阳光保险集团
SUNSHINE INSURANCE GROUP

Sunshine Insurance Group Company Limited
陽光保險集團股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6963)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Board of Directors (the "**Board**") of Sunshine Insurance Group Company Limited (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2026. This results announcement, containing the full text of the 2026 interim report of the Company, complied with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") in relation to information to accompany preliminary announcements of interim results.

Both the Chinese and English versions of this results announcement are available on the websites of the Company (www.sinosig.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The Company's 2026 interim report will also be published on the above-mentioned websites of the Company and the Hong Kong Stock Exchange in September 2026, and will be delivered to the holders of H shares who requested the corporate communications of the Company in printed form.

By order of the Board
Sunshine Insurance Group Company Limited
陽光保險集團股份有限公司
DONG Yingqiu
Joint Company Secretary

Hong Kong, August 28, 2026

As at the date of this announcement, the Board of Directors of the Company comprises Mr. ZHANG Weigong, Mr. LI Ke, Mr. PENG Jihai and Mr. WANG Xiaopeng as executive Directors; Mr. CAI Qiwu, Ms. QIAN Yiqun and Mr. HOU Huisheng as non-executive Directors; and Ms. JIA Ning, Mr. WU Xiaoqiu, Mr. HONG Qi, Mr. XU Ying and Mr. DONG Bin as independent non-executive Directors.


阳光保险

Definitions

"Articles of Association"	the articles of association of Sunshine Insurance Group Company Limited
"Board" or "Board of Directors"	the board of Directors of our Company
"Board of Supervisors"	the board of Supervisors of our Company
"CBIRC"	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), a regulatory authority formed via the merger of CBRC and CIRC according to the Notice of the State Council regarding the Establishment of Organizations (國務院關於機構設置的通知) (Guo Fa [2018] No. 6) issued by the State Council on March 24, 2018, and, if the context requires, includes its predecessors, namely CBRC and CIRC
"CBRC"	China Banking Regulatory Commission (中國銀行業監督管理委員會), which was merged with the CIRC to form CBIRC according to the Notice of the State Council regarding the Establishment of Organizations (國務院關於機構設置的通知) (Guo Fa [2018] No. 6) issued by the State Council on March 24, 2018
"China" or "PRC"	the People's Republic of China, for the purpose of this report and for geographical reference only and except where the context requires, references in this report to "China" or "PRC" do not include Hong Kong, Macau and Taiwan
"CIRC"	China Insurance Regulatory Commission (中國保險監督管理委員會), which was merged with the CBRC to form the CBIRC according to the Notice of the State Council regarding the Establishment of Organizations (國務院關於機構設置的通知) (Guo Fa [2018] No. 6) issued by the State Council on March 24, 2018
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a joint stock company established on June 27, 2007 under the laws of the PRC with limited liability, and if the context requires, includes its predecessors prior to the incorporation of the Company
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

"Director(s)"	the director(s) of our Company
"Domestic Unlisted Shares"	ordinary shares in the share capital of our Company with nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC natural persons or entities established under PRC laws
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we" or "us"	our Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with nominal value of RMB1.00 each, which have been listed and traded on the Hong Kong Stock Exchange with effect from December 9, 2022
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Offer Shares"	the 14,501,000 H Shares offered by the Company for subscription pursuant to the Hong Kong Public Offering
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the offer price on the terms and conditions described in the Prospectus, as further described in the section headed "Structure of the Global Offering" in the Prospectus
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"International Offer Shares"	the 1,135,651,500 H Shares offered by our Company pursuant to the International Offering
"International Offering"	the offer of the International Offer Shares by the international underwriters at the offer price outside the United States to non-US persons in offshore transactions in accordance with Regulation S, as further described in "Structure of the Global Offering" in the Prospectus
"Latest Practicable Date"	August 28, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication

Definitions

"Listing"	listing of our H Shares on the Main Board
"Listing Date"	the date of December 9, 2022, on which dealings in our H Shares first commence on the Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Macau"	the Macau Special Administrative Region of the People's Republic of China
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"National Financial Regulatory Administration"	the National Financial Regulatory Administration (國家金融監督管理總局), a regulatory authority formed on the basis of the former CBIRC according to the Notice of the State Council regarding the Establishment of Organizations (國務院關於機構設置的通知) (Guo Fa [2023] No. 5) issued by the State Council on March 20, 2023, and if the context requires, includes its predecessor (i.e. CBIRC)
"Prospectus"	the prospectus of the Company dated November 30, 2022 issued in connection with the Global Offering and the Listing
"Regulation S"	Regulation S under the US Securities Act
"Reporting Period"	for the six months ended June 30, 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC. The currency for the amounts included in this report, unless otherwise stated, is RMB
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares(s) in the capital of our Company with a nominal value of RMB1.00 each

