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(1) Basis of preparation (continued)

(a) Amendments adopted by the Group for the first time for the financial year beginning on 1 January 2025

Standards/Amendments	Content
Amendments to IAS 21	Lack of Exchangeability

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

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

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

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(1) Basis of preparation (continued)

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

Except for IFRS 18 explained below, the directors of the Company anticipate that the application of all the amendments to IFRS Accounting Standards will have no material impact on consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group contains control, and continue to be consolidated until the date that such control ceases.

Control is achieved when the Company:

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

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

(a) *Subsidiaries*

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

(b) Transactions with non-controlling shareholders

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

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

(c) Associates and joint ventures

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

(c) *Associates and joint ventures (continued)*

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

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

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

(d) *Structured entities*

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2) Basis of consolidation (continued)

(d) Structured entities (continued)

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

(3) Segment reporting

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

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

(4) Foreign currency translation

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(4) Foreign currency translation (continued)

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

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

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

(5) Property, plant and equipment

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(5) Property, plant and equipment (continued)

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

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

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

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

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

(6) Investment properties

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(6) Investment properties (continued)

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

	Estimated useful lives	Estimated residual value	Annual depreciation rate
Buildings	15-45 years	5%	2.11%-6.33%
Land use rights	15-40 years	0%	2.50%-6.67%

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(7) Leases

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

Group as a lessee

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

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

(a) Right-of-use assets

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(7) Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(7) Leases (continued)

Group as a lessor

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

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

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

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

(8) Intangible assets

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

Useful lives of intangible assets are listed below:

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

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

(10) Financial Instruments

(a) *Classification and measurement of financial assets*

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

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

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

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

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

A financial asset is held for trading if:

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

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

(i) **Debt investments at amortised cost**

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

(ii) **Debt investments classified as at FVTOCI**

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

(iii) **Equity investments designated at FVTOCI**

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

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

(iv) **Financial assets at FVTPL**

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

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

(b) *Impairment under ECL model*

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

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

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

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

(i) **Significant increase in credit risk**

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(b) Impairment under ECL model (continued)

(i) Significant increase in credit risk (continued)

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(b) Impairment under ECL model (continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(10) Financial Instruments (continued)

(b) *Impairment under ECL model (continued)*

(iv) **Measurement and recognition of ECL**

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

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

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

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

(c) *Classification and measurement of financial liabilities*

(i) **Financial liabilities at FVTPL**

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

(ii) **Financial liabilities at amortised cost**

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(11) Cash and cash equivalents

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

(12) Insurance contracts and investment contracts

(a) Definitions and classifications

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(a) Definitions and classifications (continued)

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

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

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

(i) Participating Insurance

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

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

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

(ii) Traditional Insurance

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

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

(iii) Universal Insurance

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

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

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

(iv) Unit-linked Insurance

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

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

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

(v) Reinsurance contracts held

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(c) Combining a set or series of contracts

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

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

(d) Separating components from insurance and reinsurance contracts

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(e) Level of aggregation

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

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

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

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

(f) Recognition

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

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received);
- The date when a group of contracts becomes onerous.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(f) *Recognition (continued)*

A group of reinsurance contracts held is recognised on the following dates:

- Reinsurance contracts held that provide proportionate coverage: Generally later of the beginning of the coverage period of the group of reinsurance contracts held, or the date on which any underlying insurance contract is initially recognised;
- Other reinsurance contracts held: The beginning of the coverage period of the group of reinsurance contracts held.

However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract held was entered into on or before that earlier date, then the group of reinsurance contracts held is recognised on that earlier date.

(g) *Contract boundaries*

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

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

A substantive obligation to provide insurance contract services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued*

(i) **Measurement on initial recognition for contracts other than PAA**

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin (the "CSM") representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums;
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts;
- Payments to (or on behalf of) a policyholder that vary depending on returns on underlying items;
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs;
- Claim handling costs;
- Costs of providing contractual benefits in kind;

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(i) Measurement on initial recognition for contracts other than PAA (continued)

Fulfilment cash flows within contract boundary (continued)

- Policy administration and maintenance costs, such as costs of premium billing and handling policy changes. Such costs also include recurring commission that are expected to be paid to intermediaries if a particular policyholder continues to pay the premiums within the boundary of the insurance contract.
- Transaction-based taxes;
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities;
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder;
- Costs incurred for providing investment-related service and investment-return service to policyholders;
- Other costs specifically chargeable to the policyholder under the terms of the contract.

Discount rates

The discount rate will be consistent with observable current market price for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, excluding the effects of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts. The Group has adopted the “bottom-up” approach, and the discount rate assumption is determined based on the risk-free interest rate curve with consideration of the impact of the liquidity and tax premium.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(i) Measurement on initial recognition for contracts other than PAA (continued)

Discount rates (continued)

The Group estimates the discount rate applicable to each group of contracts on initial recognition, which is based on recognised contracts. In the following reporting period, as new contracts are included in the group, the discount rate applicable to the group on initial recognition is revised from the start of the reporting period in which the new contracts are added to the group. The Group re-estimates the discount rate applicable to the group at initial recognition using a weighted average discount rate over the period the contracts in the group are issued.

Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. The Group has elected to disaggregate the change in the risk adjustment for non-financial risk between a change related to non-financial risk and the effect of the time value of money and changes in the time value of money.

CSM

The CSM represents unearned profit that the Group will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of the group;
- The amount of any derecognised asset for insurance acquisition cash flows allocated to the group;
- Any other asset or liability previously recognised for cash flows related to the group;
- Any cash flows that have already arisen on the contracts as of that date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued (continued)*

(i) **Measurement on initial recognition for contracts other than PAA (continued)**

CSM (continued)

If a group of contracts is onerous, the Group recognises a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts.

The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued (continued)*

(ii) **Subsequent measurement under the general model**

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service.

At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (the "LRC") as at that date and a current estimate of the liability for incurred claims (the "LIC").

The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows);
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Changes in fulfilment cash flows (continued)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM.

Adjustments to the CSM

For insurance contracts without direct participation features, the following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised;
- The change in the estimate of the present value of expected future cash flows in the LRC, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised. All financial variables are locked in at initial recognition;
- Changes in the risk adjustment for non-financial risk relating to future service;
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Adjustments to the CSM (continued)

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- Changes in the fulfilment cash flows relating to the LIC;
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For onerous contracts, any further increases in fulfilment cash flows relating to future coverage are recognised in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participation features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition;
- The changes in fulfilment cash flows related to future service, except:
 - Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous
 - Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts
- The effect of any currency exchange differences on the CSM;
- The amount recognised as insurance revenue by the allocation of the CSM in the period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract;
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future;
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.

Contracts with cash flows related to underlying items that do not meet the definition of direct participating contracts (indirect participating contracts)

The Group issues contracts with cash flows related to underlying items that do not meet the definition of direct participating contracts. This is due to a general right for the Group to adjust the cash flows in view of the return from the underlying items. However, these underlying items are not specified, and the Group has full discretion in forming the portfolios of underlying items that should be considered for adjusting the cash flows of these contracts for the associated financial variables.

This structure results in the VFA not being applicable to these contracts. Instead, the Group applies the general model when accounting for such contracts. The effects of financial variables do not impact the CSM measurement for a group of indirect participating contracts as changes in financial risk are recognised as part of total insurance finance income or expenses except for when the change triggers a change in the way the Group applies its discretion. In this instance, the change will adjust the CSM.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) Measurement of insurance contracts issued (continued)

(ii) Subsequent measurement under the general model (continued)

Contracts with cash flows related to underlying items that do not meet the definition of direct participating contracts (indirect participating contracts) (continued)

The Group specifies at inception what they regard as their commitment under the contract. This enables the Group to calculate the amount recognised in total insurance finance income or expenses (for changes in assumptions related to financial risk on that commitment) and the amount adjusting the CSM (because of the exercise of discretion in relation to the entity's commitment). The commitment under the contract can be:

- A specified minimum return agreed under the contract;
- A discretionary amount relating to any surplus investment return on underlying items in excess of guaranteed minimum return.

The CSM of indirect participating contracts accretes interest at the original locked-in non-asset dependent discount rates determined for a group of contracts at initial recognition. Those changes in fulfilment cash flows related to future service that adjust the CSM are also measured at the original 'locked-in' discount rates determined on initial recognition.

(iii) Subsequent measurement for direct participating contracts (accounted for under the VFA)

The Group's obligation to the policyholders consists of the obligation to pay policyholders the fair value of the underlying items less a variable fee for future service provided under the insurance contract.

In determining the policyholder's share of returns from the underlying items and how substantial the degree of variability in total payments to the policyholder is due to returns from underlying items, the Group makes the assessment:

- Over the duration of the insurance contract;
- On a present value probability-weighted average basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued (continued)*

(iii) **Subsequent measurement for direct participating contracts (accounted for under the VFA) (continued)**

The carrying amount of the CSM for direct participating contracts at the end of the reporting period is the carrying amount at the beginning of reporting period adjusted for:

- The effect of any new contracts added to the group;
- The change in the amount of the Group's share of the fair value of the underlying items except for:
 - The amount of CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments
 - The decrease in the amount of the Group's share of the fair value of the underlying items that exceeds the carrying amount of the CSM giving rise to a loss that makes the associated group of contracts onerous, or that results in a loss for an existing onerous group becoming more onerous
 - The increase in the amount of Group's share of the fair value of the underlying items that reverses a previously recognised loss on an onerous group of contracts
- The changes in fulfilment cash flows relating to future service, except:
 - The amount of the CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments
 - Such increases in the fulfilment cash flows that exceed the carrying amount of CSM and the group of contracts becomes onerous or more onerous
 - Such decreases in the fulfilment cash flows that reverse a previously recognised loss on an onerous group of contracts
- The effect of any currency exchange differences arising on the CSM;
- The amount recognised as insurance revenue by the allocation of the CSM in the period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued (continued)*

(iv) Insurance contracts measured under the PAA

The Group generally uses the PAA to simplify the measurement of groups of contracts where the coverage period of each contract in the group of contracts is one year or less.

On initial recognition of each group of contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date and adjusted for amounts arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Group has elected the accounting policy choice to defer insurance acquisition cash flows through the LRC.

Subsequently, the carrying amount of the LRC is increased by any premiums received; and any amortisation of the insurance acquisition cash flows, and decreased by insurance acquisition cash flows paid; the amount recognised as insurance revenue for coverage provided; and any investment component paid or transferred to the LIC. On initial recognition of each group of contracts, the Group expects that the time gap between providing each part of the coverage and the related premium due date is not significant. Accordingly, the Group has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC as loss component. In subsequent periods, unless facts and circumstances indicate that the group of contracts is no longer onerous, the loss component is remeasured at each reporting date as the difference between the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) and the carrying amount of the LRC without loss component.

The Group recognises the LIC of a group of insurance contracts for the amount of the fulfilment cash flows relating to incurred claims.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued (continued)*

(v) **Onerous contracts**

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense;
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period;
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued (continued)*

(v) **Onerous contracts (continued)**

The Group disaggregates the total finance income or expenses between profit or loss or OCI. For any subsequent changes in the fulfilment cash flows of the LRC, the total of insurance finance income or expenses is disaggregated between profit or loss or OCI and allocated on a systematic basis between the loss component and the LRC excluding the loss component.

Any subsequent decreases in fulfilment cash flows relating to future service allocated to the group (arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk) are allocated first to the loss component only. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service results in the establishment of the group's CSM.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component);
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component);
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component;
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted;

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(h) *Measurement of insurance contracts issued (continued)*

(v) **Onerous contracts (continued)**

- For direct participating contracts only, subsequent decreases in the Group's share of the fair value of the underlying items, that result in or further increase the loss component;
- For direct participating contracts only, subsequent increases in the entity's share of the fair value of the underlying items that reduce the loss component until it is exhausted;
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from changes in present value of future cash flows due to incurred insurance services expenses.

(i) *Reinsurance contracts held*

For groups of reinsurance contracts held, the Group applies the same accounting policies as that applied to insurance contracts without direct participation features, with the following modifications.

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(i) Reinsurance contracts held (continued)

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

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows;
- income recognised in profit or loss in respect of a loss recognised for onerous underlying contracts. A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held for the amount of income recognised;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless the changes result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss for the services received in the period.

Reinsurance contracts held measured under the PAA

The Group applies the same accounting principles to measure a group of insurance contracts or reinsurance contracts held under the PAA.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(j) *Investment contracts with discretionary participation features*

The Group recognises investment contracts with discretionary participation features at the date when the Group becomes a party to the contract. At initial recognition, similar to insurance contracts, the Group estimates the fulfilment cash flows based on the present value of expected future cash flows and a risk adjustment for non-financial risk. Any expected net inflows are accounted for as the initial CSM.

In estimating future cash flows, the Group considers the contract boundary which only includes cash flows if they result from a substantive obligation of the Group to deliver cash at a present or future date.

The Group discounts cash flows using discount rates that reflect the characteristics of the fulfilment cash flows.

The Group allocates the CSM over the group's whole duration period in a systematic way reflecting the transfer of investment services under a contract by the Group.

The Group measures investment contracts with discretionary participation features under the VFA or general model depending on if they meet the VFA criteria.

(k) *Modification and derecognition*

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(k) *Modification and derecognition (continued)*

On the derecognition of a contract in a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows that relate to future service, except where such changes are allocated to a loss component;
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because it is transferred to third party, then the CSM is also adjusted for the premium charged by the third party, unless the contract is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the issuer received the premium that it would have charged less any additional premium charged for the modification.

(l) *Presentation*

(i) **Insurance revenue**

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services. For groups of insurance contracts measured under the general model and VFA, insurance revenue consists of the sum of the changes in the LRC due to:

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(I) *Presentation (continued)*

(i) **Insurance revenue (continued)**

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - Amounts allocated to the loss component
 - Repayments of investment components
 - Amounts that relate to transaction-based taxes collected on behalf of third parties
 - Insurance acquisition expenses
 - Amounts relating to risk adjustment for non-financial risk
- The change in the risk adjustment for non-financial risk, excluding:
 - Changes that relate to future service that adjust the CSM
 - Amounts allocated to the loss component
 - Amounts that relate to insurance finance income and expenses
- The amount of CSM for the services provided in the period;
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any.

Insurance revenue also includes the portion of premiums that relate to amortizing those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(I) *Presentation (continued)*

(ii) Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components;
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- Other directly attributable insurance service expenses incurred in the period;
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue;
- Loss component of onerous groups of contracts initially recognised in the period;
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

(iii) Income or expenses from reinsurance contracts held

Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers;
- An allocation of the premiums paid.

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(I) *Presentation (continued)*

(iii) **Income or expenses from reinsurance contracts held (continued)**

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to;
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held;
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

(iv) **Insurance finance income and expenses**

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

For contracts applying the general model and contracts applying the VFA, the Group has chosen to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. For contracts applying the general model, the Group recognizes changes in insurance contract liabilities due to changes in financial variables including the discount rate in other comprehensive income. For the VFA model, the Group includes in profit or loss expenses or income that exactly match the income or expenses included in profit or loss for the underlying items, with the remaining amount recognised in other comprehensive income.

(v) **Other expenses**

Other expenses represent general expenses that are not directly attributable to insurance and reinsurance contract portfolios.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(12) Insurance contracts and investment contracts (continued)

(m) Contracts existing at transition date

The Group adopts both the modified retrospective approach and the fair value approach when it is impracticable to use a retrospective approach in determining transition amounts at the IFRS 17 transition date.

(i) Contracts measured under the modified retrospective approach

The objective of this approach was to achieve the closest outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort. The Group applied each modification only to the extent that it did not have reasonable and supportable information to apply IFRS 17 retrospectively.

(ii) Contracts measured under the fair value approach

For the groups of contracts that are measured under the fair value approach, the Group determined the CSM or loss component of the LRC at transition date as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date.

(13) Derivative instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gain or loss of derivative financial instruments is recognised in the consolidated statement of comprehensive income. Fair values are obtained from quoted market prices in active markets, taking into consideration recent market transactions or valuation techniques, including discounted cash flow models and option pricing models, as appropriate. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. The Group does not separately measure embedded derivatives that meet the definition of an insurance contract or embedded derivatives that are closely related to host insurance contracts including embedded options to surrender insurance contracts for a fixed amount (or an amount based on a fixed amount and an interest rate).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(14) Employee benefits

Employee benefits represent all forms of returns or reimbursement that the Group pays employees for their services or for termination of labor relationship. The compensation includes salaries, bonuses, allowances and subsidies, staff welfare expenses, social insurance and housing accumulation funds, labor union fees and employee education fees, etc.

All employees of the Group participate in social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the governmental authorities. According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated on a regulated basis, subject to a certain ceiling, and are paid to the labor and social welfare authorities. Contributions to the plans are expensed as incurred. These social security plans are defined contribution plans. There are no forfeited contributions in social security plans, because all contributions are fully attributable to employees at the time of the payment.

In addition to the above social security plans, the Group set up an annuity fund in January 2014, whereby the Group is required to contribute to the annuity fund according to certain contribution bases and percentages monthly. Contribution amounts calculated in accordance with the annuity fund are recognised as liabilities and are recorded as expenses during the period of which service is provided by the employees participating in the scheme. The annuity fund is defined contribution plan. Forfeited contributions by those employees who leave the annuity fund prior to the full vesting of their contributions are not used to reduce the existing level of contributions and are recredited in the employer account of the annuity fund to be attributed to the members of the annuity fund after fulfilling the approval procedures.

Other long-term employee benefits are all the other benefits besides short-term employee benefits, post-employment benefits and termination benefits, including long-term paid absences, other long-term service benefits, long-term disability benefits, long-term profit-sharing plan and long-term bonus, etc. Other long-term employee benefits provided by the Group are long-term bonus plans. For the long-term bonus plans, which are recognised in liabilities and are recorded as expenses when incurred.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(15) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

(16) Revenue recognition

(a) Insurance revenue

The recognition of insurance revenue is stated in Note 2(12)(l)(i).

(b) Interest income

Interest income for all financial instruments except for those classified as at FVTPL are recognised on an accrual basis using the effective interest method. Interest on financial instruments measured as at FVTPL is included in the "Other investment income" line item. The calculation of effective interest rate and interest income is stated in Note 2(10)(a).

(c) Other investment income

Other investment income is comprised of dividend income from equity financial assets, realised gains or losses from all financial investments, interest income from financial assets at FVTPL and net fair value gains or losses on financial assets at FVTPL. Dividend income is recognised when the right to receive dividend payment is established.

(d) Other income

Other income is comprised of revenue generated from other operation activities except for the revenue above, including service management fees received under investment contracts.

(17) Commission and brokerage expenses

Commission and brokerage expenses are recognised in profit or loss when incurred.

(18) Income tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the net profit, except to the extent that it relates to goodwill generated from business combination and it relates to items recognised directly in equity, where the tax is recognised in equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(18) Income tax (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries or associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred income tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements at the end of the reporting period. Substantively enacted tax rates are used in the determination of deferred income tax.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be recognised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(19) Government grants

Government grants are recognised by the Group when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount. A government grant related to income is accounted for as follows: (i) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss or offset against related expenses over the periods in which the related costs are recognised; or (ii) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses. A government grant relating to an asset shall be recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of. The Group adopted the gross method to recognize the government grants.