"Shareholder(s)"	holder(s) of the Share(s)
"State Council"	the State Council of the People's Republic of China (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Sunshine AMC"	Sunshine Asset Management Corporation Limited (陽光資產管理股份有限公司), a joint stock company established on December 4, 2012 under the laws of the PRC with limited liability, in which the Company directly and indirectly held approximately 80% equity interest as at the Latest Practicable Date
"Sunshine AMC (HK)"	Sunshine Asset Management (HK) Limited (陽光資產管理(香港)有限公司), a company with company registration completed on January 22, 2021 in Hong Kong with limited liability, in which Sunshine AMC and Sunshine Life held 75% and 25% equity interest, respectively, as at the Latest Practicable Date
"Sunshine Life"	Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司), a joint stock company established on December 17, 2007 under the laws of the PRC with limited liability, in which the Company held 99.9999% equity interest as at the Latest Practicable Date
"Sunshine P&C"	Sunshine Property and Casualty Insurance Company Limited (陽光財產保險股份有限公司), a joint stock company established on July 28, 2005 under the laws of the PRC with limited liability, in which the Company held approximately 100% equity interest as at the Latest Practicable Date
"Sunshine Surety"	Sunshine Surety Insurance Company Limited (陽光信用保證保險股份有限公司), formerly known as Sunshine Yurong Credit and Guarantee Insurance Company Limited (陽光渝融信用保證保險股份有限公司), a joint stock company established on January 11, 2016 under the laws of the PRC with limited liability, in which the Company held approximately 87.33% equity interest as at the Latest Practicable Date
"Supervisor(s)"	the member(s) of our Board of Supervisors
"US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "US dollars"	US dollars, the lawful currency of the United States

Corporate Information

REGISTERED NAME

Legal Chinese Name:

陽光保險集團股份有限公司

Abbreviation in Chinese:

陽光保險

Legal English Name:

Sunshine Insurance Group Company Limited

Abbreviation in English:

SUNSHINE INS

REGISTERED OFFICE

3001-3008, Sunshine Insurance Building
No. 66 Lanzhi 2nd Road
Haizhu Community, Yuehai Street, Nanshan District
Shenzhen, PRC
(Postal code: 518054)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

CLASS OF SHARES

H Shares

STOCK NAME

SUNSHINE INS

STOCK CODE

6963

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

WEBSITE

www.sinosig.com

INVESTOR RELATIONS DEPARTMENT

The Securities Affairs Department
Telephone: (8610) 5828 9818
E-mail: ir@sinosig.com

LEGAL REPRESENTATIVE

Mr. ZHANG Weigong

SECRETARY TO THE BOARD

Mr. NIE Rui

AUTHORIZED REPRESENTATIVES

Mr. PENG Jihai
Mr. DONG Yingqiu
(Mr. DONG Yingqiu was appointed on August 28, 2026, and Mr. SHU Gaoyong has resigned on August 28, 2026)

JOINT COMPANY SECRETARIES

Mr. DONG Yingqiu
(Mr. DONG Yingqiu was appointed on August 28, 2026, and Mr. SHU Gaoyong has resigned on August 28, 2026)
Mr. LAU Kwok Yin

AUDITOR

Ernst & Young
(Certified Public Accountants and Registered Public Interest Entity Auditor)

HONG KONG LEGAL ADVISOR

Clifford Chance

PRC LEGAL ADVISOR

Commerce & Finance Law Offices

UNIFIED SOCIAL CREDIT CODE

91440300664161245Y

Results Highlights

Unit: RMB in millions, except for percentages

	June 30, 2026/ January – June 2026	December 31, 2025/ January – June 2025	Increase/ decrease
Total assets	**702,834**	673,339	4.4%
Total liabilities	**640,963**	608,602	5.3%
Total equity	**61,871**	64,737	(4.4%)
Net assets per share (RMB/share)[(1)]	**4.81**	5.06	(4.9%)
Insurance revenue	**32,355**	32,441	(0.3%)
GWPs	**90,906**	80,814	12.5%
Net profit	**4,831**	3,481	38.8%
Net profit attributable to equity owners of the parent	**4,694**	3,389	38.5%
Earnings per share (RMB/share)[(1)]	**0.41**	0.29	38.5%
Weighted average return on equity[(2)]	**8.3%**	5.7%	2.6pt

Note 1: Based on the data attributable to equity owners of the Company. The percentage of increase or decrease in earnings per share and net assets per share is calculated based on the data before rounding.

Note 2: Weighted average return on equity equals to net profit attributable to equity owners of the parent divided by the weighted average net assets attributable to equity owners of the parent.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

BUSINESS OVERVIEW

In the first half of 2026, the Company adhered to the development keynote of "stability first, seeking advancement", upheld the entrepreneurial spirit, firmly grasped the development opportunity, thoroughly advanced the "New Sunshine Strategy", and focused on strengthening the building of core capabilities, thereby achieving steady and balanced growth in overall operations and recorded effective results in serving national strategy and fulfilling social responsibilities. As a result, the quality and efficiency of the development of the Company was constantly improved, and the comprehensive development capabilities were continuously enhanced.

In terms of value-oriented development, Sunshine Life took the high-quality development as the main line, deepened the refined management of profit source and the linkage management of assets and liabilities, persisted in coordinated development of multiple business lines, adhered to dual driver of individual insurance and bancassurance, thoroughly promoted the development strategy of "One Body, Two Wings", enhanced the development of sales force, and continued to improve the capacities of the team and optimized the quality and structure of the team. Sunshine P&C leveraged the "Mortality Table Project" as the driver, and constantly enhanced the capabilities in risk pricing, resource allocation and cost management, thereby effectively improving the level of refined management and intelligent operation and constantly strengthening the momentum of high-quality development. In terms of asset management, we upheld the investment philosophy of long-term investment and value-oriented investment, continued to deepen the linkage management of assets and liabilities, and strove to realize stable returns that can withstand market cycles amidst the complicated and ever-changing market environment. Meanwhile, leveraging the advantages of patient capital, we promoted the alignment of asset allocation direction in line with national strategic needs, continuously enhanced the ability to serve the real economy with a focus on "five priorities" in financial sector, achieving long-term value in supporting the modernization with Chinese characteristics and consolidating the foundation for high-quality development of the Company.

In terms of customer management, the Company was guided by accurate insight and meeting the differentiated needs of customers throughout their life cycle, striving to build a closed loop of customer management in which sales, products and services are coordinated. On the sales side, the Company built a professional team of "all-in-one, whole-life-cycle services", reshaped the "Five-Step Method for Customer Management" and enhanced the customer management capabilities. On the product side, the Company continued to enrich and optimize the offerings system with distinctive Sunshine characteristics to accurately match the needs of different customer groups. On the service side, the Company took the service principles of "love, attentiveness and thoughtfulness (三心)" and the service standards of "value, characteristics, practicality and usability (四性)" as the benchmarks to create a whole-process and differentiated service system, and strove to improve the customer satisfaction and sense of acquisition.

In terms of scientific and technological innovation, the Company focused on the medium and long-term development goals of science and technology, and further promoted digital and intelligent transformation with "robot engineering" and "data engineering" as the core drivers. The Company continued to promote the "robot engineering", focusing on 26 core business scenarios to promote the implementation of intelligence, and the effectiveness of various robot applications continued to emerge, empowering the whole chain of sales, services and management. The Company steadily implemented the "data engineering", established and implemented an integrated planning and supporting operation mechanism covering data collection, database construction and data application, and deeply integrated 20 strategic data engineering projects into key business areas, accelerating the release of data value.

(I) Results of operations

In the first half of 2026, the Company adhered to the value-oriented development, and achieved stable growth in operating results. The gross written premiums ("**GWPs**") were RMB90.91 billion, representing a year-on-year increase of 12.5%, and the insurance revenue was RMB32.36 billion, basically remaining stable year-on-year. The net profit attributable to equity owners of the parent was RMB4.69 billion, representing a year-on-year increase of 38.5%. The embedded value of the Group was RMB129.43 billion, an increase of 7.2% from the end of the previous year. As at the end of June 2026, the Group had 32.127 million active customers[1].

We attached equal importance to the operation of life insurance[2] business and team building, continuously consolidating the foundation for high-quality development.