(20) Provisions

Provisions are recognised when there is a present obligation as a result of past transactions or events, and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Future operating losses should not be recognised as provisions. The initial measurement of provisions is based on the best estimate to the outflow of present obligation by considering relevant risks, uncertainty and time value of money, etc. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense. The Group reviews the carrying amount of provisions at the end of the reporting period and makes appropriate adjustments in order to reflect the current best estimate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(21) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised in the statement of financial position but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably measured, it will then be recognised as a provision.

(22) Earnings per share

Basic earnings per share are calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease net earnings per share.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgments, estimates and assumptions made by the Group during the preparation of the consolidated financial statements would affect the reported amounts and disclosures of assets and liabilities, and the disclosure of contingent liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Group have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (continued)

(1) Classification of financial assets

The judgements in determining the classification of financial assets mainly include the analysis of the contractual cash flows characteristics.

The contractual cash flows characteristics of financial assets refer to the cash flow attributes of the financial assets reflecting the economic characteristics of the relevant financial assets (i.e., whether the contractual cash flows generated by the relevant financial assets on a specified date solely represents the payments of principal and interest). The principal amount refers to the fair value of the financial asset at initial recognition. The principal amount may change throughout the lifetime of the financial assets due to prepayment or other reasons. The interest includes the time value of money, the credit risk associated with the outstanding principal amount for a specific period, other basic lending credit risks, and the consideration of costs and profits.

(2) Identification of investment components

The Group considers all terms of contracts it issues to determine whether there are amounts repayable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Group considers such payments to meet the definition of an investment component.

(3) Separation of insurance components of an insurance contract

The Group issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the "single contract" unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Group considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (continued)

(4) Identification of portfolios

The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement.

(5) Assessment of the eligibility for meeting the criteria for direct participating contracts

Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of policyholders' share in the pool and the significance of those returns to the overall policyholder payments. The Group assesses whether a contract meets the definition of a direct participating contract using the Group's expectations existing at inception of the contract. In assessing the significance of the policyholder's share of returns from the underlying items and the degree of variability in total payments to the policyholder, the Group applies significant judgement.

(6) Selecting a method of allocation of coverage units

IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (continued)

(7) *Assessment of control over structured entity*

The Group applies its judgment to determine whether the control indicators set out in Note 2(2)(d) indicate that the Group controls structured entities such as debt investment plans, trust plans and asset management plans.

The Group issues certain structured entities (e.g. asset management plans and debt investment plans), and acts as a manager for such entities according to the contracts. In addition, the Group may be exposed to variability of returns as a result of holding shares of the structured entities. In addition, the Group may also hold structured entities (e.g. trust plans) initiated and managed by other asset management institutions. Determining whether the Group controls such structured entities usually focuses on the assessment of the aggregate economic interests of the Group in the entities (including any carried interests and expected management fees) and the decision-making rights on the entity. As at 31 December 2025, the Group has consolidated certain asset management plans and debt investment plans issued and managed by the Company's subsidiary, New China Asset Management Co., Ltd. ("Asset Management Company"), certain debt investment plans, etc. issued by third parties, certain private equity investments issued by third parties in the consolidated financial statements. Please refer to Note 42 for the details.

(8) *Judgement on significant influence*

The significant influence over the investees is determined by the Group's assessment of its power to participate in the financial and operating policy decisions of the investees. The assessment involves significant judgement and considers factors such as the investees' policy-making process, the composition of Board of directors (or other governing bodies), changes in ownership interests and substance of contractual arrangements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

(1) *Estimates used in measuring insurance contract liabilities and reinsurance contract assets*

In measuring insurance contract liabilities and reinsurance contract assets, the Group uses assumptions about discount rates, mortality rates, morbidity rates, expense rates, policy dividend, lapse rates, etc. Estimates are made based on the most recent historical analysis and current and future economic conditions.

(a) Discount rate assumption

The discount rate will be consistent with observable current market price for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, excluding the effects of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts. The Group has adopted the “bottom-up” approach, and the discount rate assumption is determined based on the risk-free interest rate curve with consideration of the impact of the liquidity and tax premium.

As at 31 December 2025, the spot discount rate that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are 1.70% – 4.80% (31 December 2024: 1.61% – 4.75%).

(b) Mortality and morbidity assumptions

The Group bases its mortality assumption on the China Life Insurance Life Mortality Table (2010-2013), adjusts where appropriate to reflect the Group’s historical mortality rate. The main source of uncertainty with life insurance contracts is epidemics, such as bird flu, AIDS and SARS, and wide-ranging lifestyle changes could result in deterioration in the future mortality rate, thus leading to an inadequate liability provision. Similarly, continuous advancements in medical care and social welfare could result in improvements in longevity that exceed the assumption used in the estimates to determine the liabilities for contracts where the Group is exposed to longevity risk.

The Group bases its morbidity assumptions on the China Life Insurance Major Diseases Experience Morbidity Rate Table (2020) for critical illness products on analysis of historical experience and expectations of future developments. There are two main sources of uncertainty. First, wide-ranging lifestyle changes could result in future deterioration in the morbidity rate. Second, future development of medical technologies and improved availability of medical facilities to policyholders may lead to early diagnosis of critical illnesses, which demands earlier payment of the critical illness benefits. Both could ultimately result in an inadequate liability provision if current morbidity assumptions do not properly reflect such secular trends.

Mortality and morbidity vary with the age of insured and types of contracts.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(1) *Estimates used in measuring insurance contract liabilities and reinsurance contract assets (continued)*

(c) Expenses assumptions

The Group's expenses assumptions are determined based on actual experience analysis, with consideration of future inflation, including assumptions of acquisition costs and maintenance costs. The purpose of the expense analysis is to allocate expenses directly attributable to insurance contract portfolios between acquisition and maintenance activities, and then to allocate these acquisition and maintenance expenses to various product categories to derive unit cost assumptions. The Group's expenses assumptions are affected by certain factors, such as inflation and market competition. The Group determines expenses assumptions based on the information obtained at the end of each reporting period.

(d) Policy dividend assumption

Policy dividend assumption is determined based upon contract terms, the investment yields of the participating account, dividend policy enacted by the Group, reasonable expectation of policyholders and other factors. Pursuant to relevant contract terms, the Group is obligated to pay to the policyholders of participating contracts at least 70% of distributable surplus.

(e) Lapse rate and other assumptions

The lapse rate and other assumptions are affected by certain factors, such as future macroeconomy, availability of financial substitutions, and market competition. The lapse rate and other assumptions are determined based on past experience, current conditions, future expectations and other information obtained at the end of each reporting period.

(f) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk.

The Group use confidence level technique for determining the risk adjustment for non-financial risk. As at 31 December 2025, the Group determines the risk adjustment for non-financial risk based on the 75% confidence level (31 December 2024: same).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(2) *Measurement of the ECL*

The measurement of the ECL for debt investments measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (such as the likelihood of counterparty default and corresponding losses). The considerations in the measurement of the expected credit losses mainly include:

- Significant increase in credit risk: ECL is measured as an allowance equal to 12m ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. The assessment of the credit risk and expected cash flows of the respective financial investment involves a high degree of estimation and uncertainty.
- Models and assumptions used: The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- Forward-looking information: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other as well as the correlation between historical default rate and macro-economic factors. The Group estimates these forward-looking economic factors, such as GDP growth and Consumer Price Index etc. under different scenario.
- Probability of Default ("PD"): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- LGD: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The amount of the ECL varies depending on the estimation of the Group. Please refer to Note 11 for more details.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(3) Fair value of financial instruments

For financial instruments for which no active market exists, the Group determines fair value using valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information. Valuation techniques mainly include market approach and income approach, reference to the recent arm's length transactions, current market value of another instrument which is substantially the same, and by using the discounted cash flow analysis, etc.

When using valuation techniques to determine the fair value of financial instruments, the Group selects inputs that are consistent with the characteristics of the asset or liability that would be considered by a market participant in a transaction for the underlying asset or liability, giving priority to the use of relevant observable inputs where possible. Unobservable inputs are used where the relevant observable inputs are not available or practicable to obtain.

The Group regularly reviews the assumptions and estimates applied in the valuation methodologies and makes adjustments where necessary to make them reflect market conditions at the balance sheet date. The use of different valuation methods and assumptions may result in differences in fair value estimates.

Please refer to Note 4(4) for more details.

(4) Taxation

Due to the uncertainty of final tax treatment for various transactions during the normal course of business, the Group needs to exercise significant judgment when determining tax expenses. The Group recognizes tax liabilities based on estimates of whether there will be additional tax payments resulting from tax inspection. If there is any difference between the final result and previously recorded amounts, the difference will impact current tax and deferred tax.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Significant judgment is required to estimate the amount and timing of future taxable profit so as to determine, together with the tax planning strategies, the amount of deferred income tax assets to be recognised.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(5) *Impairment assessment on investment in associates and joint ventures*

An assessment is made at the end of each reporting period as to whether there is any indication that investments in associates have suffered an impairment loss. If any such indication showing the carrying amount of investment in associates and joint ventures may not be recoverable, the impairment assessment is performed. An impairment exists when the carrying value of investments in associates and joint ventures exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of investments in associates and joint ventures. When value in use calculations are undertaken, the Group must estimate the expected future cash flows from investments in associates and joint ventures and choose a suitable discount rate in order to calculate the present value of those cash flows.

(6) *Net fair value of the identifiable assets and liabilities of the invested entities*

An investment is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. At initial recognition, any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired, and the carrying amount of the investment is correspondingly adjusted. The net fair value of the identifiable assets and liabilities is measured using valuation techniques. The determination of the net fair value involves estimates. Changes in these estimates could affect the net fair value of identifiable assets and liabilities recognised.

4. RISK MANAGEMENT

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

(1) Insurance risk

(a) *Types of insurance risk*

The risk under any one insurance contract is the possibility that an insured event occurs and there is uncertainty about the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This occurs when the frequency or severity of claims and benefits exceeds the estimates. Insured events are random, and the actual number of claims and the amount of benefits paid will vary each year from estimates established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the more dispersive the risk will be, and the smaller the relative variability about the expected outcome will be. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of policies to reduce the variability of the expected outcome.

The Group offers long-term life insurance, critical illness insurance, annuity, accident and short-term health insurance products. Social and economic development, widespread changes in lifestyle, epidemics and medical technology development could have significant influence on the Group's insurance business. Insurance risk is also affected by policyholders' rights to terminate the contract, reduce premiums, refuse to pay premiums or exercise annuity conversion rights, etc. Thus, insurance risk is also subject to policyholders' behaviors and decisions.

The Group manages insurance risks through underwriting strategy, reinsurance agreements and claim management. The Group's reinsurance agreements include ceding on quota share basis, surplus basis or catastrophe excess of loss. The reinsurance agreements cover most of the products with risk responsibilities. These reinsurance agreements spread insured risk and stabilise financial results of the Group. However, the Group's responsibilities for direct insurance to policyholders are not relieved because of credit risk associated with the failure of reinsurance companies to fulfill their responsibilities.

The estimation of the present value of future cashflow for insurance contract liabilities and reinsurance contract assets represent the Group's expected exposure to insurance risk.

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(b) Concentration of insurance risk

Currently, the Group's insurance businesses are all conducted in the PRC and insurance risk in each area has insignificant differences. The Group's insurance contract liabilities of major insurance products are listed below:

Product Name	31 December 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Jixinggaozhao Type A endowment insurance (Participating)	66,276	4.32%	64,609	4.73%
Huitianfu annuity insurance	62,742	4.09%	64,693	4.74%
Furudonghai Type A whole life insurance (Participating)	55,792	3.64%	52,408	3.84%
Zunxiang Rensheng annuity insurance (Participating)	54,277	3.54%	52,593	3.85%
Fuxiang Yisheng whole life annuity insurance (Participating)	51,722	3.37%	48,081	3.52%
Others	1,241,829	81.04%	1,083,706	79.32%
Total	1,532,638	100.00%	1,366,090	100.00%

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(c) Sensitivity analysis

(i) Sensitivity analysis for contracts not measured under PAA

Insurance contract liabilities not measured under PAA are calculated based on significant assumptions. Non-financial assumptions mainly include mortality and morbidity rates, lapse rates and expense rates. The analysis below is performed to demonstrate the reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on profit and equity before income tax.

	Change in assumption	31 December 2025				31 December 2024			
		Profit before tax		Equity		Profit before tax		Equity	
		Gross	Net	Gross	Net	Gross	Net	Gross	Net
Mortality and Morbidity Rate	+10%	(1,058)	(967)	(2,273)	(2,033)	(1,045)	(960)	(1,776)	(1,562)
	- 10%	1,101	999	2,708	2,406	1,080	985	2,091	1,823
Lapse Rate	+10%	681	661	1,265	1,186	633	612	2,606	2,534
	- 10%	(719)	(699)	(758)	(676)	(647)	(627)	(2,393)	(2,320)
Expense Rate	+10%	(859)	(859)	(1,576)	(1,576)	(765)	(765)	(1,434)	(1,434)
	- 10%	832	832	1,557	1,557	742	742	1,412	1,412

(ii) Sensitivity analysis for contracts measured under PAA

The change of claims amount for contracts measured under PAA may cause the change of loss ratio assumptions and in turn affect insurance contract liabilities.

All other variables being constant, if the loss ratio increases or decreases by 100bps, estimated profit before tax would decrease or increase by RMB5 million (2024: decrease or increase by RMB8 million), estimated pre-tax equity would decrease or increase by RMB5 million (2024: decrease or increase by RMB8 million).

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(d) Claims development analysis for contracts measured under PAA

Claims development analysis for contracts measured under PAA is as follows:

Cumulative claims	Accident year					Total
	2021	2022	2023	2024	2025	
End of current year	4,029	3,405	3,285	3,431	3,243	17,393
1 year later	3,909	3,661	3,585	3,304		14,459
2 years later	3,384	3,207	3,385			9,976
3 years later	3,384	3,207				6,591
4 years later	3,384					3,384
Estimated accumulated claims expenses	3,384	3,207	3,385	3,304	3,243	16,523
Less: cumulative claims paid	(3,384)	(3,207)	(3,385)	(2,964)	(1,907)	(14,847)
Subtotal	–	–	–	340	1,336	1,676
Add: claims handling expenses, risk adjustment for non-financial risk and effect of discounting	–	–	–	17	68	85
Liability for incurred claims, gross	–	–	–	357	1,404	1,761

4. RISK MANAGEMENT (CONTINUED)

(1) Insurance risk (continued)

(d) Claims development analysis for contracts measured under PAA (continued)

Claims development analysis for contracts measured under PAA net of reinsurance is as follows:

Cumulative claims, net of reinsurance	Accident year					Total
	2021	2022	2023	2024	2025	
End of current year	3,704	3,274	3,202	3,368	3,182	16,730
1 year later	3,603	3,525	3,498	3,236		13,862
2 years later	3,081	3,076	3,297			9,454
3 years later	3,081	3,076				6,157
4 years later	3,081					3,081
Estimated accumulated claims expenses	3,081	3,076	3,297	3,236	3,182	15,872
Less: cumulative claims paid	(3,081)	(3,076)	(3,297)	(2,898)	(1,875)	(14,227)
Subtotal	–	–	–	338	1,307	1,645
Add: claims handling expenses, risk adjustment for non-financial risk and effect of discounting	–	–	–	17	68	85
Liability for incurred claims, net	–	–	–	355	1,375	1,730
Recoveries on liabilities for incurred claims	–	–	–	2	29	31
Liability for incurred claims, gross	–	–	–	357	1,404	1,761

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk

The Group's key financial risk is that proceeds from the sale of financial assets will not be sufficient to fund obligations arising from the Group's insurance and investment contracts. The most important components of financial risk are market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management department, investment management department, finance and accounting department and actuarial department are in close cooperation to identify, evaluate and avoid financial risk.

The Group manages financial risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations designed to reduce the risk of concentration in any one specific industry or issuer. The structure of the main investment portfolio held by the Group is disclosed in Note 11.

The sensitivity analyses below are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated (for example, changes in interest rate and fair values).

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to term deposits, debt financial assets, insurance contract issued and reinsurance contract held. Changes in the level of interest rates can have a significant impact on the Group's overall investment return. Many of the Group's insurance policies offer guaranteed returns to policyholders. These guarantees expose the Group to interest rate risk. The Group manages and tests interest rate risk through adjustments to portfolio asset allocation, and to the extent possible, by monitoring the mean duration of its assets and liabilities.

The sensitivity analysis for interest rate risk illustrates how the fair value of future cash flows of the financial investments and the balance of insurance contract liabilities will fluctuate because of changes in market interest rates at the reporting date.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

The analysis below is performed to demonstrate the reasonably possible movements if the market interest rates change by 50bps with all other variables held constant, showing increase/(decrease) on profit and equity before income tax.

	Change in market interest rates	31 December 2025		31 December 2024	
		Profit before tax	Equity	Profit before tax	Equity
Financial investments	+50bps	(2,777)	(42,172)	(1,783)	(32,922)
Financial investments	-50bps	2,904	46,562	1,836	36,080
Insurance contracts issued and reinsurance contracts held	+50bps	1,248	65,137	1,341	61,314
Insurance contracts issued and reinsurance contracts held	-50bps	(1,962)	(72,374)	(1,955)	(68,236)

(ii) Price risk

Price risk arises mainly from the price volatility of equity investments held by the Group. Prices of equity investments are determined by market forces. Most of the equity investments of the Group are in Chinese capital markets. The Group is subject to increased price risk largely because the PRC's capital markets are relatively volatile.

Additionally, the Group is also exposed to equity price risk from its direct participating insurance contracts and investment contracts with discretionary participation features, as well as from its indirect participating insurance contracts issued and reinsurance contracts held. The benefits under these contracts are linked to the fair value of the underlying items, including equity instruments.

The Group manages price risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations designed to reduce the risk of concentration in any one specific industry or issuer.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The analysis below is performed to show the impacts of changes in the prices of the Group's equity investments which have quoted prices in active markets by 10% with all other variables held constant, showing increase/ (decrease) on profit and equity before income tax.

	Change in equity investments' prices	31 December 2025		31 December 2024	
		Profit before tax	Equity	Profit before tax	Equity
Equity investments	+10%	38,784	42,637	29,964	33,026
Equity investments	-10%	(38,784)	(42,637)	(29,964)	(33,026)
Insurance contract issued	+10%	(20,921)	(20,931)	(15,131)	(15,139)
Insurance contract issued	-10%	20,921	20,931	15,131	15,139

(iii) Currency risk

Currency risk arises from the volatility of fair values or future cash flows of financial instruments resulting from changes in foreign currency exchange rates. The Group's currency risk exposure mainly arises from cash and cash equivalents, term deposits, financial investments, insurance contract issued and reinsurance contract held denominated in currencies, such as the United States dollar, Hong Kong dollar, or European dollar, etc., other than the functional currencies of reporting entities.