- The GWPs were RMB67.16 billion, representing a year-on-year increase of 21.1%; the first-year regular premiums were RMB13.6 billion, representing a year-on-year increase of 22.0%; the value of new business was RMB4.66 billion, representing a year-on-year increase of 16.4%; the contractual service margin was RMB61.45 billion, up 6.7% from the end of the previous year;

- The coordinated efforts of diversified business lines led to stable growth in value and profit. We comprehensively strengthened the profit resource management and the linkage management of assets and liabilities, and constantly optimized profit resource structure. We continued to enrich the product matrix and service system with Sunshine characteristics, thereby constantly enhancing the customer management capacities;

- The quality and structure of the sales forces improved significantly, and the productivity of the team increased steadily. The productivity per active agent of individual insurance amounted to RMB37 thousand, representing a year-on-year increase of 31.3%.

Note 1: The active customers refer to the applicants and insureds who hold at least one valid insurance policy at the statistical reference date, excluding free policies. In the event that the applicants and insureds are the same person, they shall be deemed as one customer. The number of customers of subsidiaries does not add up to the total number of customers of the Group because of the de-duplication process for customers who purchase multiple products.

Note 2: Life insurance business refers to the business of Sunshine Life.

Management Discussion and Analysis

The structure of property and casualty insurance[1] business was continuously optimized with steady enhancement in profitability.

- The original premium income (OPI) was RMB23.62 billion, representing a year-on-year decrease of 6.5%, primarily due to the company's cessation of new financing-type guarantee insurance business starting from 2026. The OPI excluding guarantee insurance was RMB24.01 billion, representing a year-on-year increase of 5.3%;

- The structure of automobile insurance was continuously optimized. The proportion of household auto premiums was 66.6%, representing a year-on-year increase of 1.3 percentage points; the proportion of new energy vehicle premiums was 14.1%, representing a year-on-year increase of 2.8 percentage points. The proportion of non-automobile insurance premiums excluding guarantee insurance was 48.7%, representing a year-on-year increase of 3.5 percentage points;

- Net profit amounted to RMB0.8 billion, representing a year-on-year increase of 55.1%. The underwriting combined ratio[2] was 98.7%, representing a year-on-year decrease of 0.1 percentage point; the underwriting profit[3] was RMB0.31 billion, representing a year-on-year increase of 8.3%.

In terms of asset management, the Company insisted on long-term value investment and strove to effectively cross the market cycle.

- Adhering to the concept of long-term value investment, the Company continuously optimized the allocation of strategic assets based on the matching of assets and liabilities and by focusing on the characteristics of liabilities and income targets. Facing the complicated and changeable market environment, the Company solidified strategic portfolio holdings by relying on the advantages of patient capital, deeply cultivated high-quality assets and core tracks from a long-term perspective, and focused on long-term value returns. The asset quality remained stable and the portfolio became more resilient. The Group's total investment assets reached RMB667.76 billion, the total investment income in the first half amounted to RMB12.43 billion, and the comprehensive investment income reached RMB4.51 billion, while the annualised total investment yield was 3.6%, and the annualised comprehensive investment yield was 2.3%;

- The Company continued to strengthen the innovation of products and strategies, optimized the business development structure, further improved the diversified asset and multi-strategy product system, strengthened customer value recognition with precisely adapted solutions, and continuously improved the development resilience of the three-party businesses. The AMC achieved the assets under management ("**AUM**") entrusted by third parties amounting to RMB191.02 billion.

Note 1: Property and casualty insurance business refers to the business of Sunshine P&C.

Note 2: Underwriting combined ratio under the New Accounting Standards for Insurance Contracts = (insurance service expenses + (allocation of reinsurance premiums paid – amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in premium reserves)/insurance revenue.

Note 3: Under the New Accounting Standards for Insurance Contracts, underwriting profit = insurance revenue – insurance service expenses– allocation of reinsurance premiums paid + amount recovered from reinsurer – net insurance finance expenses for insurance contracts issued + net reinsurance finance income for reinsurance contracts held – changes in premium reserves.

We served the overall situation of development, enhanced people's livelihood and well-being and promoted green transformation.

- **We supported the real economy and served the national strategy.** In the first half of 2026, we delivered RMB35 trillion in the risk coverages of the real economy, with an investment balance of over RMB520 billion. We made precise efforts to focus on solutions to alleviate challenges faced by small and micro enterprises, delivering nearly RMB12 trillion in their risk coverages. We deeply focused on the rural revitalization, and the comprehensive coverage of agricultural insurance, agriculture-related insurance and rural personal insurance amounted to RMB74.2 billion. We consolidated the "strong foundation" of food security, activated the new momentums of rural industries, and wove a dense health protection net for farmers. We continued to expand the coverage and improve the efficiency for the social equity, and precisely extended multi-level insurances including critical illness insurance, "Huiminbao (惠民保)" long-term care insurance and poverty prevention insurance to demographic groups including new urban residents, persons with disabilities and elderly populations, providing nearly RMB16 trillion in inclusive protection with 95.37 million beneficiaries and approximately RMB860 million in claims, which brought the warmth of to those in need in a tangible and accessible manner. We actively integrated into the high-level opening-up pattern, providing risk coverage of RMB108.9 billion for 427 "Belt and Road Initiative" projects across 47 partner countries and regions. We significantly enhanced our insurance empowerment for the technology finance sector, providing approximately RMB1.3 trillion in special comprehensive coverage of technology insurance spanning the whole cycle including research and development breakthroughs, achievement transformation and industrialization promotion, so as to help the innovation chain to deeply integrate with the industrial chain with insurance "catalyst".

- **We upheld a strong commitment to people's wellbeing and worked together to build harmonious communities.** We actively participated in philanthropy and charity. In the first half of 2026, we mobilized 6,085 volunteers, with a total of 14,428 hours for voluntary service. As of the end of June 2026, we built 79 "Universal Love (博愛)" schools in 25 provincial administrative regions across the country, lighting up hope for rural education, and trained a total of 24,335 rural doctors through the continuous promotion of the "Plan to Promote Competence of 10,000 Rural Doctors (萬名村醫能力提升計劃)". We sincerely cared for our employees and agents, with an accumulated amount of RMB730 million paid for parent-supporting subsidies and benefiting more than 70,000 parents of employees, enabling the responsibility of "everyone" to support the safety and stability of "small families".

Management Discussion and Analysis

- **We practiced the green concept and promoted low-carbon transformation.** We integrated the green concept throughout the entire insurance investment chain, and strove to seize transformation opportunities in a dual-engine approach. We continued to enrich our green products. In the first half of 2026, we provided nearly RMB8.2 trillion of green insurance coverage for 3.36 million corporate and individual clients, driving risk mitigation across low-carbon industries and ecological conservation. On the investment side, we actively increased allocations to green industries and green upgrading initiatives of traditional industries, with our sustainable investment balance exceeding RMB70 billion, including over RMB22 billion allocated specifically to certified green projects, and guided resources to lean towards low-carbon and high-efficiency areas with capital strength. At the operation level, we encouraged all employees to practice green office initiatives, continued to strengthen workplace energy conservation and emission reduction measures, and implemented digital services to replace offline processes, steadily increasing online coverage, effectively reducing carbon footprint, and writing a long-term answer to green development with practical actions.

(II) Key financial indicators

Unit: RMB in millions, except for percentages

	June 30, 2026/ January – June 2026	December 31, 2025/ January – June 2025	Increase/ decrease
Total assets	**702,834**	673,339	4.4%
Total liabilities	**640,963**	608,602	5.3%
Total equity	**61,871**	64,737	(4.4%)
Equity attributable to owners of the parent	**55,337**	58,201	(4.9%)
Total revenues	**46,305**	45,119	2.6%
Net profit	**4,831**	3,481	38.8%
Net profit attributable to equity owners of the parent	**4,694**	3,389	38.5%
Earnings per share (RMB/share)(1)	**0.41**	0.29	38.5%
Weighted average return on equity(2)	**8.3%**	5.7%	2.6pt

Note 1: Based on the data attributable to equity owners of the Company. The percentage of increase or decrease in earnings per share is calculated based on the data before rounding.

Note 2: Weighted average return on equity equals net profit attributable to equity owners of the parent divided by the weighted average net assets attributable to equity owners of the parent.