For the identified currency risk, the Company took the following measures: (1) determine the risk level based on the analysis of internal and external information, so as to determine different preventive measures; (2) evaluate the possible frequency and degree of the loss of overseas investment in a certain period of time in the future, and use currency risk exposure analysis and other methods to evaluate the impact of exchange rate changes on the assets, liabilities and equity of the Group; and (3) evaluate the price risk of overseas investments comprehensively in accordance with the level and impact of currency risk, combined with the risk appetite, to select appropriate risk management tools to hedge risk.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

The following table summarizes financial assets denominated in currencies other than RMB, expressed in RMB equivalent:

31 December 2025	USD	HKD	EUR	Others	Total
Cash and cash equivalents	1,622	631	–	–	2,253
Financial assets at fair value through profit or loss	4,636	5,823	5,239	740	16,438
Debt investments at amortised cost	2,193	180	–	–	2,373
Debt investments at fair value through other comprehensive income	2,699	–	–	–	2,699
Equity investments designated at fair value through other comprehensive income	–	6,012	–	–	6,012
Total	11,150	12,646	5,239	740	29,775

31 December 2024	USD	HKD	EUR	Others	Total
Cash and cash equivalents	1,260	628	–	–	1,888
Financial assets at fair value through profit or loss	5,320	4,516	4,480	540	14,856
Term deposits	–	100	–	–	100
Debt investments at amortised cost	1,930	369	–	–	2,299
Debt investments at fair value through other comprehensive income	1,570	–	–	–	1,570
Equity investments designated at fair value through other comprehensive income	–	4,466	–	–	4,466
Total	10,080	10,079	4,480	540	25,179

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

The analysis below is performed to show the impacts if RMB had strengthened or weakened by 10% against USD and other foreign currencies with all other variables being constant, showing increase/(decrease) on profit and equity before income tax.

	Change in foreign currency exchange rate	31 December 2025		31 December 2024	
		Profit before tax	Equity	Profit before tax	Equity
Financial investments	+10%	2,106	2,978	1,914	2,518
Financial investments	-10%	(2,106)	(2,978)	(1,914)	(2,518)
Insurance contract issued	+10%	(539)	(556)	(449)	(464)
Insurance contract issued	-10%	539	556	449	464

(b) Credit risk

Credit risk is the risk that one party to a financial transaction or the issuer of a financial instrument will fail to discharge an obligation and cause another party to incur a financial loss. In terms of investment vehicles, a significant portion of the portfolio of the Group is government bonds, financial bonds, corporate bonds guaranteed by state-owned commercial banks and large industrial groups, bank deposits with state-owned or other national commercial banks, trust plans, debt investment plans and asset funding plans. In term of credit risk, the Group mainly uses credit concentration as a monitoring measure in order to ensure that the whole credit risk exposure is manageable.

In response to counterparties' credit risk, the Group mainly took the following measures: (1) Internal rating system was strictly implemented, and credit investment varieties were strictly controlled; (2) Accounting classification of investment varieties was clearly defined in the investment guidelines and assets with high credit risk were prevented from being classified as debt investments at amortised cost; (3) The bond market value was monitored, and the possible credit default were analysed and evaluated in order to enhance the predictability. In terms of counterparties, the majority of the Group's counterparties are state policy-related banks, state-owned, other national commercial banks or state-owned asset management companies. Therefore, the Group's overall exposure to credit risk is relatively low.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(b) Credit risk (continued)

Stage of financial instruments

The Group classifies financial instruments into three stages and makes provisions for ECL accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether the assets have been impaired.

- Stage 1: If no significant increase in credit risk since initial recognition is identified, the financial instrument is in "Stage 1". The impairment provisions are measured based on 12-month expected credit losses;
- Stage 2: If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The impairment provisions are measured based on expected credit losses on a lifetime basis;
- Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The impairment provisions are measured based on expected credit losses on lifetime basis.

Significant increase in credit risk

The assessment of significant increase in credit risk since initial recognition is performed at least on a quarterly basis for financial instruments held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of classifying financial instruments. The main considerations are regulatory and operating environment, internal and external credit risk rating, debt-servicing capacity, operating capabilities, contractual terms and repayment records. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the end of the reporting period and its risk of default at the date of initial recognition to determine changes in the risk of default over the expected lifetime of a financial instrument or a portfolio of financial instruments.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(b) Credit risk (continued)

Measurement of ECL

The key inputs used for measuring ECL are probability of default, LGD and exposure at default. These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

Forward-looking information

The calculation of ECL incorporates forward-looking information. The Group has performed historical data analysis and identified Gross Domestic Product ("GDP"), Consumer Price Index ("CPI") and other macro-economic indicators as impacting the ECL. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD.

Credit risk exposure

The carrying amount of financial assets on the Group's consolidated statement of financial position represents the maximum credit exposure without taking into account any collateral held or other credit enhancements attached. For the information on the gross carrying amount of major financial assets and provision for expected credit losses, please refer to Note 11(2) and (3) for details.

A policyholder usually has a maximum credit period of three months but a longer period can be granted on a discretionary basis. The Group's policies relate to a large number of diversified customers and therefore there is no significant credit risk.

For reinsurance contracts held, the Group is exposed to credit risk that the reinsurers fail to discharge an obligation resulting a financial loss to the Group. The Group believes these reinsurers have high credit quality and therefore there is no significant credit risk.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(b) Credit risk (continued)

Collateral and other credit enhancements

Financial assets purchased under agreements to resell are pledged by counterparts' debt financial assets of which the Group could take the ownership if the owner of the collateral defaults. Policy loans are pledged by their policies' cash value as collateral according to the terms and conditions of policy loan contracts and policy contracts signed between the Group and policyholders. The majority of debt investment plans and trust plans are guaranteed by third parties, collateral or by pledge as the source of funding for repayment.

Credit quality

The credit ratings of most of the bonds held by the Group are AA or above, and the credit ratings are assessed by qualified assessment agencies in Chinese Mainland at the time of issuance. Most of the Group's bank deposits are with the four largest state-owned commercial banks and other commercial banks in the PRC. The majority of the Group's reinsurance agreements are with state-owned reinsurance companies or large international reinsurance companies. The Group believes these commercial banks and reinsurance companies have high credit quality. The trustees of trust plans or the asset managers of debt investment plans and asset funding plans are well-known trust companies and asset management companies in the PRC.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not have access to sufficient funds to meet its liabilities as they become due. In the normal course of business, the Group attempts to match investment assets to insurance contract liabilities through asset-liability management to reduce liquidity risk.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(c) Liquidity risk (continued)

The table below presents a maturity analysis of the portfolios of major financial assets and financial liabilities in the Group based on the remaining contractual undiscounted cash flows.

As at 31 December 2025	Undiscounted cash flows-Cash in/(Cash out)					
	Carrying amount	No stated maturity	Within 1 year (including 1 year)	1-3 years (including 3 year)	3-5 years (including 5 year)	Over 5 years
Financial investments						
– Financial assets at fair value through profit or loss	579,756	435,122	23,241	45,113	43,168	51,322
– Debt investments at amortised cost	256,913	–	19,953	23,740	19,868	390,758
– Debt investments at fair value through other comprehensive income	535,968	–	34,839	56,187	44,126	711,441
– Equity investments designated at fair value through other comprehensive income	38,556	38,556	–	–	–	–
Term deposits	293,964	–	118,299	99,085	86,536	–
Statutory deposits	1,770	–	325	1,484	–	–
Financial assets purchased under agreements to resell	13,999	–	14,004	–	–	–
Derivative financial instruments	1	1	–	–	–	–
Cash and cash equivalents	42,898	–	42,898	–	–	–
Other assets	4,948	–	4,948	–	–	–
Total financial assets	1,768,773	473,679	258,507	225,609	193,698	1,153,521
Borrowings	20,173	–	(567)	(11,134)	(10,227)	–
Lease liabilities	627	–	(283)	(307)	(50)	(10)
Financial liabilities at fair value through profit or loss	9,860	(9,860)	–	–	–	–
Financial assets sold under agreements to repurchase	193,518	–	(193,553)	–	–	–
Other liabilities	21,281	(50)	(20,888)	(212)	(159)	(10)
Total financial liabilities	245,459	(9,910)	(215,291)	(11,653)	(10,436)	(20)

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(c) Liquidity risk (continued)

The table below presents a maturity analysis of the portfolios of major financial assets and financial liabilities in the Group based on the remaining contractual undiscounted cash flows. (continued)

As at 31 December 2024	Carrying amount	Undiscounted cash flows-Cash in/(Cash out)				
		No stated maturity	Within 1 year (including 1 year)	1-3 years (including 3 year)	3-5 years (including 5 year)	Over 5 years
Financial investments						
– Financial assets at fair value through profit or loss	485,928	355,762	13,041	59,203	47,477	18,619
– Debt investments at amortised cost	274,891	–	21,942	23,397	18,862	418,286
– Debt investments at fair value through other comprehensive income	470,366	–	33,972	64,735	54,264	507,518
– Equity investments designated at fair value through other comprehensive income	30,640	30,640	–	–	–	–
Term deposits	282,458	–	91,774	179,419	17,084	7,517
Statutory deposits	1,807	–	647	468	715	–
Financial assets purchased under agreements to resell	5,436	–	5,438	–	–	–
Cash and cash equivalents	38,432	–	38,432	–	–	–
Other assets	8,660	–	8,660	–	–	–
Total financial assets	1,598,618	386,402	213,906	327,222	138,402	951,940
Borrowings	30,384	–	(10,897)	(1,134)	(20,794)	–
Lease liabilities	715	–	(314)	(334)	(116)	(16)
Financial liabilities at fair value through profit or loss	8,549	(8,549)	–	–	–	–
Financial assets sold under agreements to repurchase	171,588	–	(171,639)	–	–	–
Derivative financial instruments	4	(4)	–	–	–	–
Other liabilities	10,174	–	(9,787)	(266)	(156)	(10)
Total financial liabilities	221,414	(8,553)	(192,637)	(1,734)	(21,066)	(26)

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(c) Liquidity risk (continued)

The table below presents a maturity analysis of the portfolios of insurance contracts and reinsurance contracts held based on the estimated timing of the remaining contractual undiscounted cash flows:

31 December 2025	Carrying amount	Undiscounted cash flows-Cash in/(Cash out)						Total
		Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Reinsurance contract assets	11,065	1,271	271	255	220	234	11,670	13,921
Insurance contract liabilities	1,532,638	42,840	1,279	(30,365)	(87,932)	(91,111)	(2,413,846)	(2,579,135)

31 December 2025	Carrying amount	Undiscounted cash flows-Cash in/(Cash out)						Total
		Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Reinsurance contract assets	10,812	1,217	223	185	211	216	10,816	12,868
Insurance contract liabilities	1,366,090	28,905	(844)	(33,597)	(42,741)	(86,370)	(2,174,660)	(2,309,307)

The cash flows presented in the table above are undiscounted expected cash flows based on future benefit payments, taking into account policyholders' future premiums or deposits. The above estimated results are affected by a number of assumptions. These assumptions relate to mortality, morbidity, lapse rates, non-life insurance loss ratios, expense assumptions, and other assumptions. Actual results may differ from estimates. Although all policyholders can exercise their right to surrender immediately and concurrently based on the terms of the contract, the Group disclosed undiscounted estimated cash flows in the above table based on experience and future expectations.

As at 31 December 2025, assuming the insurance contracts of carrying amount of RMB1,530,171 million (31 December 2024: RMB1,363,507 million) were surrendered immediately, the amounts of cash flow repayable on demand are RMB1,113,119 million (31 December 2024: RMB995,332 million).

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(d) Disclosures about interests in unconsolidated structured entities

The Group's interests in the unconsolidated structured entities are recorded as financial assets at fair value through profit or loss, debt investments at amortised cost, debt investments at FVTOCI. These structured entities typically raise funds by issuing securities or other beneficiary certificates. The purpose of these structured entities is primarily to generate management service fees or provide finance for public and private infrastructure construction.

These investments held by structured entities that the Group has interests in are guaranteed by third parties with higher credit ratings or by pledging, or the borrowers are with higher credit ratings.

The Group has not provided any guarantee or financing support to the structured entities that the Group has interests in or sponsored.

The unconsolidated structured entities that the Group has sponsored but had no interest were mainly asset management plans, debt investment plans, endowment annuity products, occupational annuity products and enterprise annuity products, etc.. The unconsolidated structured entities were sponsored by the Group for collecting management service fees, which were recorded as other income. The Group has not transferred any assets to these structured entities.

i) The unconsolidated structured entities that the Group has interests in

The Group believes that the maximum risk exposure approximates the carrying amount of interests in these unconsolidated structured entities. The size of the unconsolidated structured entities, the carrying amount of the related assets recognised in the consolidated financial statements and the maximum risk exposure are as below:

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(d) Disclosures about interests in unconsolidated structured entities (continued)

i) The unconsolidated structured entities that the Group has interests in (continued)

31 December 2025	Unconsolidated structured entities			
	Size	Carrying amount of assets	Maximum exposure of risk	Interest held by the Group
Funds managed by third parties	Note 1	172,574	172,574	Investment income
Trust plans managed by third parties	Note 1	2,053	2,053	Investment income
Debt investment plans managed by affiliated entities	7,457	844	844	Investment income and service fee
Debt investment plans managed by third parties	Note 1	10,433	10,433	Investment income
Others managed by affiliated entities (Note 2)	256,905	5,025	5,025	Investment income and service fee
Others managed by third parties (Note 2)	Note 1	53,856	53,856	Investment income

31 December 2024	Unconsolidated structured entities			
	Size	Carrying amount of assets	Maximum exposure of risk	Interest held by the Group
Funds managed by third parties	Note 1	126,324	126,324	Investment income
Trust plans managed by third parties	Note 1	17,912	17,912	Investment income
Debt investment plans managed by affiliated entities	12,133	2,030	2,030	Investment income and service fee
Debt investment plans managed by third parties	Note 1	16,533	16,533	Investment income
Others managed by affiliated entities (Note 2)	380,332	12,141	12,141	Investment income and service fee
Others managed by third parties (Note 2)	Note 1	40,164	40,164	Investment income

Note 1: Funds, trust plans, debt investment plans and others managed by third parties are sponsored by third party financial institutions and the information related to size of these structured entities are not publicly available.

Note 2: Others included bank wealth investment product, asset management plans, private equity investments, equity investment plans, unlisted equity and asset funding plans, etc.

4. RISK MANAGEMENT (CONTINUED)

(2) Financial risk (continued)

(d) Disclosures about interests in unconsolidated structured entities (continued)

i) The unconsolidated structured entities that the Group has interests in (continued)

As at 31 December 2025, the size of the unconsolidated structured entities that the Group sponsored but had no interest was RMB45,073 million (31 December 2024: RMB36,633 million), which were mainly asset management plans, debt investment plans, endowment annuity products, occupational annuity products and enterprise annuity products etc., sponsored by the Group for collecting management service fees. In 2025, the management service fees from these structured entities were RMB89 million (2024: RMB89 million), which were recorded as other income. The Group has not transferred any assets to these structured entities.

(e) Matching risk of assets and liabilities

The Group uses asset-liability management techniques to manage assets and liabilities. The techniques used include the scenario analysis method, the cash flow matching method and the immunity method. The Group uses the above techniques to understand the existing risk and the complex relationship from multiple perspectives, considering the timing and amount of future cash outflow and attributes of liabilities, to comprehensively and dynamically manage the Group's assets and liabilities and its solvency. The Group takes measures to enhance its solvency, including capital contribution by shareholders, issuing subordinated bonds and capital supplementary bonds, arranging reinsurance, improving the performance of branches, optimising business structure, and establishing a competitive cost structure.

(3) Capital management

The Company's objectives for managing capital, which is the actual capital calculated as the difference between admitted assets and admitted liabilities as defined by the former China Banking and Insurance Regulatory Commission (the "former CBIRC", taken placed by the National Administration of Financial Regulation in May 2023), are to comply with the insurance capital requirements of the former CBIRC to meet the minimum capital and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital requirements by assessing shortfalls between actual capital and minimum capital on a regular basis. The Company continuously and proactively monitors the business structure, and the asset quality and allocation so as to enhance the profitability while meeting solvency requirements.

4. RISK MANAGEMENT (CONTINUED)

(3) Capital management (continued)

The table below summarises the core and comprehensive solvency margin ratios, core capital, actual capital and minimum capital of the Company:

	As at 31 December 2025	As at 31 December 2024
Core capital	201,362	156,883
Actual capital	313,672	275,089
Minimum capital	149,032	126,447
Core solvency margin ratio	135.11%	124.07%
Comprehensive solvency margin ratio	210.47%	217.55%

According to the evaluation results of capitalizable risks and four types of non-capitalizable risks, which comprise of operational risk, strategic risk, reputation risk and liquidity risk, the former CBIRC evaluates the integrated solvency risk of insurance companies and supervises insurance companies in categories. According to the National Administration of Financial Regulation Solvency Supervision Information System, the comprehensive risk assessment result of the Company in the third quarter of 2025 is BB.

(4) Fair value hierarchy

Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair values of financial instruments. For financial instruments where there is no active market, fair value is determined using valuation techniques.

As at 31 December 2025 and 2024, the Group's financial assets mainly include cash and cash equivalents, financial assets at FVTPL, debt investments at amortised cost, debt investments at FVTOCI, equity investments designated at FVTOCI, derivative financial instruments, term deposits, statutory deposits and financial assets purchased under agreements to resell.

The Group's financial liabilities mainly include financial liabilities at FVTPL, financial assets sold under agreements to repurchase, derivative financial instruments, borrowings and other liabilities in 2024 and 2025.

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

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

Level 2 fair value is based on valuation techniques using significant inputs, other than level 1 quoted prices, that are observable for the asset being measured, either directly or indirectly, for substantially the full term of the assets through corroboration with observable market data. Observable inputs generally used to measure the fair value of financial assets classified as level 2 include quoted market prices for similar assets in active markets; quoted market prices in markets that are not active for identical or similar assets and other market observable inputs.

For level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities traded among the Chinese interbank market are classified as level 2 when they are valued at recent quoted price from the Chinese interbank market or from valuation service providers. Substantially most financial instruments classified within level 2 of the fair value hierarchy are debt investments denominated in RMB. Fair value of debt investments denominated in RMB is determined based upon the valuation results by the China Central Depository & Clearing Co., Ltd. and China Securities Index Co., Ltd.. All significant inputs are observable in the market.

Under certain conditions, the Group may not receive any price from independent third-party pricing service providers. In this instance, the Group may choose to apply internally developed values to the assets being measured. In such cases, the valuations are generally classified as level 3. Key inputs involved in internal valuation are not based on observable market data, and reflect assumptions made by management based on judgments and experience.

Level 3 fair value is based on the Group's valuation models, such as discounted cash flows and comparable companies approach. The Group also considers the original transaction price, recent transactions of the same or similar instruments and completed third-party transactions in comparable instruments. It adjusts the model as deemed necessary for factors such as extension, early redemption, liquidity, default risk and changes in market, economic or company specific conditions.

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

The following table provides the significant unobservable inputs used for financial assets at fair value classified as level 3 as at 31 December 2025 and 31 December 2024:

As at 31 December 2025	Fair value	Valuation technique	Significant unobservable inputs	Range	Relationship between unobservable inputs and fair value
Financial assets at FVTPL					
– Stocks	500	Asian option model	Liquidity discount	1.76%-11.15%	The higher the liquidity discount, the lower the fair value
– Debt investment plans	2,344	Discounted cash flow method	Discount rate	5.80%	The higher the discount rate, the lower the fair value
– Asset funding plans	1,226	Discounted cash flow method	Discount rate	2.60%-5.60%	The higher the discount rate, the lower the fair value
– Equity investment plans	22,103	Discounted cash flow method	Discount rate	3.06%-6.40%	The higher the discount rate, the lower the fair value
– Unlisted equity investments	7,334	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Private equity investments	14,063	Fund net assets	Net assets	/	The higher the net assets, the higher the fair value
– Structured deposits	365	Discounted cash flow method	Discount rate	5.28%-7.64%	The higher the discount rate, the lower the fair value
Debt investments at FVTOCI					
– Trust plans	1,156	Discounted cash flow method	Discount rate	4.34%-8.68%	The higher the discount rate, the lower the fair value
– Debt investment plans	2,846	Discounted cash flow method	Discount rate	2.24%-5.22%	The higher the discount rate, the lower the fair value
– Asset funding plans	195	Discounted cash flow method	Discount rate	2.99%	The higher the discount rate, the lower the fair value
Equity investments designated at FVTOCI					
– Unlisted equity investments	24	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

The following table provides the significant unobservable inputs used for financial assets at fair value classified as level 3 as at 31 December 2025 and 31 December 2024: (continued)

As at 31 December 2024	Fair value	Valuation technique	Significant unobservable inputs	Range	Relationship between unobservable inputs and fair value
Financial assets at FVTPL					
– Stocks	1	Asian option model	Liquidity discount	3.28%-6.08%	The higher the liquidity discount, the lower the fair value
– Stocks	77	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Trust plans	9,688	Discounted cash flow method	Discount rate	3.34%-5.81%	The higher the discount rate, the lower the fair value
– Debt investment plans	3,402	Discounted cash flow method	Discount rate	5.80%	The higher the discount rate, the lower the fair value
– Asset funding plans	1,088	Discounted cash flow method	Discount rate	5.60%	The higher the discount rate, the lower the fair value
– Equity investment plans	20,174	Discounted cash flow method	Discount rate	3.06%-7.10%	The higher the discount rate, the lower the fair value
– Unlisted equity investments	7,337	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value
– Private equity investments	14,065	Fund net assets	Net assets	/	The higher the net assets, the higher the fair value
– Structured deposits	364	Discounted cash flow method	Discount rate	5.85%-8.40%	The higher the discount rate, the lower the fair value
Debt investments at FVTOCI					
– Trust plans	3,216	Discounted cash flow method	Discount rate	4.34%-8.68%	The higher the discount rate, the lower the fair value
– Debt investment plans	5,018	Discounted cash flow method	Discount rate	3.86%-6.53%	The higher the discount rate, the lower the fair value
– Asset funding plans	200	Discounted cash flow method	Discount rate	2.99%-5.30%	The higher the discount rate, the lower the fair value
Equity investments designated at FVTOCI					
– Unlisted equity investments	22	Comparable companies approach	Liquidity discount	33.00%	The higher the liquidity discount, the lower the fair value

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(a) Assets and liabilities measured at fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value as at 31 December 2025 and 31 December 2024:

	Inputs to fair value measurement			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
As at 31 December 2025				
Assets				
Financial assets at FVTPL	345,038	186,783	47,935	579,756
Debt investments at FVTOCI	2,701	529,070	4,197	535,968
Equity investments designated at FVTOCI	38,532	–	24	38,556
Derivative financial instruments	–	1	–	1
Total	386,271	715,854	52,156	1,154,281
Liabilities				
Financial liabilities at FVTPL	–	9,860	–	9,860
Total	–	9,860	–	9,860

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(a) Assets and liabilities measured at fair value (continued)

	Inputs to fair value measurement			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
As at 31 December 2024				
Assets				
Financial assets at FVTPL	293,638	136,094	56,196	485,928
Debt investments at FVTOCI	1,569	460,363	8,434	470,366
Equity investments designated at FVTOCI	30,618	–	22	30,640
Total	325,825	596,457	64,652	986,934
Liabilities				
Financial liabilities at FVTPL	–	8,549	–	8,549
Derivative financial instruments	–	4	–	4
Total	–	8,553	–	8,553

The Group recognised transfers between each level at the time when the transfers occurred. The transfers between Level 1 and Level 2 are mainly caused by changes of market conditions that affect whether the Group could obtain quoted prices (unadjusted) in active markets.

During the year ended 31 December 2025, no financial instruments measured at fair value were transferred between Level 1 and Level 2 (during the year ended 31 December 2024: same).

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(a) Assets and liabilities measured at fair value (continued)

The changes in Level 3 financial assets are analysed below:

	Financial assets at FVTPL	Debt investments at FVTOCI	Equity investments designated at FVTOCI	Total
1 January 2025	56,196	8,434	22	64,652
Purchase	4,548	–	–	4,548
Recognised in profit or loss	(1,713)	3	–	(1,710)
Recognised in other comprehensive income	–	(1,633)	2	(1,631)
Maturity/disposals	(11,096)	(2,607)	–	(13,703)
31 December 2025	47,935	4,197	24	52,156

	Financial assets at FVTPL	Debt investments at FVTOCI	Equity investments designated at FVTOCI	Total
1 January 2024	48,278	28,833	19	77,130
Purchase	10,059	192	–	10,251
Recognised in profit or loss	(48)	(90)	–	(138)
Recognised in other comprehensive income	–	(942)	3	(939)
Maturity/disposals	(2,093)	(19,559)	–	(21,652)
31 December 2024	56,196	8,434	22	64,652

4. RISK MANAGEMENT (CONTINUED)

(4) Fair value hierarchy (continued)

(b) Assets and liabilities for which fair values are disclosed

The carrying amounts of assets and liabilities not measured at fair value approximate to their fair values, except for the assets and liabilities disclosed in the following tables.

As at 31 December 2025				
	Level 1	Level 2	Level 3	Total
Assets				
Debt investments at amortised cost	848	295,110	7,320	303,278
Investment properties	–	–	14,302	14,302
Total	848	295,110	21,622	317,580
Liabilities				
Borrowings	–	20,424	–	20,424
Investment contract liabilities	–	–	626	626
Total	–	20,424	626	21,050

As at 31 December 2024				
	Level 1	Level 2	Level 3	Total
Assets				
Debt investments at amortised cost	660	321,561	18,133	340,354
Investment properties	–	–	11,888	11,888
Total	660	321,561	30,021	352,242
Liabilities				
Borrowings	–	30,687	–	30,687
Investment contract liabilities	–	–	857	857
Total	–	30,687	857	31,544

5. SEGMENT INFORMATION

(1) Operating segments

The Group operates in three operating segments:

(i) Traditional insurance

Traditional insurance is insurance business without participation features. Traditional insurance mainly includes traditional life insurance, health insurance and accident insurance. Reinsurance related to traditional insurance is included in traditional insurance.

(ii) Participating insurance

Participating insurance is insurance business with direct participation features. Reinsurance related to participating insurance business is included in participating insurance.

(iii) Other business

Other business of the Group mainly includes universal life business, investment management business and unallocated other income and expenses of the Group.

(2) Allocation basis of income and expense

Insurance service revenue and expenses, investment income directly attributable to segments will be allocated directly to each segment. Fixed and variable overheads directly attributable to insurance contracts will be allocated to each segment on a systematic and rational basis. Other expenses that are not directly attributable to insurance and reinsurance contract portfolios are not allocated but assigned to other business operating segments directly.

(3) Allocation basis of assets and liabilities

Insurance business assets and liabilities, investment assets and liabilities directly attributable to operating segments will be directly allocated to each segment. Other assets and liabilities including statutory deposits, investment properties, property, plant and equipment, intangible assets, right-of-use assets, borrowings, lease liabilities and other liabilities are not allocated but assigned to other business operating segments directly.

(4) Information about major customers and locations

Substantially all of the Group's revenues are derived from its operations in the PRC. Substantially all of the Group's assets are located in the PRC. All of the Group's operating revenues are deemed as external except for those presented as inter-segment revenue.

5. SEGMENT INFORMATION (CONTINUED)

(5) Segment analysis

	For the year ended 31 December 2025				
	Traditional Insurance	Participating Insurance	Others	Elimination	Total
REVENUES					
Insurance revenue	41,429	8,526	342	–	50,297
Interest income	16,776	14,130	1,609	–	32,515
Other investment income	29,305	38,661	4,101	–	72,067
Other income	(143)	(10)	1,889	(1,064)	672
Total revenues	87,367	61,307	7,941	(1,064)	155,551
BENEFITS, CLAIMS AND EXPENSES					
Insurance service expenses	(28,751)	(3,789)	(272)	1,064	(31,748)
Net expenses from reinsurance contracts held	(415)	–	–	–	(415)
Finance expenses from insurance contracts issued	(24,652)	(49,607)	(3,903)	–	(78,162)
Less: Finance income from reinsurance contracts held	324	–	–	–	324
Net impairment losses on financial assets	(511)	(2,756)	(212)	–	(3,479)
Other expenses	–	–	(3,695)	–	(3,695)
Total benefits, claims and expenses	(54,005)	(56,152)	(8,082)	1,064	(117,175)
Share of profits and losses of associates and joint ventures	4,698	945	16	–	5,659
Other finance costs	(1,427)	(1,128)	(955)	–	(3,510)
Profit before income tax	36,633	4,972	(1,080)	–	40,525
Other segment information:					
Capital expenditure	–	–	1,482	–	1,482
Depreciation and amortisation	(1,371)	(181)	(250)	–	(1,802)

5. SEGMENT INFORMATION (CONTINUED)

(5) Segment analysis (continued)

	For the year ended 31 December 2024				
	Traditional Insurance	Participating Insurance	Others	Elimination	Total
REVENUES					
Insurance revenue	40,313	7,168	331	–	47,812
Interest income	14,214	15,962	1,741	–	31,917
Other investment income	21,637	25,678	3,900	–	51,215
Other income	82	7	1,894	(883)	1,100
Total revenues	76,246	48,815	7,866	(883)	132,044
BENEFITS, CLAIMS AND EXPENSES					
Insurance service expenses	(28,144)	(4,157)	(157)	883	(31,575)
Net expenses from reinsurance contracts held	(335)	–	–	–	(335)
Finance expenses from insurance contracts issued	(20,250)	(37,870)	(3,065)	–	(61,185)
Less: Finance income from reinsurance contracts held	338	–	–	–	338
Net impairment losses on financial assets	(1,521)	(1,576)	(318)	–	(3,415)
Other expenses	–	–	(3,903)	–	(3,903)
Total benefits, claims and expenses	(49,912)	(43,603)	(7,443)	883	(100,075)
Share of profits and losses of associates and joint ventures	662	(134)	–	–	528
Net impairment losses on other assets	(1,137)	(53)	–	–	(1,190)
Other finance costs	(764)	(1,377)	(1,025)	–	(3,166)
Profit before income tax	25,095	3,648	(602)	–	28,141
Other segment information:					
Capital expenditure	–	–	1,100	–	1,100
Depreciation and amortisation	(1,348)	(199)	(301)	–	(1,848)

5. SEGMENT INFORMATION (CONTINUED)

(5) Segment analysis (continued)

Segment assets and liabilities as at 31 December 2025 and 31 December 2024:

As at 31 December 2025	Traditional Insurance	Participating Insurance	Others	Elimination	Total
Segment assets	937,824	788,359	173,707	(406)	1,899,484
Segment liabilities	870,279	765,270	152,763	(406)	1,787,906

As at 31 December 2024	Traditional Insurance	Participating Insurance	Others	Elimination	Total
Segment assets	776,658	750,826	164,949	(136)	1,692,297
Segment liabilities	696,106	745,628	154,430	(136)	1,596,028

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Office equipment	Motor vehicles	Construction in progress	Total
Cost					
As at 1 January 2025	17,924	2,181	83	2,339	22,527
Additions	7	196	2	1,070	1,275
Transfers upon completion	341	76	–	(417)	–
Transfer to investment properties, net (Note 7)	(414)	–	–	(1,276)	(1,690)
Transfer to intangible assets (Note 9)	–	–	–	(363)	(363)
Transfer to other assets	–	–	–	(3)	(3)
Disposals	–	(87)	(34)	–	(121)
As at 31 December 2025	17,858	2,366	51	1,350	21,625
Accumulated depreciation					
As at 1 January 2025	(3,174)	(1,312)	(51)	–	(4,537)
Charges for the year	(476)	(216)	(8)	–	(700)
Transfer to investment properties, net (Note 7)	75	–	–	–	75
Disposals	–	82	27	–	109
As at 31 December 2025	(3,575)	(1,446)	(32)	–	(5,053)
Net book value					
As at 1 January 2025	14,750	869	32	2,339	17,990
As at 31 December 2025	14,283	920	19	1,350	16,572

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings	Office equipment	Motor vehicles	Construction in progress	Total
Cost					
As at 1 January 2024	17,724	2,047	103	2,039	21,913
Additions	–	153	4	792	949
Transfers upon completion	118	57	–	(175)	–
Transfer from/(to) investment properties, net (Note 7)	182	–	–	(45)	137
Transfer to intangible assets (Note 9)	–	–	–	(322)	(322)
Transfer to other assets	–	–	–	(10)	(10)
Transfer to construction in progress	(100)	–	–	60	(40)
Disposals	–	(76)	(24)	–	(100)
As at 31 December 2024	17,924	2,181	83	2,339	22,527
Accumulated depreciation					
As at 1 January 2024	(2,660)	(1,174)	(61)	–	(3,895)
Charges for the year	(492)	(209)	(10)	–	(711)
Transfer from investment properties, net (Note 7)	(62)	–	–	–	(62)
Transfer to construction in progress	40	–	–	–	40
Disposals	–	71	20	–	91
As at 31 December 2024	(3,174)	(1,312)	(51)	–	(4,537)
Net book value					
As at 1 January 2024	15,064	873	42	2,039	18,018
As at 31 December 2024	14,750	869	32	2,339	17,990

The Group was in the process of obtaining the legal title in respect of the ownership of buildings with an aggregate net book value of approximately RMB228 million as at 31 December 2025 (31 December 2024: RMB150 million). As at 31 December 2025 and 2024, the Group has no property, plant and equipment under finance lease and held for sale, and no significant idle property, plant and equipment.

7. INVESTMENT PROPERTIES

	For the year ended 31 December	
	2025	2024
Cost		
Beginning of the year	11,002	11,139
Transfer from intangible assets, net (Note 9)	1,441	–
Transfer from/(to) property, plant and equipment, net (Note 6)	1,690	(137)
End of the year	14,133	11,002
Accumulated depreciation		
Beginning of the year	(1,947)	(1,756)
Transfer from intangible assets, net (Note 9)	(407)	–
Transfer (from)/to property, plant and equipment, net (Note 6)	(75)	62
Charges for the year	(280)	(253)
End of the year	(2,709)	(1,947)
Net book value		
Beginning of the year	9,055	9,383
End of the year	11,424	9,055

Rental income from investment properties is recognised in “Other income” (Note 27).

7. INVESTMENT PROPERTIES (CONTINUED)

According to the asset valuation report issued by JLL (Beijing) Real Estate Assets Appraisal & Consultancy Co., Ltd., the fair value of investment properties as at 31 December 2025 was RMB14,302 million (31 December 2024: RMB11,888 million).

The techniques used for the valuation of investment properties include the income approach and sales comparison approach. The fair value of investment properties is categorised within Level 3. Key inputs used in measuring fair value of investment properties include capitalization rate, market rent and unit price. As at 31 December 2025, capitalization rate used in valuation ranges from 4.5% to 6.0% (31 December 2024: 4.5% to 6.0%), market rent used ranges from RMB48 to RMB440 per square meter (31 December 2024: RMB51 to RMB504 per square meter), unit price used ranges from RMB5,935 to RMB59,132 per square meter (31 December 2024: RMB7,109 to RMB68,700 per square meter). An increase in capitalization rate, decrease in market rent and unit price would result in decrease in the fair value of investment properties, and vice versa.

The Group was in the process of obtaining the legal title in respect of the ownership of buildings with an aggregate net book value of approximately RMB1,273 million as at 31 December 2025 (31 December 2024: nil).

The investment properties held by the Group has no impairment as at 31 December 2025 and 2024.

8. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings and others used in its operations. Leases of buildings generally have lease terms between 1 and 10 years, while others generally have lease terms between 1 and 5 years.

The Group's right-of-use assets include right-of-use assets disclosed in Note 8(1) and the land use rights disclosed in Note 9.

(1) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings	Others	Total
Cost			
As at 1 January 2025	1,681	3	1,684
Additions	339	–	339
Terminations	(610)	–	(610)
As at 31 December 2025	1,410	3	1,413
Accumulated depreciation			
As at 1 January 2025	(836)	(1)	(837)
Charges for the year	(355)	–	(355)
Terminations	525	–	525
As at 31 December 2025	(666)	(1)	(667)
Net book value			
As at 1 January 2025	845	2	847
As at 31 December 2025	744	2	746

8. LEASES (CONTINUED)

The Group as a lessee (continued)

(1) Right-of-use assets (continued)

	Buildings	Others	Total
Cost			
As at 1 January 2024	1,850	4	1,854
Additions	483	–	483
Terminations	(652)	(1)	(653)
As at 31 December 2024	1,681	3	1,684
Accumulated depreciation			
As at 1 January 2024	(971)	(2)	(973)
Charges for the year	(405)	–	(405)
Terminations	540	1	541
As at 31 December 2024	(836)	(1)	(837)
Net book value			
As at 1 January 2024	879	2	881
As at 31 December 2024	845	2	847

8. LEASES (CONTINUED)

The Group as a lessee (continued)

(2) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Buildings	Others	Total
As at 1 January 2025	714	1	715
Additions and terminations	264	–	264
Accretion of interest recognised during the year	10	–	10
Payment	(362)	–	(362)
As at 31 December 2025	626	1	627
Current	265	–	265
Non-current	361	1	362

	Buildings	Others	Total
As at 1 January 2024	759	1	760
Additions and terminations	368	–	368
Accretion of interest recognised during the year	17	–	17
Payment	(430)	–	(430)
As at 31 December 2024	714	1	715
Current	294	–	294
Non-current	420	1	421

8. LEASES (CONTINUED)

The Group as a lessee (continued)

(3) The amounts recognised in expenditure in relation to leases are as follows:

	2025	2024
Interest on lease liabilities	10	17
Depreciation expense of right-of-use assets	355	405
Expense relating to short-term leases and low value assets	73	58
Total expenditure	438	480

(4) For the year ended 31 December 2025, the total cash outflow for leases was RMB435 million (for the year ended 31 December 2024: RMB488 million) and future cash outflows relating to leases that have not yet paid are RMB650 million (for the year ended 31 December 2024: RMB780 million).