(III) Other financial and business data

Unit: RMB in millions, except for percentages

	June 30, 2026/ January – June 2026	December 31, 2025/ January – June 2025	Increase/ decrease
The Group			
Insurance revenue	32,355	32,441	(0.3%)
Insurance service expenses	28,250	28,253	0.0%
Investment assets	667,762	640,195	4.3%
Net investment yield (annualised)(1)(4)(5)	3.1%	3.8%	(0.7pt)
Total investment yield (annualised)(2)(4)(5)	3.6%	4.0%	(0.4pt)
Comprehensive investment yield (annualised)(3)(4)(5)	2.3%	5.1%	(2.8pt)
Sunshine Life			
Insurance revenue	8,880	8,627	2.9%
Insurance service expenses	5,346	4,973	7.5%
Contractual service margin	61,452	57,617	6.7%
Sunshine P&C			
Insurance revenue	23,447	23,753	(1.3%)
Insurance service expenses	22,857	23,218	(1.6%)
Underwriting combined ratio(6)	98.7%	98.8%	(0.1pt)

Note 1: Net investment income consists of interest revenue from fixed-income financial assets, dividend income from equity financial assets, operating lease income from investment properties, share of profits and losses of associates and joint ventures, interest revenue from securities purchased under agreements to resell and interest revenue from demand deposits.

Note 2: Total investment income refers to the sum of net investment income, realised gains and gains or losses from fair value changes, less impairment losses on investment assets.

Note 3: Comprehensive investment income refers to the sum of total investment income, changes in the fair value of financial assets at fair value through other comprehensive income, and share of other comprehensive income of associates and joint ventures. It excludes the RMB4.09 billion changes in the fair value of debt instruments at fair value through other comprehensive income for Sunshine Life for the period from January to June 2026.

Note 4: In the calculation of net, total, and comprehensive investment yield, average investment assets used as the denominator are calculated with reference to the Modified Dietz method, excluding fair value changes in debt instruments classified under FVOCI for Sunshine Life, and deducting securities sold under agreements to repurchase from the denominator.

Note 5: In the calculation of the annualised investment yield, only the interest revenue from fixed-income financial assets, dividend income from equity financial assets, operating lease income from investment properties, share of profits and losses of associates and joint ventures, interest revenue from securities purchased under agreements to resell, interest revenue from demand deposits and other items of net investment income have been annualised.

Note 6: Underwriting combined ratio = (insurance service expenses + (allocation of reinsurance premiums paid – amount recovered from reinsurers) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in premium reserves)/insurance revenue.

Management Discussion and Analysis

Unit: RMB in millions, except for percentages

	June 30, 2026/ January – June 2026	December 31, 2025/ January – June 2025	Increase/ decrease
Embedded value of the Group	**129,428**	120,780	7.2%
Sunshine Life's value of half year's new business	**4,664**	4,008	16.4%
Comprehensive solvency ratio (%)(1)			
– The Group	**185**	196	(11pt)
– Sunshine Life	**161**	170	(9pt)
– Sunshine P&C	**241**	237	4pt

Note 1: The minimum regulatory requirement for comprehensive solvency ratio is 100%.

(IV) Main items on consolidated statements with change of over 30% and reasons

Unit: RMB in millions, except for percentages

Balance sheet items	June 30, 2026	December 31, 2025	Change	Major reasons
Financial assets at amortised cost	**27,731**	8,108	242.0%	Increase in allocation of bonds
Securities purchased under agreements to resell	**31,803**	5,436	485.0%	For liquidity management purposes
Securities sold under agreements to repurchase	**15,070**	27,661	(45.5%)	For liquidity management purposes
Reserves	**7,759**	17,204	(54.9%)	Combined impact of changes in the fair value of financial assets and insurance finance movements arising from insurance contracts

Unit: RMB in millions, except for percentages

Income statement items	January – June 2026	January – June 2025	Change	Major reasons
Share of profits and losses of associates and joint ventures	**157**	261	(39.8%)	Mainly due to the change in net profit of certain associates
Expected credit losses	**(163)**	(474)	(65.6%)	The decrease in credit impairment losses on financial assets
Finance costs	**(352)**	(556)	(36.7%)	Mainly due to the maturity of bonds payable

Management Discussion and Analysis

ANALYSIS OF INTERIM RESULTS

Life Insurance

(I) Business Analysis

In the first half of 2026, Sunshine Life adhered to the requirement of high-quality development, advanced the capability building on all fronts, comprehensively enhanced value-based refined management, continued to improve the integrated ecosystem of "products + services", and strengthened the intelligent and innovative application of data. As a result, the company's operation maintained stable while improving quality, and the value contribution achieved steady growth.