The Group as a lessor

The Group leases its investment properties (Note 7) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. Rental income recognised by the Group during the year was RMB271 million (for the year ended 31 December 2024: RMB321 million), details of which are included in Note 27 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	As at 31 December 2025	As at 31 December 2024
Within 1 year (including 1 year)	237	253
Between 1 year and 2 years (including 2 years)	185	193
Between 2 and 3 years (including 3 years)	143	130
Between 3 and 4 years (including 4 years)	94	94
Between 4 and 5 years (including 5 years)	67	58
More than 5 years	414	285
Total	1,140	1,013

9. INTANGIBLE ASSETS

	Computer software and others	Land use rights	Total
Cost			
As at 1 January 2025	3,580	3,396	6,976
Additions	65	120	185
Transfer from property, plant and equipment (Note 6)	363	–	363
Transfer to investment properties (Note 7)	–	(1,441)	(1,441)
As at 31 December 2025	4,008	2,075	6,083
Accumulated amortization			
As at 1 January 2025	(2,196)	(726)	(2,922)
Amortization	(356)	(84)	(440)
Transfer to investment properties (Note 7)	–	407	407
As at 31 December 2025	(2,552)	(403)	(2,955)
Net book value			
As at 1 January 2025	1,384	2,670	4,054
As at 31 December 2025	1,456	1,672	3,128

9. INTANGIBLE ASSETS (CONTINUED)

	Computer software and others	Land use rights	Total
Cost			
As at 1 January 2024	3,175	3,396	6,571
Additions	83	–	83
Transfer from property, plant and equipment (Note 6)	322	–	322
As at 31 December 2024	3,580	3,396	6,976
Accumulated amortization			
As at 1 January 2024	(1,867)	(641)	(2,508)
Amortization	(329)	(85)	(414)
As at 31 December 2024	(2,196)	(726)	(2,922)
Net book value			
As at 1 January 2024	1,308	2,755	4,063
As at 31 December 2024	1,384	2,670	4,054

The Group has obtained the legal titles in respect of the entire ownership of land use rights as at 31 December 2025 and 2024.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	For the year ended 31 December	
	2025	2024
Beginning of the year	30,245	5,174
Additions	32,589	25,000
Dividends from investments in associates and joint ventures	(172)	(33)
Share of profit or loss	2,255	528
Share of other comprehensive income	836	775
Share of other reserves	(120)	(12)
Currency translation differences	–	3
Impairment losses	–	(1,190)
End of the year	65,633	30,245

Details of investments in associates and joint ventures

	As at 31 December 2025	As at 31 December 2024
Associates		
Bank of Hangzhou Co., Ltd. ("Hangzhou Bank")(1)	6,715	–
Beijing Enterprises Holdings Limited ("Beijing Holdings")(2)	4,651	–
China Jinmao Holdings Group Limited ("China Jinmao")	1,495	1,639
Allinpay Network Services Co., Ltd. ("ALL IN PAY")	809	783
Beijing Zijin Century Real Estate Co., Ltd. ("Zijin Century")	734	732
New China Capital International Limited ("New China Capital International")	163	164
Beijing MJ Health Screening Center Co., Ltd.	14	12
Joint ventures		
Honghu Zhiyuan (Shanghai) Private Equity Investment Fund Co., Ltd. ("Honghu Zhiyuan")	28,720	26,358
Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund II("Honghu II")	10,586	–
Guofeng Xinghua Honghu Zhiyuan No.1 Private Securities Investment Fund III ("Honghu III No.1")	11,185	–
New China Life Excellent Health Investment Management Co., Ltd. ("New China Health")	529	550
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. ("Guofeng Xinghua")	32	7
Total	65,633	30,245

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Details of investments in associates and joint ventures (continued)

- (1) The Group obtained significant influence over Hangzhou Bank following the approval of a director appointment and accordingly accounted for it as an associate using the equity method. The Group assessed the net fair value of Hangzhou Bank's identifiable assets and liabilities on the acquisition date. The Group's share of the net fair value of Hangzhou Bank's identifiable assets and liabilities exceeded the cost of the investment in Hangzhou Bank by RMB1,206 million. The Group adjusted its carrying amount of investment in Hangzhou Bank accordingly.
- (2) The Group obtained significant influence over Beijing Holdings following the approval of a director appointment and accordingly accounted for it as an associate using the equity method. The Group assessed the net fair value of Beijing Holdings' identifiable assets and liabilities on the acquisition date. The Group's share of the net fair value of Beijing Holdings' identifiable assets and liabilities exceeded, the cost of the investment in Beijing Holdings by RMB2,198 million. The Group adjusted its carrying amount of investment in Beijing Holdings accordingly.

As at 31 December 2025, accumulated impairment recognised on investments in associates and joint ventures amounted to RMB1,190 million (31 December 2024: RMB1,190 million). The Group performs impairment testing when indicators of impairment exist. An impairment loss is recognised when the recoverable amount of the investment falls below its carrying amount. The recoverable amount is the higher of its fair value less costs to sell and value in use.

There are no contingent liabilities relating to the Group's interests in the associates and joint ventures.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Details of investments in associates and joint ventures (continued)

			Percentage of ownership interest and voting rights held by the Group			
			For the financial year ended 31 December 2025	For the financial year ended 31 December 2024	Principal activities	Measurement method
Name of entity	Place of incorporation/ registration	Principal place of business				
Associates						
Hangzhou Bank ⁽¹⁾	Hangzhou, PRC	PRC	5.00%	–	Commercial bank	Equity
Beijing Holdings ⁽¹⁾	Hong Kong, PRC	PRC and Germany	6.38%	4.02%	Gas operation, etc	Equity
China Jinmao ⁽¹⁾	Hong Kong, PRC	PRC	9.03%	9.03%	Real estate development	Equity
ALL IN PAY ⁽¹⁾	Shanghai, PRC	PRC	9.07%	9.07%	3rd-party payment, etc.	Equity
Zijin Century	Beijing, PRC	PRC	24.00%	24.00%	Real estate development, etc.	Equity
New China Capital International	Cayman Islands	PRC	39.86%	39.86%	Asset management	Equity
Beijing MJ Health Screening Center Co., Ltd.	Beijing, PRC	PRC	30.00%	30.00%	Medical services, etc.	Equity
Joint ventures						
Honghu Zhiyuan	Shanghai, PRC	PRC	50.00%	50.00%	Asset management, etc.	Equity
Honghu II ⁽²⁾	Beijing, PRC	PRC	50.00%	–	Asset management, etc.	Equity
Honghu III No.1 ⁽²⁾	Beijing, PRC	PRC	50.00%	–	Asset management, etc.	Equity
New China Health	Beijing, PRC	PRC	45.00%	45.00%	Asset management, etc.	Equity
Guofeng Xinghua	Beijing, PRC	PRC	50.00%	50.00%	Asset management, etc.	Equity

(1) Notwithstanding holding less than 20 percent of the voting rights in these entities, the Group has the power to participate in their financial and operating policy decisions through direct representation on boards of directors. Accordingly, the Group has significant influence over these investees and accounts for them using equity method.

(2) During the year, the Group subscribed for units in Honghu II and Honghu III No.1 initiated by Guofeng Xinghua. Pursuant to the fund agreement, the Group and China Life Insurance Company Limited jointly control the funds and therefore, the Group accounted for them as joint ventures under the equity method.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Material associate investment

The following tables illustrate the summarised financial information in respect of the material associate investment in the consolidated financial statements:

	As at/For the year ended 31 December 2025
Hangzhou Bank	
Total assets	2,361,655
Total liabilities	2,197,278
Equity attributable to shareholders of Hangzhou Bank	164,377
Less: Perpetual bonds	(30,116)
Equity attributable to ordinary share holders of Hangzhou Bank	134,261
The Group's share of net assets of Hangzhou Bank	6,715
Adjustments	–
Carrying amount of the investment in Hangzhou Bank	6,715
Revenues	9,919
Profit for the year	2,953
Dividends received	138

The fair value of the Group's investment in Hangzhou Bank as at 31 December 2025 was RMB5,540 million, of which the fair value hierarchy is classified as Level 1.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Material joint venture investments

The following tables illustrate the summarised financial information in respect of the material joint venture investments in the consolidated financial statements:

	As at/For the year ended 31 December 2025			As at/For the year ended 31 December 2024
	Honghu Zhiyuan	Honghu II	Honghu III No.1	Honghu Zhiyuan
Total assets	58,906	21,180	22,378	53,376
Including: Cash and cash equivalents	–	–	–	2
Total liabilities	1,466	9	9	660
Total equity	57,440	21,171	22,369	52,716
The Group's share of net assets	28,720	10,586	11,185	26,358
Adjustments	–	–	–	–
Carrying amount of the investments	28,720	10,586	11,185	26,358
Revenues	2,982	964	673	465
Interest income	19	11	8	80
Income tax expense	(462)	–	–	(51)
Profit for the year	2,462	951	661	410
Other comprehensive income for the year	2,262	221	(790)	(1,302)
Total comprehensive income for the year	4,724	1,172	(129)	(892)
Dividends received	–	–	–	–

11. FINANCIAL INVESTMENTS

(1) Financial assets at fair value through profit or loss

	As at 31 December 2025	As at 31 December 2024
Bonds		
Government bonds	8,913	178
Financial bonds	12,784	18,675
Corporate bonds	35,991	15,172
Subordinated bonds	74,902	94,261
Funds	172,574	126,324
Stocks	168,261	140,715
Equity investment plans	22,103	20,174
Perpetual bonds	16,252	6,775
Private equity investments	14,063	14,065
Bank wealth investment products	14,028	1,011
Certificates of deposit	11,893	1,880
Preferred shares	9,659	9,462
Unlisted equity investments	7,334	7,337
Asset management plans	7,000	15,302
Trust plans	–	9,688
Others (i)	3,999	4,909
Total	579,756	485,928
Listed	259,728	218,531
Unlisted	320,028	267,397
Total	579,756	485,928

(i) Others mainly include depository receipts, debt investment plans, asset funding plans and structured deposits.

11. FINANCIAL INVESTMENTS (CONTINUED)

(2) Debt investments at amortised cost

	As at 31 December 2025	As at 31 December 2024
Bonds		
Government bonds	237,575	246,842
Financial bonds	4,161	3,851
Corporate bonds	7,326	7,963
Subordinated bonds	603	622
Debt investment plans	9,569	11,958
Trust plans	2,248	6,090
Asset funding plans	266	465
Subtotal	261,748	277,791
Less: Allowance for impairment losses	(4,835)	(2,900)
Total	256,913	274,891
Listed	123,676	121,413
Unlisted	133,237	153,478
Total	256,913	274,891

11. FINANCIAL INVESTMENTS (CONTINUED)

(2) Debt investments at amortised cost (continued)

For the year ended 31 December 2025 and 2024, movements of the allowance for impairment losses on debt investments at amortised cost are as follows:

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2025				
Allowance for impairment losses	6	914	1,980	2,900
Transfer to:				
– Stage 3	–	(103)	103	–
(Reversal)/charge for the year	(2)	(811)	2,748	1,935
31 December 2025				
Allowance for impairment losses	4	–	4,831	4,835
31 December 2025				
Total balance	253,272	–	8,476	261,748

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2024				
Allowance for impairment losses	87	2	386	475
Transfer to:				
– Stage 2	(55)	55	–	–
(Reversal)/charge for the year	(26)	857	1,594	2,425
31 December 2024				
Allowance for impairment losses	6	914	1,980	2,900
31 December 2024				
Total balance	268,988	6,303	2,500	277,791

11. FINANCIAL INVESTMENTS (CONTINUED)

(3) Debt investments at fair value through other comprehensive income

	As at 31 December 2025	As at 31 December 2024
Bonds		
Government bonds	448,135	352,705
Financial bonds	37,464	57,741
Corporate bonds	35,365	40,275
Subordinated bonds	10,807	11,211
Debt investment plans	2,846	5,018
Trust plans	1,156	3,216
Asset funding plans	195	200
Total	535,968	470,366
Listed	191,301	180,442
Unlisted	344,667	289,924
Total	535,968	470,366

11. FINANCIAL INVESTMENTS (CONTINUED)

(3) Debt investments at fair value through other comprehensive income (continued)

For the year ended 31 December 2025 and 2024, movements of the allowance for impairment losses on debt investments at FVTOCI are as follows:

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2025				
Allowance for impairment losses	21	331	2,159	2,511
Transfer to:				
– Stage 3	–	(23)	23	–
(Reversal)/charge for the year	(5)	(308)	1,870	1,557
31 December 2025				
Allowance for impairment losses	16	–	4,052	4,068
31 December 2025				
Carrying value	534,783	–	1,185	535,968

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL-not credit- impaired)	Stage 3 (Lifetime ECL-credit- impaired)	Total
1 January 2024				
Allowance for impairment losses	42	4	1,524	1,570
Transfer to:				
– Stage 2	(2)	2	–	–
(Reversal)/charge for the year	(19)	325	635	941
31 December 2024				
Allowance for impairment losses	21	331	2,159	2,511
31 December 2024				
Carrying value	466,484	2,332	1,550	470,366

11. FINANCIAL INVESTMENTS (CONTINUED)

(4) Equity investments designated at fair value through other comprehensive income

	As at 31 December 2025	As at 31 December 2024
Listed stocks	38,532	30,618
Unlisted equity investments	24	22
Total	38,556	30,640

- (i) For equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognise them in such category at initial recognition.
- (ii) For the consideration of optimizing asset allocation, asset-liability management and adjustment of investment strategies, the Group disposed of equity investments designated at fair value through other comprehensive income amounted to RMB1,893 million in the current year. In addition, the Group transferred part of equity investments designated at fair value through other comprehensive income into investment in associates amounted to RMB1,245 million in the current year. The cumulative losses of RMB135 million on those transactions were transferred from other comprehensive income to retained earnings (for the year ended 31 December 2024: nil).
- (iii) In the current year, dividend income from equity investments designated at FVTOCI was RMB2,123 million (for the year ended 31 December 2024: RMB1,170 million).

12. TERM DEPOSITS

The due dates of the term deposits are as follows:

Maturity	As at 31 December 2025	As at 31 December 2024
Within 1 year (including 1 year)	114,633	88,554
After 1 year but within 3 years (including 3 years)	92,189	170,349
After 3 years but within 5 years (including 5 years)	87,215	16,143
After 5 years	–	7,504
Subtotal	294,037	282,550
Less: loss allowances	(73)	(92)
Total	293,964	282,458

13. STATUTORY DEPOSITS

The due dates of the statutory deposits are as follows:

Maturity	As at 31 December 2025	As at 31 December 2024
Within 1 year (including 1 year)	336	672
After 1 year but within 3 years (including 3 years)	1,434	426
After 3 years but within 5 years (including 5 years)	–	709
Total	1,770	1,807

According to the relevant regulations issued by the former CBIRC, statutory deposits can only be used by insurance companies to discharge debt upon liquidation.

14. FINANCIAL ASSETS PURCHASED UNDER AGREEMENTS TO RESELL

	As at 31 December 2025	As at 31 December 2024
By market		
Stock exchange	13,409	5,436
Inter-bank market	590	–
Total	13,999	5,436
By collateral		
Bonds	13,999	5,436

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

(1) Insurance contract liabilities

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts.

2025	Contracts not measured under the PAA				Contracts measured under the PAA				
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Liability for incurred claims	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening liabilities	1,343,512	7,453	12,542	1,363,507	447	222	1,869	45	2,583
Opening assets	-	-	-	-	-	-	-	-	-
Net opening balance	1,343,512	7,453	12,542	1,363,507	447	222	1,869	45	2,583
<i>Insurance revenue</i>									
Contracts under the modified retrospective approach	(34,018)	-	-	(34,018)	-	-	-	-	-
Contracts under the fair value approach	(2,174)	-	-	(2,174)	-	-	-	-	-
Other contracts	(10,437)	-	-	(10,437)	(3,668)	-	-	-	(3,668)
Insurance revenue	(46,629)	-	-	(46,629)	(3,668)	-	-	-	(3,668)
<i>Insurance service expenses</i>									
Incurred claims and other insurance service expenses	-	(472)	18,129	17,657	-	(922)	3,316	29	2,423
Amortisation of insurance acquisition cash flows	9,257	-	-	9,257	1,004	-	-	-	1,004
Losses and reversals of losses on onerous contracts	-	356	-	356	-	819	-	-	819
Adjustment to liabilities for incurred claims	-	-	661	661	-	-	(398)	(31)	(429)
Insurance service expenses	9,257	(116)	18,790	27,931	1,004	(103)	2,918	(2)	3,817
Insurance service result	(37,372)	(116)	18,790	(18,698)	(2,664)	(103)	2,918	(2)	149
Insurance finance income or expenses	70,948	268	-	71,216	-	-	-	-	-
Total changes in the statement of comprehensive income	33,576	152	18,790	52,518	(2,664)	(103)	2,918	(2)	149
<i>Investment components</i>									
Cash flows	(72,107)	-	72,107	-	(358)	-	358	-	-
Premiums received	217,899	-	-	217,899	4,156	-	-	-	4,156
Insurance acquisition cash flows	(13,896)	-	-	(13,896)	(994)	-	-	-	(994)
Claims and other insurance service expenses paid	-	-	(90,730)	(90,730)	-	-	(3,427)	-	(3,427)
Other Cash flows	873	-	-	873	-	-	-	-	-
Total cash flows	204,876	-	(90,730)	114,146	3,162	-	(3,427)	-	(265)
Closing liabilities	1,509,857	7,605	12,709	1,530,171	587	119	1,718	43	2,467
Closing assets	-	-	-	-	-	-	-	-	-
Net closing balance	1,509,857	7,605	12,709	1,530,171	587	119	1,718	43	2,467

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

2024	Contracts not measured under the PAA				Contracts measured under the PAA				
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Liability for incurred claims	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening liabilities	1,124,597	7,621	11,803	1,144,021	611	161	1,662	42	2,476
Opening assets	-	-	-	-	-	-	-	-	-
Net opening balance	1,124,597	7,621	11,803	1,144,021	611	161	1,662	42	2,476
<i>Insurance revenue</i>									
Contracts under the modified retrospective approach	(34,629)	-	-	(34,629)	-	-	-	-	-
Contracts under the fair value approach	(1,988)	-	-	(1,988)	-	-	-	-	-
Other contracts	(7,509)	-	-	(7,509)	(3,686)	-	-	-	(3,686)
Insurance revenue	(44,126)	-	-	(44,126)	(3,686)	-	-	-	(3,686)
<i>Insurance service expenses</i>									
Incurred claims and other insurance service expenses	-	(393)	18,050	17,657	-	(763)	3,363	31	2,631
Amortisation of insurance acquisition cash flows	9,174	-	-	9,174	1,075	-	-	-	1,075
Losses and reversals of losses on onerous contracts	-	69	-	69	-	824	-	-	824
Adjustment to liabilities for incurred claims	-	-	285	285	-	-	(112)	(28)	(140)
Insurance service expenses	9,174	(324)	18,335	27,185	1,075	61	3,251	3	4,390
Insurance service result	(34,952)	(324)	18,335	(16,941)	(2,611)	61	3,251	3	704
Insurance finance income or expenses	138,992	156	-	139,148	-	-	-	-	-
Total changes in the statement of comprehensive income	104,040	(168)	18,335	122,207	(2,611)	61	3,251	3	704
Investment components	(62,962)	-	62,962	-	(369)	-	369	-	-
<i>Cash flows</i>									
Premiums received	189,002	-	-	189,002	3,824	-	-	-	3,824
Insurance acquisition cash flows	(11,463)	-	-	(11,463)	(1,008)	-	-	-	(1,008)
Claims and other insurance service expenses paid	-	-	(80,558)	(80,558)	-	-	(3,413)	-	(3,413)
Other Cash flows	298	-	-	298	-	-	-	-	-
Total cash flows	177,837	-	(80,558)	97,279	2,816	-	(3,413)	-	(597)
Closing liabilities	1,343,512	7,453	12,542	1,363,507	447	222	1,869	45	2,583
Closing assets	-	-	-	-	-	-	-	-	-
Net closing balance	1,343,512	7,453	12,542	1,363,507	447	222	1,869	45	2,583

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for contracts not measured under PAA.

2025	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	
Opening liabilities	1,177,740	9,900	140,663	11,413	23,791	175,867	1,363,507
Opening assets	-	-	-	-	-	-	-
Net opening balance	1,177,740	9,900	140,663	11,413	23,791	175,867	1,363,507
<i>Changes that relate to current service</i>							
CSM recognised for services provided	-	-	(13,494)	(1,163)	(1,893)	(16,550)	(16,550)
Change in risk adjustment for non-financial risk for risk expired	-	(717)	-	-	-	-	(717)
Experience adjustments	(2,448)	-	-	-	-	-	(2,448)
Total changes that relate to current service	(2,448)	(717)	(13,494)	(1,163)	(1,893)	(16,550)	(19,715)
<i>Changes that relate to future service</i>							
Contracts initially recognised in the year	(12,467)	1,122	-	-	11,875	11,875	530
Changes in estimates that adjust the CSM	(2,822)	(785)	3,295	890	(578)	3,607	-
Changes in estimates that do not adjust the CSM	(149)	(25)	-	-	-	-	(174)
Total changes that relate to future service	(15,438)	312	3,295	890	11,297	15,482	356
<i>Changes that relate to past service</i>							
Adjustments to liabilities for incurred claims	647	14	-	-	-	-	661
Total changes that relate to past service	647	14	-	-	-	-	661
Insurance service result	(17,239)	(391)	(10,199)	(273)	9,404	(1,068)	(18,698)
Insurance finance income or expense	63,477	815	5,578	181	1,165	6,924	71,216
Total changes in the statement of comprehensive income	46,238	424	(4,621)	(92)	10,569	5,856	52,518
<i>Cash flows</i>							
Premiums received	217,899	-	-	-	-	-	217,899
Insurance acquisition cash flows	(13,896)	-	-	-	-	-	(13,896)
Claims and other insurance service expenses paid	(90,730)	-	-	-	-	-	(90,730)
Other cash flows	873	-	-	-	-	-	873
Total cash flows	114,146	-	-	-	-	-	114,146
Closing liabilities	1,338,124	10,324	136,042	11,321	34,360	181,723	1,530,171
Closing assets	-	-	-	-	-	-	-
Net closing balance	1,338,124	10,324	136,042	11,321	34,360	181,723	1,530,171

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for contracts not measured under PAA. (continued)

2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	
Opening liabilities	966,344	8,673	147,488	9,728	11,788	169,004	1,144,021
Opening assets	-	-	-	-	-	-	-
Net opening balance	966,344	8,673	147,488	9,728	11,788	169,004	1,144,021
<i>Changes that relate to current service</i>							
CSM recognised for services provided	-	-	(13,240)	(1,100)	(1,327)	(15,667)	(15,667)
Change in risk adjustment for non-financial risk for risk expired	-	(810)	-	-	-	-	(810)
Experience adjustments	(818)	-	-	-	-	-	(818)
Total changes that relate to current service	(818)	(810)	(13,240)	(1,100)	(1,327)	(15,667)	(17,295)
<i>Changes that relate to future service</i>							
Contracts initially recognised in the year	(11,859)	1,261	-	-	10,997	10,997	399
Changes in estimates that adjust the CSM	(4,167)	(493)	331	2,628	1,701	4,660	-
Changes in estimates that do not adjust the CSM	(238)	(92)	-	-	-	-	(330)
Total changes that relate to future service	(16,264)	676	331	2,628	12,698	15,657	69
<i>Changes that relate to past service</i>							
Adjustments to liabilities for incurred claims	278	7	-	-	-	-	285
Total changes that relate to past service	278	7	-	-	-	-	285
Insurance service result	(16,804)	(127)	(12,909)	1,528	11,371	(10)	(16,941)
Insurance finance income or expense	130,921	1,354	6,084	157	632	6,873	139,148
Total changes in the statement of comprehensive income	114,117	1,227	(6,825)	1,685	12,003	6,863	122,207
<i>Cash flows</i>							
Premiums received	189,002	-	-	-	-	-	189,002
Insurance acquisition cash flows	(11,463)	-	-	-	-	-	(11,463)
Claims and other insurance service expenses paid	(80,558)	-	-	-	-	-	(80,558)
Other cash flows	298	-	-	-	-	-	298
Total cash flows	97,279	-	-	-	-	-	97,279
Closing liabilities	1,177,740	9,900	140,663	11,413	23,791	175,867	1,363,507
Closing assets	-	-	-	-	-	-	-
Net closing balance	1,177,740	9,900	140,663	11,413	23,791	175,867	1,363,507

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table provides an analysis of insurance contracts initially recognised in the year:

	Contracts issued		
	Onerous contracts initially recognised in the year	Other contracts	Total
2025			
Insurance acquisition cash flows	1,609	13,740	15,349
Claims payable, expenses and others	23,690	122,203	145,893
Present value of future cash outflows	25,299	135,943	161,242
Present value of future cash inflows	(24,809)	(148,900)	(173,709)
Risk adjustment for non-financial risk	40	1,082	1,122
CSM	–	11,875	11,875
Losses recognised on initial recognition	530	–	530

	Contracts issued		
	Onerous contracts initially recognised in the year	Other contracts	Total
2024			
Insurance acquisition cash flows	1,301	11,375	12,676
Claims payable, expenses and others	13,666	101,171	114,837
Present value of future cash outflows	14,967	112,546	127,513
Present value of future cash inflows	(14,584)	(124,788)	(139,372)
Risk adjustment for non-financial risk	16	1,245	1,261
CSM	–	10,997	10,997
Losses recognised on initial recognition	399	–	399

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(1) Insurance contract liabilities (continued)

The following table details the composition and the fair value of underlying items of the Group's direct participating contracts.

	Fair value	
	As at 31 December 2025	As at 31 December 2024
Assets		
Cash and cash equivalents	20,198	13,706
Financial assets purchased under agreements to resell	7,108	211
Term deposits	154,756	162,871
Financial assets at fair value through profit or loss	317,158	229,374
Debt investments at fair value through other comprehensive income	275,365	320,930
Debt investments at amortised cost	1,804	4,194
Equity investments designated at fair value through other comprehensive income	102	80
Other assets	10,197	10,209
Subtotal	786,688	741,575
Liabilities		
Financial assets sold under agreements to repurchase	77,478	83,207
Other liabilities	5,904	4,732
Subtotal	83,382	87,939
Total	703,306	653,636

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets

The following table shows the reconciliation from the opening to the closing balances of the asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

	Contracts not measured under the PAA				Contracts measured under the PAA				
	Remaining coverage component				Remaining coverage component		Incurred claims component		Total
	Excluding loss recovery component	Loss recovery component	Incurred claims component	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	
2025									
Opening assets	9,579	27	1,121	10,727	37	-	48	-	85
Opening liabilities	-	-	-	-	-	-	-	-	-
Net opening balance	9,579	27	1,121	10,727	37	-	48	-	85
Allocation of reinsurance premiums paid	(1,860)	-	-	(1,860)	(60)	-	-	-	(60)
Recoveries on incurred claims and other incurred reinsurance service expenses	-	(2)	1,286	1,284	-	(1)	37	-	36
Recoveries of losses on onerous group of underlying contracts and reversal of such losses	-	(2)	-	(2)	-	1	-	-	1
Adjustment to recoveries on liabilities for incurred claims related to past service	-	-	187	187	-	-	(1)	-	(1)
Recoveries on insurance service expenses	-	(4)	1,473	1,469	-	-	36	-	36
Net income (expenses) from reinsurance contracts held	(1,860)	(4)	1,473	(391)	(60)	-	36	-	(24)
Finance income or expenses from reinsurance contracts	473	1	-	474	-	-	-	-	-
Total changes in the statement of comprehensive income	(1,387)	(3)	1,473	83	(60)	-	36	-	(24)
Investment components	(843)	-	843	-	(70)	-	70	-	-
Cash flows									
Premiums paid	2,383	-	-	2,383	125	-	-	-	125
Recoveries received from reinsurers	-	-	(2,191)	(2,191)	-	-	(123)	-	(123)
Total cash flows	2,383	-	(2,191)	192	125	-	(123)	-	2
Closing assets	9,732	24	1,246	11,002	32	-	31	-	63
Closing liabilities	-	-	-	-	-	-	-	-	-
Net closing balance	9,732	24	1,246	11,002	32	-	31	-	63

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table shows the reconciliation from the opening to the closing balances of the asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance. (continued)

	Contracts not measured under the PAA				Contracts measured under the PAA				
	Remaining coverage component				Remaining coverage component		Incurred claims component		Total
	Excluding loss recovery component	Loss recovery component	Incurred claims component	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	
2024									
Opening assets	8,737	25	944	9,706	42	1	53	-	96
Opening liabilities	-	-	-	-	-	-	-	-	-
Net opening balance	8,737	25	944	9,706	42	1	53	-	96
Allocation of reinsurance premiums paid	(1,850)	-	-	(1,850)	(68)	-	-	-	(68)
Recoveries on incurred claims and other incurred reinsurance service expenses	-	(6)	1,337	1,331	-	(3)	66	-	63
Recoveries of losses on onerous group of underlying contracts and reversal of such losses	-	7	-	7	-	2	-	-	2
Adjustment to recoveries on liabilities for incurred claims related to past service	-	-	190	190	-	-	(10)	-	(10)
Recoveries on insurance service expenses	-	1	1,527	1,528	-	(1)	56	-	55
Net income (expenses) from reinsurance contracts held	(1,850)	1	1,527	(322)	(68)	(1)	56	-	(13)
Finance income or expenses from reinsurance contracts	1,077	1	-	1,078	-	-	-	-	-
Total changes in the statement of comprehensive income	(773)	2	1,527	756	(68)	(1)	56	-	(13)
Investment components	(768)	-	768	-	(68)	-	68	-	-
<i>Cash flows</i>									
Premiums paid	2,383	-	-	2,383	131	-	-	-	131
Recoveries received from reinsurers	-	-	(2,118)	(2,118)	-	-	(129)	-	(129)
Total cash flows	2,383	-	(2,118)	265	131	-	(129)	-	2
Closing assets	9,579	27	1,121	10,727	37	-	48	-	85
Closing liabilities	-	-	-	-	-	-	-	-	-
Net closing balance	9,579	27	1,121	10,727	37	-	48	-	85

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for reinsurance contracts not measured under PAA.

	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	
2025							
Opening assets	7,975	1,355	-	598	799	1,397	10,727
Opening liabilities	-	-	-	-	-	-	-
Net opening balance	7,975	1,355	-	598	799	1,397	10,727
<i>Changes that relate to current service</i>							
CSM recognised for the year	-	-	-	(12)	(84)	(96)	(96)
Change in risk adjustment for non-financial risk for risk expired	-	(83)	-	-	-	-	(83)
Experience adjustments	(397)	-	-	-	-	-	(397)
Total changes that relate to current service	(397)	(83)	-	(12)	(84)	(96)	(576)
<i>Changes that relate to future service</i>							
Contracts initially recognised in the year	(51)	34	-	-	17	17	-
Changes in estimates that adjust the CSM	370	72	-	(460)	18	(442)	-
Changes in estimates that do not adjust the CSM	(1)	(1)	-	-	-	-	(2)
Changes in loss recovery component and reversal of such changes	-	-	-	-	-	-	-
Total changes that relate to future service	318	105	-	(460)	35	(425)	(2)
<i>Changes that relate to past service</i>							
Adjustment to recoveries on liabilities for incurred claims related to past service	187	-	-	-	-	-	187
Total changes that relate to past service	187	-	-	-	-	-	187
Net expenses from reinsurance contracts held	108	22	-	(472)	(49)	(521)	(391)
Finance income or expenses from reinsurance contracts	366	58	-	24	26	50	474
Total changes in the statement of comprehensive income	474	80	-	(448)	(23)	(471)	83
<i>Cash flows</i>							
Premiums paid	2,383	-	-	-	-	-	2,383
Recoveries received from reinsurers	(2,191)	-	-	-	-	-	(2,191)
Total cash flows	192	-	-	-	-	-	192
Closing assets	8,641	1,435	-	150	776	926	11,002
Closing liabilities	-	-	-	-	-	-	-
Net closing balance	8,641	1,435	-	150	776	926	11,002

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table shows the reconciliation from the opening to the closing balances of fulfilment cash flows and CSM for reinsurance contracts not measured under PAA. (continued)

2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	
Opening assets	5,990	1,277	–	1,712	727	2,439	9,706
Opening liabilities	–	–	–	–	–	–	–
Net opening balance	5,990	1,277	–	1,712	727	2,439	9,706
<i>Changes that relate to current service</i>							
CSM recognised for the year	–	–	–	(25)	(76)	(101)	(101)
Change in risk adjustment for non-financial risk for risk expired	–	(90)	–	–	–	–	(90)
Experience adjustments	(328)	–	–	–	–	–	(328)
Total changes that relate to current service	(328)	(90)	–	(25)	(76)	(101)	(519)
<i>Changes that relate to future service</i>							
Contracts initially recognised in the year	(139)	30	–	–	109	109	–
Changes in estimates that adjust the CSM	1,147	(2)	–	(1,156)	11	(1,145)	–
Changes in estimates that do not adjust the CSM	7	–	–	–	–	–	7
Changes in loss recovery component and reversal of such changes	–	–	–	(1)	1	–	–
Total changes that relate to future service	1,015	28	–	(1,157)	121	(1,036)	7
<i>Changes that relate to past service</i>							
Adjustment to recoveries on liabilities for incurred claims related to past service	190	–	–	–	–	–	190
Total changes that relate to past service	190	–	–	–	–	–	190
Net expenses from reinsurance contracts held	877	(62)	–	(1,182)	45	(1,137)	(322)
Finance income or expenses from reinsurance contracts	843	140	–	68	27	95	1,078
Total changes in the statement of comprehensive income	1,720	78	–	(1,114)	72	(1,042)	756
<i>Cash flows</i>							
Premiums paid	2,383	–	–	–	–	–	2,383
Recoveries received from reinsurers	(2,118)	–	–	–	–	–	(2,118)
Total cash flows	265	–	–	–	–	–	265
Closing assets	7,975	1,355	–	598	799	1,397	10,727
Closing liabilities	–	–	–	–	–	–	–
Net closing balance	7,975	1,355	–	598	799	1,397	10,727

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(2) Reinsurance contract assets (continued)

The following table provides an analysis of reinsurance contracts held initially recognised in the period.

	Reinsurance contracts held		Total
	Contracts purchased with a net gain	Other reinsurance contracts	
2025			
Present value of future cash outflows	(314)	(1,031)	(1,345)
Present value of future cash inflows	415	879	1,294
Risk adjustment for non-financial risk	11	23	34
CSM	(112)	129	17
Total	–	–	–

	Reinsurance contracts held		Total
	Contracts purchased with a net gain	Other reinsurance contracts	
2024			
Present value of future cash outflows	(198)	(1,020)	(1,218)
Present value of future cash inflows	253	826	1,079
Risk adjustment for non-financial risk	8	22	30
CSM	(63)	172	109
Total	–	–	–

15. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(3) Contractual service margin

For insurance contracts where the premium allocation method is not used, the CSM for insurance contracts issued by the Group and reinsurance contracts ceded is expected to be amortised to the income statement over the remaining period as follows:

31 December 2025	Within 1 year	In 1 to 3 years	In 4 to 5 years	Over 5 years	Total
Contracts issued	15,750	28,174	23,590	114,209	181,723
Reinsurance contracts	98	198	181	449	926

31 December 2024	Within 1 year	In 1 to 3 years	In 4 to 5 years	Over 5 years	Total
Contracts issued	14,641	25,855	22,025	113,346	175,867
Reinsurance contracts	120	245	216	816	1,397

16. TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same tax authority. Most of the income taxes shown below are taxes incurred in the PRC.

(1) The amount of income tax charged to the net profit represents:

	For the year ended 31 December	
	2025	2024
Current tax	247	264
Deferred tax	3,989	1,644
Total income tax	4,236	1,908

16. TAXATION (CONTINUED)

(2) The reconciliation between the Group's effective tax rate and the mainly applicable tax rate of 25% in the PRC is as follows:

	For the year ended 31 December	
	2025	2024
Profit before income tax	40,525	28,141
Tax computed at the statutory tax rate in China	10,131	7,035
Effect of different tax rates used by subsidiaries	(5)	(5)
Non-taxable income (i)	(6,184)	(5,345)
Expenses not deductible for tax purposes (i)	160	136
Effect of unrecognised deferred tax assets arising from deductible tax losses	75	71
Use of deductible tax losses of prior years	–	(1)
Adjustments in respect of current tax of previous periods	(3)	17
Others	62	–
Income tax computed at effective tax rate	4,236	1,908

- (i) Non-taxable income mainly includes interest income from government bonds, and dividend income from applicable equity financial assets, etc. Expenses not deductible for tax purposes mainly include those expenses such as supplementary medical insurance, penalties, donations and entertainment expenses that do not meet the criteria for deduction under relevant tax regulations issued by the tax authority.
- (ii) Hong Kong officially implemented the global minimum tax and the Hong Kong minimum top-up tax rules from 1 January 2025, which apply to the Group's subsidiary in Hong Kong. These rules had no material impact on the Group's consolidated financial statements for the year ended 31 December 2025.

16. TAXATION (CONTINUED)

(3) Deferred tax assets and liabilities before and after offsetting are as follows:

	As at 31 December 2025	As at 31 December 2024
Deferred tax assets	41,456	40,248
Deferred tax liabilities	(21,207)	(20,770)
Net deferred tax assets	20,996	19,678
Net deferred tax liabilities	(747)	(200)

(4) Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable income is probable. The amount of deductible unused tax losses for which no deferred tax asset is recognised is as follows:

	As at 31 December 2025	As at 31 December 2024
2025	–	107
2026	105	105
2027	244	244
2028	248	248
2029	285	285
2030	301	–
Total	1,183	989

16. TAXATION (CONTINUED)

(5) The movements in deferred tax assets and deferred tax liabilities during the year are as follows:

	Financial assets	Insurance liabilities	Others	Total
Net deferred tax assets				
As at 1 January 2024	(2,904)	2,916	10,697	10,709
(Charge)/Credit to net profit	(7,970)	(4,854)	11,199	(1,625)
(Charge)/Credit to equity	(8,694)	19,252	36	10,594
As at 31 December 2024	(19,568)	17,314	21,932	19,678
(Charge)/Credit to net profit	(4,338)	(4,719)	5,279	(3,778)
Credit/(Charge) to equity	6,582	(1,721)	235	5,096
As at 31 December 2025	(17,324)	10,874	27,446	20,996
Net deferred tax liabilities				
As at 1 January 2024	(2)	–	(54)	(56)
(Charge)/Credit to net profit	(19)	–	–	(19)
(Charge)/Credit to equity	(125)	–	–	(125)
As at 31 December 2024	(146)	–	(54)	(200)
(Charge)/Credit to net profit	(201)	–	(10)	(211)
(Charge)/Credit to equity	(336)	–	–	(336)
As at 31 December 2025	(683)	–	(64)	(747)

17. OTHER ASSETS

	As at 31 December 2025		
	Book value balance	Provision for impairment	Net book value
Investment clearing account (1)	4,234	–	4,234
Prepaid and deferred expenses	519	–	519
Receivable from off-balance sheet repurchase transactions	874	(874)	–
Asset management fee receivables	191	–	191
Prepaid income tax	39	–	39
Others	1,256	(144)	1,112
Total	7,113	(1,018)	6,095

	As at 31 December 2024		
	Book value balance	Provision for impairment	Net book value
Investment clearing account (1)	8,185	–	8,185
Prepaid and deferred expenses	458	–	458
Receivable from off-balance sheet repurchase transactions	874	(874)	–
Asset management fee receivables	190	–	190
Others	967	(142)	825
Total	10,674	(1,016)	9,658

17. OTHER ASSETS (CONTINUED)

	As at 31 December 2025	As at 31 December 2024
Current	5,722	9,322
Non-current	373	336
Total	6,095	9,658

(1) Investment clearing account

Investment clearing account balance represents unsettled investment receivables in transit as at the end of the reporting period.