In the first half of 2026, Sunshine Life recorded the GWPs of RMB67.16 billion, representing a year-on-year increase of 21.1%; the value of new business was RMB4.66 billion, representing a year-on-year increase of 16.4%.

1. Business Operation

In the first half of 2026, Sunshine Life deepened its diversified development strategy, adhered to the "dual driver of individual insurance and bancassurance", precisely matched the needs of customers with differentiated models, promoted the steady growth of business through multi-channels, and further enhanced the resilience of its value development.

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Individual insurance business	**18,520**	**15,341**	**20.7%**
First-year premiums	**5,761**	3,437	67.6%
Renewal premiums	**12,759**	11,904	7.2%
Bancassurance business	**44,681**	**35,436**	**26.1%**
First-year premiums	**23,613**	12,873	83.4%
Renewal premiums	**21,068**	22,563	(6.6%)
Other business(1)	**3,959**	**4,663**	**(15.1%)**
GWPs	**67,160**	**55,440**	**21.1%**
First-year premiums	**31,078**	19,008	63.5%
Renewal premiums	**36,082**	36,432	(1.0%)

Note 1: Other business includes the group insurance, telemarketing, online sales, and insurance agencies and insurance brokers.

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Life insurance	62,097	49,437	25.6%
– Traditional	37,081	42,652	(13.1%)
– Participating	24,928	6,695	272.3%
– Universal	88	90	(2.2%)
Accident insurance	198	229	(13.5%)
Health insurance	4,865	5,774	(15.7%)
GWPs	**67,160**	**55,440**	**21.1%**

(1) Individual insurance business

The individual insurance sector firmly advanced high-quality development and transformation, strengthened "One Body, Two Wings" strategy, enhanced the building of customer management capabilities, implemented the standardized operating process of the "Five-Step Method for Customer Management", upgraded the tiered management and training system for the team, and improved operational efficiency. In the first half of 2026, the GWPs amounted to RMB18.52 billion, a year-on-year growth of 20.7%. Among this, the first-year regular premiums amounted to RMB4.62 billion, a year-on-year increase of 60.0%.

Strengthened "One Body, Two Wings". In terms of the traditional mode, we consolidated foundational management practices and improved the operational efficiency of grassroots branches. We deepened the diversified product + service strategy, accelerated the transformation of products towards participating insurance, and reinforced the foundation of the "three/five/seven" full-product sales, achieving optimization of the customer structure. In terms of the elite mode, we remained committed to building an elite team deeply suited to urban customer base, strengthened tiered operations and refined services of the customer base, and drove continuous growth in team productivity. In terms of the worksite mode, based on the differentiated needs of various industries, we steadily expanded B2B partnership, continuously refined the standardized project operation system, and drove improvements in B2C customer management effectiveness.

Management Discussion and Analysis

Enhanced team development. We accelerated the transformation of the team towards "being youthful, knowledge-based, professional", raised the recruitment standards, and launched "Agent Selection System" to enhance the accuracy of selections, achieving significant improvement in the quality and structure of the team. In the first half of 2026, the proportion of the new sales force with a bachelor's degree increased by 8.3 percentage points year-on-year. We upgraded team cultivation system, implemented tiered management for the team, and enhanced the professional capacities of the team, thereby continuously enhancing the productivity per agent. In the first half of 2026, the productivity per active agent increased by 31.3% year-on-year. Meanwhile, we adhered to the development of elite team with high standards. We implemented tiered recruitment and diversified recruitment, and enhanced the cultivation of outstanding investment adviser and the leader of the team. In the first half of 2026, the proportion of the elite team with a bachelor's degree or above was 58.6%, representing a year-on-year increase of 9.6 percentage points, and the productivity per active agent[1] of the elite team amounted to RMB71 thousand, representing a year-on-year increase of 30.8%.

(2) Bancassurance business

The bancassurance sector has always been committed to the main focus of value-driven development, continuously enhanced the core capacities, and created new competitive advantages. In terms of channel management, we adhered to the diversified layout, consolidated the foundation of the advantageous channels, accelerated the expansion of new strategic channels, promoted the joint development of ecosystem of branches and outlets and team, and strengthened channel-partner engagement. In terms of team development, we continuously optimized the team structure, enhanced the fundamental management, improved the professional training system, implemented the tiered management for the team, and promoted the constant growth of the team. In terms of collaboration of products and services, based on the needs of various channels and customers, we strengthened the rapid response mechanism for products, intensified the efforts on construction of distinctive service brands, and improved the products and services matrix covering all categories and multiple grades. In the first half of 2026, the bancassurance business demonstrated steady growth. The GWPs amounted to RMB44.68 billion, a year-on-year growth of 26.1%, of which, the first-year premiums amounted to RMB23.61 billion, a year-on-year growth of 83.4%. The productivity per active agent[2] amounted to RMB154 thousand.