18. BORROWINGS

Upon the approval by the former CBIRC and the People's Bank of China, on 11 May 2020, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 13 May 2020, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 3.3% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. The Company has fully redeemed this capital supplementary bond by May 2025.

Upon the approval by the National Administration of Financial Regulation and the People's Bank of China, on 2 November 2023, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 6 November 2023, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 3.4% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 4.4% per annum beginning in the sixth year until the maturity date.

18. BORROWINGS (CONTINUED)

Upon the approval by the National Administration of Financial Regulation and the People's Bank of China, on 18 June 2024, the Company issued 10-year capital supplementary bonds in the inter-bank market, and completed the issuance on 20 June 2024, which were in an aggregate principal amount of RMB10,000 million, and with an interest rate of 2.27% per annum for the first five years. The Company has the right to redeem the bonds partially or wholly at the end of the fifth year. If the Company does not exercise the redemption right or partially exercises the redemption right, the interest rate will increase to 3.27% per annum beginning in the sixth year until the maturity date.

The repayments of principals and interests of the capital supplementary bonds are subordinated to policy liabilities and other liabilities but prior to the Company's equity capital.

The fair value of borrowings as at 31 December 2025 was RMB20,424 million (2024: RMB30,687 million), which are within Level 2 of the fair value hierarchy.

19. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2025	As at 31 December 2024
Payable to the third-party investors of controlled structured entities	9,860	8,549

Payable to the third-party investors of controlled structured entities are the portions owned by the external investors in the consolidated structured entities (asset management plans). Such financial liabilities are designated at fair value upon initial recognition, and all realised or unrealised gains or losses are recognised in net profit.

20. FINANCIAL ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

	As at 31 December 2025	As at 31 December 2024
By market		
Inter-bank market	39,896	42,509
Stock exchange	153,622	129,079
Total	193,518	171,588
By collateral		
Bonds	193,518	171,588

Maturity:

	As at 31 December 2025	As at 31 December 2024
Within 3 months (including 3 months)	193,518	171,588

As at 31 December 2025, bonds with par value of RMB42,226 million (31 December 2024: RMB44,937 million) were pledged as collateral for financial assets sold under agreements to repurchase resulting from repurchase transactions entered into by the Group in the inter-bank market. The collateral is restricted from trading during the period of the repurchase transaction.

For debt repurchase transactions through the stock exchange, the Group is required to deposit certain exchange-traded bonds into a collateral pool and the fair values converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balances of the related repurchase transactions.

As at 31 December 2025, the amount of financial assets deposited in the collateral pool amounted to RMB288,048 million (31 December 2024: RMB259,146 million). The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool in a short period of time under the condition that the value of certain bonds is no less than the balance of the related repurchase transactions.

21. OTHER LIABILITIES

	As at 31 December 2025	As at 31 December 2024
Payables related to asset-backed securities(1)	14,350	–
Salary and welfare payable(2)	5,856	5,315
Investment clearing account	4,302	7,443
Commission and brokerage payable	1,765	1,756
Investment contract liabilities	626	857
Taxes payable other than income tax	485	149
Deferred income	444	457
External suppliers payable	427	379
Repayment payable for non-insurance contracts	188	118
Unrealised output value added tax	177	156
Unallocated receipts and refund	141	184
Construction cost payable	138	136
Security deposits by agent for holding the Company's documents	125	137
Insurance security fund payable	92	61
Payable to the third party investors of controlled structured entities	50	211
Others	1,171	1,114
Total	30,337	18,473
Current	29,152	17,275
Non-current	1,185	1,198
Total	30,337	18,473

(1) The Group securitised a portion of its policy loans by issuing asset-backed securities with an aggregate amount of RMB17,000 million in 2025, each having a term of one year. The Group held all subordinated shares and certain portions of senior shares. The subordinated shares are not transferable until the principal and interest on the senior shares are repaid. As the Group has retained substantially all the risks and rewards of the underlying policy loans, the Group treats these asset funding plans as controlled structured entities. Capital contributions from third party investors after consolidation in the asset-backed securities are classified as other liabilities.

(2) Total remuneration of employees for the year ended December 2025 amounted to RMB6,707 million(for the year ended 2024: RMB6,398 million).

22. SHARE CAPITAL

All shares of the Company issued are fully paid common shares. The par value per share is RMB1.

The Company's number of shares is as follows:

	As at 31 December 2025	As at 31 December 2024
Number of shares registered, issued and fully paid at RMB1 per share (in million)	3,120	3,120

23. RESERVES AND RETAINED EARNINGS

	Reserves					Total	Retained earnings (d)
	Share premium (a)	Other reserve	Other comprehensive income	Surplus reserve (b)	Reserve for general risk (c)		
As at 1 January 2024	23,964	15	(51,093)	21,721	15,216	9,823	92,124
Net profit for the year	-	-	-	-	-	-	26,229
Other comprehensive income	-	-	(30,710)	-	-	(30,710)	-
Others	-	(9)	-	-	-	(9)	-
Dividends paid	-	-	-	-	-	-	(4,337)
Appropriation to reserve	-	-	-	3,318	2,522	5,840	(5,840)
As at 31 December 2024	23,964	6	(81,803)	25,039	17,738	(15,056)	108,176
Net profit for the year	-	-	-	-	-	-	36,284
Other comprehensive income	-	-	(12,457)	-	-	(12,457)	(135)
Others	-	(90)	-	-	-	(90)	-
Dividends paid	-	-	-	-	-	-	(8,298)
Appropriation to reserve	-	-	-	6,012	3,496	9,508	(9,508)
As at 31 December 2025	23,964	(84)	(94,260)	31,051	21,234	(18,095)	126,519

23. RESERVES AND RETAINED EARNINGS (CONTINUED)

(a) Share premium

Share premium represents the excess of the paid-in capital over the par value of shares issued.

(b) Surplus reserve

Surplus reserve consists of the statutory surplus reserve and the discretionary surplus reserve.

(i) Statutory surplus reserve

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of the net profit for the year to the statutory surplus reserve. The Company can cease appropriation when the statutory surplus reserve reaches more than 50% of the registered capital. The statutory surplus reserve can be used to make up losses or increase the Company's share capital upon approval.

The Company appropriated RMB3,492 million for the year ended 31 December 2025 to the statutory surplus reserve (for the year ended 31 December 2024: RMB2,520 million).

(ii) Discretionary surplus reserve ("DSR")

After making necessary appropriations to the statutory surplus reserve, the Company and its subsidiaries in the PRC may also appropriate a portion of their net profit to the DSR upon the approval of the shareholders in general meetings. The DSR may be used to offset accumulated losses, if any, and may be converted into capital.

Approved at the shareholders' general meeting on 28 June 2025, the Company appropriated RMB2,520 million to the DSR. Approved at the shareholders' general meeting on 28 June 2024, the Company appropriated RMB798 million to the DSR.

(c) Reserve for general risk

Pursuant to "Financial Standards of Financial Enterprises – Implementation Guide" issued by the Ministry of Finance of the PRC on 20 March 2007, for the year ended 31 December 2025, the Group appropriated RMB3,496 million to the general reserve for future uncertain disasters, which cannot be used for dividend distribution or share capital increment (for the year ended 31 December 2024: RMB2,522 million).

23. RESERVES AND RETAINED EARNINGS (CONTINUED)

(d) Distributable profit

According to the Articles of Association of the Company, the amount of retained earnings available for distribution of the Company should be the lower of the amount determined under PRC GAAP and the amount determined under IFRS Accounting Standards. Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2025, a final dividend of RMB1.99 per ordinary share (inclusive of tax) totalling RMB6,208 million was declared and paid in 2025. Pursuant to a resolution passed at the shareholders' general meeting on 31 October 2025, an interim dividend of RMB0.67 per ordinary share (inclusive of tax) totalling RMB2,090 million.

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2024, a final dividend of RMB0.85 per ordinary share (inclusive of tax) totalling RMB2,652 million was declared and paid in 2024. Pursuant to a resolution passed at the shareholders' general meeting on 6 November 2024, an interim dividend of RMB0.54 per ordinary share (inclusive of tax) totalling RMB1,685 million.

24. INSURANCE REVENUE

	For the year ended 31 December	
	2025	2024
Contracts not measured under the PAA		
Expected incurred claims and other insurance service expenses	20,105	18,475
CSM recognised for services provided	16,550	15,667
Recovery of insurance acquisition cash flows	9,257	9,174
Change in risk adjustment for non-financial risk for risk expired	717	810
Contracts measured under the PAA	3,668	3,686
Total	50,297	47,812

25. INTEREST INCOME

	For the year ended 31 December	
	2025	2024
Interest income from:		
– Cash and cash equivalents	162	280
– Term deposits	8,845	8,747
– Statutory deposits	52	60
– Debt investments at amortised cost	9,558	10,596
– Debt investments at FVTOCI	13,800	12,161
– Financial assets purchased under agreements to resell	98	73
Total	32,515	31,917

26. OTHER INVESTMENT INCOME

	For the year ended 31 December	
	2025	2024
Fair value gains/(losses)		
– Financial assets at FVTPL	22,121	35,724
– Derivatives financial instruments	–	(6)
– Financial liabilities at FVTPL	(699)	(281)
Net realised gains/(losses)		
– Financial assets at FVTPL	33,277	(3,365)
– Debt investments at FVTOCI	1,711	3,213
– Debt investments at amortised cost	2,376	2,890
– Derivatives financial instruments	9	(5)
Interest income		
– Financial assets at FVTPL	3,710	4,437
Dividend income		
– Financial assets at FVTPL	7,439	7,438
– Equity investments designated at FVTOCI	2,123	1,170
Total	72,067	51,215

27. OTHER INCOME

	For the year ended 31 December	
	2025	2024
Management fee income	296	440
Rental income from investment properties	271	321
Exchange (losses)/gains	(162)	80
Government grants	17	18
Others	250	241
Total	672	1,100

28. INSURANCE SERVICE EXPENSES

	For the year ended 31 December	
	2025	2024
Contracts not measured under the PAA		
Incurred claims and other incurred insurance service expenses	17,657	17,657
Amortisation of insurance acquisition cash flows	9,257	9,174
Losses on onerous groups of contracts and reversal of such losses	356	69
Adjustment to the LIC	661	285
Subtotal	27,931	27,185
Contracts measured under the PAA		
Incurred claims and other incurred insurance service expenses	2,423	2,631
Amortisation of insurance acquisition cash flows	1,004	1,075
Losses on onerous groups of contracts and reversal of such losses	819	824
Adjustment to the LIC	(429)	(140)
Subtotal	3,817	4,390
Total	31,748	31,575

29. NET INVESTMENT INCOME AND INSURANCE FINANCE INCOME AND EXPENSES

	For the year ended 31 December	
	2025	2024
Interest income	32,515	31,917
Other investment income	72,067	51,215
Share of profits and losses of associates and joint ventures	5,659	528
Foreign exchange (losses)/gains	(162)	80
Net impairment losses on financial assets	(3,479)	(3,415)
Net impairment losses on other assets (Note 32)	–	(1,190)
Others	(2,686)	(2,310)
Total investment income recognised in profit or loss	103,914	76,825
Total investment income recognised in OCI	(24,406)	36,049
Total net investment income	79,508	112,874
<i>Insurance finance expenses from insurance contracts issued</i>		
Interest accreted	27,090	22,337
Effect of changes in interest rates and other financial assumptions	8,519	54,106
Changes in fulfilment cash flows and CSM of contracts measured applying VFA due to changes in fair value of underlying items	35,607	62,705
Insurance finance expenses from insurance contracts issued	71,216	139,148
Total insurance finance expenses from insurance contracts issued recognised in profit or loss	78,162	61,185
Total insurance finance (income)/expenses from insurance contracts issued recognised in OCI	(6,946)	77,963
<i>Insurance finance income from reinsurance contracts held</i>		
Interest accreted	(341)	(338)
Effect of changes in interest rates and other financial assumptions	(133)	(740)
Total finance income from reinsurance contracts held	(474)	(1,078)
Total finance income from reinsurance contracts held recognised in profit or loss	(324)	(338)
Total finance income from reinsurance contracts held recognised in OCI	(150)	(740)

30. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	For the year ended 31 December	
	2025	2024
Impairment loss recognised/(reversed) in respect of:		
– Debt investments at amortised cost	1,935	2,425
– Debt investments at FVTOCI	1,557	941
– Term deposits	(19)	19
– Others	6	30
Total	3,479	3,415

31. OTHER EXPENSES

	For the year ended 31 December	
	2025	2024
Commission and brokerage expenses	11,752	9,516
Payroll and welfare	9,108	8,982
Depreciation and amortisation	1,802	1,848
Insurance security fund(i)	668	532
Taxes and surcharges	504	289
Operating lease expenses	336	341
Electronic equipment operation fee	334	348
Audit Fees	20	22
Others	1,719	1,688
Subtotal	26,243	23,566
Minus:		
Amounts attributed to insurance acquisition cash flows	14,890	12,471
Amounts attributed to insurance service expenses	7,658	7,192
Total other expenses	3,695	3,903

- (i) The Group has paid the insurance security fund in accordance with the “Administrative Measures for Insurance Security Fund” (Order no.7 [2022] issued by the former CBIRC, the Ministry of Finance of the PRC and the People’s Bank of China) and the “Notice of the General Office of the China Banking and Insurance Regulatory Commission on Matters related to the Payment of Insurance Protection Fund” (No. 2 [2023] issued by the General Office of the former CBIRC). The fund contribution is equal to the product of the business income and the fund rate, which is equal to the sum of the base rate and the risk differential rate.

32. NET IMPAIRMENT LOSSES ON OTHER ASSETS

	For the year ended 31 December	
	2025	2024
Investments in associates	–	1,190

33. OTHER FINANCE COSTS

	For the year ended 31 December	
	2025	2024
Interest expenses for financial assets sold under agreements to repurchase	2,686	2,310
Interest expenses for the capital supplementary bonds and asset-backed securities	814	839
Interest expenses for lease liabilities	10	17
Total	3,510	3,166

34. NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The net profit attributable to shareholders of the Company for the year ended 31 December 2025 was RMB36,284 million (for the year ended 31 December 2024: RMB26,229 million) which is included in the consolidated financial statements of the Group.

35. EARNINGS PER SHARE

(1) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares issued during the year.

	For the year ended 31 December	
	2025	2024
Net profit for the year attributable to owners of the Company (RMB in million)	36,284	26,229
Weighted average number of ordinary shares issued (in million)	3,120	3,120
Basic earnings per share (RMB)	11.63	8.41

(2) Diluted

The Company has no dilutive potential ordinary shares. Diluted earnings per share are the same as basic earnings per share for the year ended 31 December 2025 (for the year ended 31 December 2024: same).

36. DIVIDENDS

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2025, a final dividend of RMB1.99 per ordinary share (inclusive of tax) totalling RMB6,208 million was declared and paid in 2025. Pursuant to a resolution passed at the shareholders' general meeting on 31 October 2025, an interim dividend of RMB0.67 per ordinary share (inclusive of tax) totalling RMB2,090 million was declared.

Pursuant to a resolution passed at the shareholders' general meeting on 28 June 2024, a final dividend of RMB0.85 per ordinary share (inclusive of tax) totalling RMB2,652 million was declared. Pursuant to a resolution passed at the shareholders' general meeting on 6 November 2024, an interim dividend of RMB0.54 per ordinary share (inclusive of tax) totalling RMB1,685 million was declared.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

(1) Related parties

(a) Subsidiaries

Refer to Note 42 for the basic and related information of subsidiaries.

(b) Associates and joint venture

Refer to Note 10 for the basic and related information of associates and joint venture.

(c) Other related parties

The table set forth below summarises the significant related parties of the Company:

Significant related parties	Relationships
Central Huijin Investment Ltd. ("Huijin")	Shareholder that has significant influence over the Company
China Baowu Steel Group Corporation Limited	Shareholder that has significant influence over the Company
Hwabao WP Fund Management Co., Ltd. ("Hwabao WP Fund")	Company under indirect control of the shareholder that has significant influence over the Company

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Significant transactions with related parties

	For the year ended 31 December	
	2025	2024
Transactions between the Group and other related parties		
– Interest from bonds issued by Huijin	19	22
– Investment income arising from investing fund of Hwabao WP Fund	2	1
Transactions between the Group and its associates		
– Dividends declared from Hangzhou Bank	138	–
– Dividends declared from China Jinmao	33	33
Transactions between the Group and its joint venture		
– Health check and service fee paid to New China Health	16	19
– Rent earned from New China Health	7	8
– Dividends declared from Guofeng Xinghua	1	–
Transactions between the Company and its subsidiaries		
– Investment management fee to Asset Management Company	875	819
– Investment management fee to New China Asset Management (Hong Kong) Co., Ltd. (“Asset Management Company (Hong Kong)”)	189	64
– Additional capital contribution to Xinhua Village Seniors Operation Management (Beijing) Co., Ltd. (“Xinhua Seniors Operation”)	165	30
– Additional capital contribution to Asset Management Company (Hong Kong)	142	–
– Rent and property fee paid to Xinhua Haoran (Beijing) Property Management Co., LTD (“Xinhua Haoran”)	45	41
– Rent paid to Hefei New China Life Supporting Construction Operation Management Co., Ltd. (“Hefei Supporting Operation”)	30	32
– Rent earned from Asset Management Company	24	24
– Conference and training fees paid to Xinhua Yiyue Health Care Industry (Beijing) Co., LTD. (“Xinhua Yiyue Health Care”)	19	9
– IT service fee paid to New China Electronic Commerce Co., Ltd. (“Electronic Commerce”)	16	21
– Rent earned from New China Pension Co., Ltd. (“New China Pension”)	7	7
– Health check fee paid to New China Excellent Rehabilitation Hospital Co., Ltd. (“Rehabilitation Hospital”)	4	3
– Management service fee paid to Guangzhou Yuerong Project Construction Management Co., Ltd. (“Guangzhou Yuerong”)	2	2
– Accommodation fee paid to Xinhua Seniors Operation	2	–
– Management fee for annuity account paid to New China Pension	–	1
– Additional capital contribution to Hefei Supporting Operation	–	210

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Significant transactions with related parties (continued)

The above significant transactions with related parties did not constitute the continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

The investment management fees to Asset Management Company and Asset Management Company (Hong Kong), annuity account management fees paid to New China Pension are calculated based on the negotiated service charge rate and the scale of investments. All other transactions are calculated based on the negotiated price between transaction parties.

(3) Related party balances

	The Group	
	As at 31 December 2025	As at 31 December 2024
Balances with related parties		
Debt investments at FVTOCI		
Huijin	333	649
Other payables		
New China Health	5	4
Other receivables		
New China Health	8	15
	The Company	
	As at 31 December 2025	As at 31 December 2024
Payables to subsidiaries		
Asset Management Company	147	109
Asset Management Company (Hong Kong)	136	12
Electronic Commerce	18	22
Seniors Operation	1	–

No impairment has been made for receivables from related parties as at 31 December 2025 (31 December 2024: nil).

The balances between the Company and its subsidiaries have been eliminated in the consolidated statement of financial position.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(4) Key management’s remuneration

Key management members include directors, supervisors and senior management team members. Key management members’ remuneration incurred by the Company is as follows:

	For the year ended 31 December	
	2025	2024
Payroll and welfare	16	15

The performance bonus for the key management members in 2025 has not yet been finalized and will be separately disclosed later.

(5) Transactions with state-owned enterprises

Under International Accounting Standard 24 (Amendment) (“IAS 24 (Amendment)”) “Related Party Disclosures”, business transactions between state-owned enterprises controlled by the PRC government are within the scope of related party transactions. The Group’s key business is insurance related and therefore, the business transactions with other state-owned enterprises are primarily related to insurance and investment activities. The related party transactions with other state-owned enterprises were conducted in the ordinary course of business. Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. Nevertheless, the Group believes that the following captures the material related parties and has applied the IAS 24 (Amendment) exemption and disclosed only qualitative information.

As at 31 December 2025, most of the bank deposits were with state-owned banks, the issuers of debt financial assets held by the Group were mainly state-owned enterprises; most investments were entrusted to state-owned enterprises. For the year ended 31 December 2025, a large portion of its group insurance business of the Group was with state-owned enterprises; the majority of bancassurance brokerage charges were paid to state-owned banks and postal office; almost all of the reinsurance agreements of the Group were entered into with a state-owned reinsurance company; and most of the bank deposits interest income was from state-owned banks.

38. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities are set out below:

	Financial assets sold under agreements to repurchase	Borrowings	Lease liabilities	Other liabilities -Payables related to asset-backed securities
As at 1 January 2025	171,588	30,384	715	–
Changes from financing cash flows	19,244	(10,897)	(362)	14,222
New leases	–	–	264	–
Interest expenses	2,686	686	10	128
As at 31 December 2025	193,518	20,173	627	14,350

	Financial assets sold under agreements to repurchase	Borrowings	Lease liabilities	Other liabilities -Payables related to asset-backed securities
As at 1 January 2024	106,987	20,262	760	6,487
Changes from financing cash flows	62,291	9,330	(430)	(6,534)
New leases	–	–	368	–
Interest expenses	2,310	792	17	47
As at 31 December 2024	171,588	30,384	715	–

39. CONTINGENCIES

The Group is involved in estimations for contingencies and legal proceedings in the ordinary course of business, including but not limited to, being the plaintiff or the defendant in litigation and arbitration. Legal proceedings mostly involve claims on the Group's insurance policies, other claims, and litigation matters. Provision has been made for probable losses of the Group, including those claims where management can reasonably estimate the outcome of the lawsuits taking into account any legal advice.

No provision has been made for pending assessments, lawsuits or possible violations of contracts when the outcome cannot be reasonably estimated or management believes the probability is low or remote. For these pending lawsuits, management also believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group or any of its subsidiaries.

As at 31 December 2025, except for the items described above and all kinds of estimations and contingencies resulting from insurance services within the scope of this report, the Group had no other significant contingencies that required disclosures.

40. COMMITMENTS

(1) Capital commitments

The Group had capital commitments for the purchase of property, plant and equipment and software, etc. Management confirms that the Group has sufficient future income or funding to fulfil these capital commitments.

	As at 31 December 2025	As at 31 December 2024
Contracted, but not provided for	1,130	1,694
Total	1,130	1,694

(2) Investment commitments

As at 31 December 2025, a total amount of RMB2,214 million was disclosed as investment commitments contracted but not provided for (31 December 2024: RMB3,534 million).

41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of Financial Position of the Company

	31 December 2025	31 December 2024
ASSETS		
Property, plant and equipment	11,189	12,491
Investment properties	11,009	8,728
Right-of-use assets	717	809
Intangible assets	1,316	2,216
Investments in subsidiaries	104,555	53,882
Investments in associates and joint ventures	65,222	29,857
Financial investments		
– Financial assets at fair value through profit or loss	476,887	445,729
– Debt investments at amortised cost	252,346	267,531
– Debt investments at fair value through other comprehensive income	535,620	473,259
– Equity investments designated at fair value through other comprehensive income	36,868	29,765
Term deposits	284,999	273,457
Statutory deposits	732	778
Financial assets purchased under agreements to resell	8,704	3,321
Reinsurance contract assets	11,065	10,812
Deferred tax assets	21,229	19,546
Other assets	4,707	6,534
Cash and cash equivalents	39,397	34,378
Total assets	1,866,562	1,673,093

41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Statement of Financial Position of the Company (continued)

	31 December 2025	31 December 2024
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	1,528,681	1,364,235
Borrowings	20,173	30,384
Lease liabilities	597	678
Financial assets sold under agreements to repurchase	181,915	169,734
Other liabilities	31,126	16,167
Total liabilities	1,762,492	1,581,198
Shareholders' equity		
Share capital	3,120	3,120
Reserves	(20,587)	(15,779)
Retained earnings	121,537	104,554
Total equity	104,070	91,895
Total liabilities and equity	1,866,562	1,673,093

41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	For the year ended 31 December 2025					
	Share Premium	Other Reserves	Other Comprehensive Income	Surplus Reserve	Reserve for General Risk	Total
As at 1 January 2025	23,962	6	(82,488)	25,039	17,702	(15,779)
Other comprehensive income	-	-	(14,222)	-	-	(14,222)
Others	-	(90)	-	-	-	(90)
Appropriation to reserves	-	-	-	6,012	3,492	9,504
As at 31 December 2025	23,962	(84)	(96,710)	31,051	21,194	(20,587)

	For the year ended 31 December 2024					
	Share Premium	Other Reserves	Other Comprehensive Income	Surplus Reserve	Reserve for General Risk	Total
As at 1 January 2024	23,962	15	(50,941)	21,721	15,182	9,939
Other comprehensive income	-	-	(31,547)	-	-	(31,547)
Others	-	(9)	-	-	-	(9)
Appropriation to reserves	-	-	-	3,318	2,520	5,838
As at 31 December 2024	23,962	6	(82,488)	25,039	17,702	(15,779)

42. INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2025 are as follows:

	Place of incorporation/ registration and business	Principal activities	Type of legal entity	Registered share capital	Percentage of equity attributable to the Company	
					Direct	Indirect
Asset Management Company	Beijing, China	Asset management	Limited company	RMB500 million	99.40%	–
Asset Management Company (Hong Kong) (i)	Hong Kong, China	Asset management	Limited company	HKD75 million	60.00%	39.76%
Xinhua Yiyue Health Care	Beijing, China	Service	Limited company	RMB1,843 million	100.00%	–
Xinhua Jiayue Health Care Industry (Beijing) Co., LTD	Beijing, China	Elderly care services and enterprise management	Limited company	RMB964 million	100.00%	–
Xinhua Seniors Operation(ii)	Beijing, China	Service	Limited company	RMB260 million	100.00%	–
Electronic Commerce	Beijing, China	Electronic commerce	Limited company	RMB200 million	100.00%	–
Guangzhou Yuerong	Guangzhou, China	Real estate property investment and management	Limited company	RMB10 million	100.00%	–
Hefei Supporting Operation	Hefei, China	Service	Limited company	RMB3,200 million	100.00%	–
New China Pension	Shenzhen, China	Insurance service	Limited company	RMB5 billion	99.80%	0.20%
Xinhua Yiyue Health Care (Hainan) (iii)	Qionghai, China	Real estate property development and training	Limited company	RMB1,908 million	100.00%	–
Xinhua Haoran	Beijing, China	Real estate lease and property management	Limited company	RMB500 million	100.00%	–
Rehabilitation Hospital	Beijing, China	Medical service	Limited company	RMB170 million	100.00%	–

- (i) In 2025, the Company paid an amount of RMB142 million as capital injection to Asset Management Company (Hong Kong). Up to 31 December 2025, the Company's accumulated capital contributions to Asset Management Company (Hong Kong) achieved RMB182 million.
- (ii) In 2025, the Company paid an amount of RMB165 million as capital injection to Xinhua Seniors Operation. Up to 31 December 2025, the Company's accumulated capital contributions to Xinhua Seniors Operation achieved RMB260 million.
- (iii) Xinhua Yiyue Health Care (Hainan), formerly known as Hainan Seniors, completed the registration of industrial and commercial change on 19 September 2025, and changed the company name.

Except for above mentioned, there was no significant change in investments in subsidiaries for the year ended 31 December 2025.

All subsidiaries of the Company are unlisted, there are no issued share capital or debt securities.

All companies comprising the Group have adopted 31 December as their financial year end date.

42. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the Company's principal controlled structured entities as at 31 December 2025 are as follow:

	Principal activities	Registered/ Committed share capital	Percentage of equity attributable to the Group
Kunhua (Tianjin) Equity Investment Partnership (Limited partnership)	Private equity funds	RMB9,437 million	99.99%
New China Asset Management – Mingyan No.1 Asset Management Product	Asset management plan	RMB5,230 million	31.13%
New China Asset Management – Mingyi No.45 Asset Management Product	Asset management plan	RMB4,783million	100.00%
New China Asset Management – Mingyi No.42 Asset Management Product	Asset management plan	RMB4,782 million	100.00%
New China Asset Management – Mingyi No.44 Asset Management Product	Asset management plan	RMB4,777 million	100.00%
New China Asset Management – Mingyi No.46 Asset Management Product	Asset management plan	RMB4,767 million	100.00%
New China Asset Management – Mingyi No.40 Asset Management Product	Asset management plan	RMB4,744 million	100.00%
New China Asset Management – Mingyi No.37 Asset Management Product	Asset management plan	RMB4,670 million	100.00%
New China Asset Management – Mingyi No.17 Asset Management Product	Asset management plan	RMB3,836 million	100.00%
New China Asset Management – Mingmiao No.2 Asset Management Product	Asset management plan	RMB2,704 million	100.00%
New China Asset Management – Mingmiao No.9 Asset Management Product	Asset management plan	RMB2,238 million	66.18%
New China Asset Management – Mingyi No.27 Asset Management Product	Asset management plan	RMB2,086 million	100.00%
New China-Wanke Wuhan Plant and Equipment Debt Investment Plan	Debt investment plan	RMB2,040 million	100.00%
New China Asset Management – Mingyi No.51 Asset Management Product	Asset management plan	RMB1,801 million	100.00%

42. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Principal activities	Registered/ Committed share capital	Percentage of equity attributable to the Group
New China Asset Management – Mingyi No.52 Asset Management Product	Asset management plan	RMB1,801 million	100.00%
New China Asset Management – Mingyi No.47 Asset Management Product	Asset management plan	RMB1,801 million	100.00%
New China Asset Management – Mingyi No.50 Asset Management Product	Asset management plan	RMB1,800 million	100.00%
New China Asset Management – Mingyi No.43 Asset Management Product	Asset management plan	RMB1,800 million	100.00%
New China Asset Management – Mingyi No.49 Asset Management Product	Asset management plan	RMB1,800 million	100.00%
New China Asset Management – Mingyi No.48 Asset Management Product	Asset management plan	RMB1,800 million	100.00%
New China Asset Management – Mingmiao No.8 Asset Management Product	Asset management plan	RMB1,787 million	56.85%
New China Asset Management – Mingyi No.21 Asset Management Product	Asset management plan	RMB1,787 million	94.54%
New China Asset Management – Mingyi No.12 Asset Management Product	Asset management plan	RMB1,769 million	89.56%
New China Asset Management – Mingyi No.13 Asset Management Product	Asset management plan	RMB1,710 million	99.98%
New China Asset Management – Mingyi No.36 Asset Management Product	Asset management plan	RMB1,621 million	100.00%
New China-Wanke Logistics Infrastructure and Property Debt Investment Plan (Third Phase)	Debt investment plan	RMB1,577 million	100.00%
New China Asset Management – Mingyi No.7 Asset Management Product	Asset management plan	RMB1,571 million	99.15%
New China Asset Management – Mingyi No.24 Asset Management Product	Asset management plan	RMB1,562 million	99.98%
Zhong Ou AMC New China Life High Dividend Strategy Single Asset Management Plan	Asset management plan	RMB1,500 million	100.00%

42. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Principal activities	Registered/ Committed share capital	Percentage of equity attributable to the Group
New China-Urban Construction Development Infrastructure and Property Debt Investment Plan (Second Phase)	Debt investment plan	RMB1,500million	100.00%
New China Asset Management – Mingmiao No.7 Asset Management Product	Asset management plan	RMB1,236 million	53.62%
New China Asset Management – Mingmiao No.5 Asset Management Product	Asset management plan	RMB1,132 million	54.22%
New China-Wanke Kunming Debt Investment Plan (First Phase)	Debt investment plan	RMB1,100 million	100.00%

All subsidiaries and consolidated structured entities are included in the consolidation. There are no significant restrictions on the use of assets or the discharge of liabilities of all subsidiaries and consolidated structured entities. The non-controlling interests of subsidiaries are immaterial to the Group, while the non-controlling interests of consolidated structured entities are recorded in financial liabilities at FVTPL or other liabilities.

The English names of certain subsidiaries represent the best effort made by the management of the Company in translating their Chinese names as they do not have official English names.

43. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

(1) Directors' emoluments

The directors receive compensation in the form of directors' fees, salaries, allowances and benefits in kind, bonuses, pension scheme contributions, employee benefits and others. Bonuses represent the variable components in the directors' compensation which are linked to the performance of the Group and each of the individual directors.

The aggregate amounts of emoluments of directors of the Company for the year ended 31 December 2025 are as follows (in RMB thousands):

Name	2025						Total
	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	
Yucheng Yang	-	1,705	-	208	5	-	1,918
Xingfeng Gong	-	1,311	-	341	9	-	1,661
Sixue Mao (i) (vii)	-	-	-	-	-	-	-
Xingda He (ii) (vii)	-	-	-	-	-	-	-
Qiqiang Li (iii) (vii)	-	-	-	-	-	-	-
Xiaodong Zhang (iv) (vii)	-	-	-	-	-	-	-
Xue Yang (vii)	-	-	-	-	-	-	-
Aimin Hu (vii)	-	-	-	-	-	-	-
Yiu Tim Ma	270	-	-	-	-	-	270
Guanrong Lai (v)	270	-	-	-	-	-	270
Xu Xu	320	-	-	-	-	-	320
Yongqing Guo	320	-	-	-	-	-	320
Zhi Zhuo (vi)	135	-	-	-	-	-	135

During the year, no director waived or has agreed to waive any emoluments.

- (i) The Company held the First Extraordinary General Meeting of 2025 on 10 January 2025, and agreed to elect Ms. Sixue Mao as a non-executive director of the 8th Board of Directors of the Company. Ms. Sixue Mao's qualification was approved by the National Administration of Financial Regulation on 26 March 2025.
- (ii) Resigned as a non-executive director in March 2025.
- (iii) Resigned as a non-executive director in June 2025.
- (iv) The Company held the 2024 Annual General Meeting on 27 June 2025 and agreed to elect Mr. Xiaodong Zhang as a non-executive director of the 8th Board of Directors. On 6 August 2025, Mr. Xiaodong Zhang's qualification for the position of director was approved by the National Administration of Financial Regulation.
- (v) Retired as an independent director upon term expiry in December 2025.
- (vi) The Company held the First Extraordinary General Meeting of 2025 on 10 January 2025, and agreed to elect Mr. Zhi Zhuo as an independent director of the 8th Board of Directors of the Company. Mr. Zhi Zhuo's qualification was approved by the National Administration of Financial Regulation on 5 June 2025.
- (vii) These directors did not receive compensations from the Company.

43. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(1) Directors' emoluments (continued)

The aggregate amounts of emoluments of directors of the Company for the year ended 31 December 2024 are as follows (in RMB thousands):

Name	2024						Total
	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	
Yucheng Yang	–	1,710	–	270	5	–	1,985
Xingfeng Gong (i)	–	1,310	–	222	5	–	1,537
Hong Zhang (ii)	–	1,251	–	184	5	–	1,440
Yi Yang(iii) (iv)	–	–	–	–	–	–	–
Xingda He(iv)	–	–	–	–	–	–	–
Xue Yang(iv)	–	–	–	–	–	–	–
Aimin Hu(iv)	–	–	–	–	–	–	–
Qiqiang Li(iv)	–	–	–	–	–	–	–
Yiu Tim Ma	270	–	–	–	–	–	270
Guanrong Lai	270	–	–	–	–	–	270
Xu Xu	320	–	–	–	–	–	320
Yongqing Guo	320	–	–	–	–	–	320

During the year, no director waived or has agreed to waive any emoluments.

- (i) The Company held the 25th meeting of the 8th Board of Directors on 30 September 2024 and agreed to elect Mr. Xingfeng Gong to serve as the executive director of the 8th Board of Directors of the Company. Approved by the National Administration of Financial Regulation, Mr. Xingfeng Gong has been serving as the President from December 2024.
- (ii) Resigned as executive director, president and all other positions on 30 September 2024.
- (iii) Resigned as non-executive director on 2 December 2024.
- (iv) These directors did not receive compensations from the Company.

43. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(2) Supervisors' emoluments

The aggregate amounts of emoluments of supervisors of the Company for the year ended 31 December 2025 are as follows (in RMB thousands):

Name	2025					Total
	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	
Debin Liu(i)	-	-	-	-	-	-
Jiannan Yu(i)	-	-	-	-	-	-
Chongsong Liu	946	206	303	4	-	1,459
Zhongzhu Wang(i)	-	-	-	-	-	-

(i) These supervisors do not receive compensation from the Company.

The aggregate amounts of emoluments of supervisors of the Company for the year ended 31 December 2024 are as follows (in RMB thousands):

Name	2024					Total
	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions	Employee benefits	Others	
Debin Liu(i)	-	-	-	-	-	-
Jiannan Yu(i)	-	-	-	-	-	-
Chongsong Liu	1,444	745	382	10	-	2,581
Zhongzhu Wang(i)	-	-	-	-	-	-

(i) These supervisors do not receive compensation from the Company.

43. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(3) Five highest paid individuals

For the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group include 0 (for the year ended 31 December 2024: 0) director and the directors' emoluments were reflected in the analysis presented above.

For the year ended 31 December 2025, details of remuneration of the 5 (for the year ended 31 December 2024: 5) highest paid individuals are as follows (in RMB thousands):

	For the year ended 31 December	
	2025	2024
Salaries, allowances and benefits in kind	9,946	8,984
Bonuses	938	883
Pension scheme contributions	2,138	1,940
Employee benefits	40	41
Others	–	–
Total	13,062	11,848

The emoluments of the 5 highest paid individuals fell within the following bands:

	As at 31 December	
	2025	2024
HK\$2,000,001 – HK\$2,500,000	1	3
HK\$2,500,001 – HK\$3,000,000	3	2
HK\$3,000,001 – HK\$3,500,000	–	–
HK\$3,500,001 – HK\$4,000,000	1	–
HK\$4,000,001 – HK\$4,500,000	–	–
HK\$4,500,001 – HK\$5,000,000	–	–

No emoluments have been paid by the Group to the directors, supervisors or highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

44. EVENTS AFTER THE REPORTING PERIOD

Pursuant to a resolution approved at the meeting of the Board of Directors on 27 March 2026, an annual dividend of RMB2.73 per ordinary share (inclusive of tax) totalling RMB8,516 million was proposed, after providing the statutory surplus reserve, discretionary surplus reserve and reserve for general risk. After deducting the interim dividend of RMB0.67 per ordinary share (inclusive of tax), a final dividend of RMB2.06 per ordinary share (inclusive of tax) totalling RMB6,426 million was proposed. The profit distribution plan shall become effective upon the approval of the shareholders' general meeting.

45. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved and authorised for issue by the Board of Directors on 27 March 2026.

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