Note 1: The productivity per active agent of individual insurance refers to the ratio of average monthly first-year standard premiums in the reporting period to average monthly active agents; the standard for active agents of the individual insurance business refers to the agents whose first-year regular standard premiums in current month are not less than RMB1,000.

Note 2: The productivity per active agent of bancassurance refers to the ratio of average monthly first-year regular standard premiums in the reporting period to average monthly active agents; the standard for active agents of the bancassurance business refers to the agents whose first-year regular standard premiums in the current month are greater than RMB0.

(3) Other business

Group insurance, telemarketing, online sales, and brokerage business actively explored and made innovation in customer management models. Group insurance comprehensively upgraded the corporate customer service system in terms of products, services and customer satisfaction. Relying on the rapid response of products, the upgrade of service system and the empowerment of digital technology, online sales and telemarketing continued to enhance the value contribution capabilities. In the first half of 2026, the GWPs amounted to RMB3.96 billion. Among this, the first-year premiums amounted to RMB0.64 billion, a year-on-year growth of 7.5%, maintaining a stable growth trend.

2. *Customer Management*

In 2026, guided by the "Caring Sunshine" strategy, Sunshine Life reshaped the business closed-loop of sales, products and services to improve the capabilities of serving customers throughout the full lifecycle, and the management of mid-to-high-end customers improved steadily. The number of customers with in-force policies of first-year standard premiums of RMB150,000 and above increased by 23.0%, and the number of customers with in-force policies of first-year standard premiums of RMB50,000 and above increased by 19.9%. As of June 30, 2026, Sunshine Life had 11.4 million active customers.

In terms of product system, we continued to deepen insights into customer needs, strengthened the rapid product response mechanism, enriched the "three/five/seven" product system with Sunshine characteristics, and focused on core customer segments such as "the elderly and children" to better align our products with customer needs. For elderly customers, to address their multi-level pension security needs, we further enriched the savings-oriented pension product matrix and launched scenario-based "annuity + long-term care" products. For child customers, based on the demands of the internet-savvy younger generation for high-leverage, high-sum-insured coverage, we launched dedicated critical illness insurance products with flexible payment methods and prominent coverage. For high-net-worth customers, centering on addressing their personalized needs such as capital security, cash flow planning, and wealth succession, we established an agile and customized product response mechanism.

In terms of service system, across the six service areas of health, elderly care, education, wealth, home care, and travel, we continued to optimize the service system and enrich the service ecosystem, thereby effectively meeting the diverse needs of family customers. In the health area, we launched 22 new services including direct access to Beijing hospitals, private specialist consultations, and high-end physical examinations, further refining health management and improving customers' accessibility to medical care. In the elderly care area, based on the needs at various stages of aging including active, semi-disabled, and disabled, we built a matrix-style, multi-level elderly care ecosystem covering the three major areas of home health, safety, and daily life. In the education area, we launched domestic education support services and premium academic advancement services, providing full-process support for family customers in planning their children's growth paths.

Management Discussion and Analysis

3. Premium Persistency Ratio

	January – June 2026	January – June 2025	YOY
13-month premium persistency ratio (%)[1]	97.0	96.2	0.8pt
25-month premium persistency ratio (%)[2]	94.5	94.8	(0.3pt)

Note 1: The 13-month premium persistency ratio: the denominator is the premiums from long-term regular insurance policies which entered into force 13 months prior to the giving year, while the numerator is the premiums from such policies which have remained in force in the giving year.

Note 2: The 25-month premium persistency ratio: the denominator is the premiums from long-term regular insurance policies which entered into force 25 months prior to the giving year, while the numerator is the premiums from such policies which have remained in force in the giving year. Computation rules for certain premium payment mode were optimized and the figures for the same period of last year were adjusted.

4. Information of the Top Five Products

Unit: RMB in millions

Ranking	Name	Type	GWPs from January to June 2026	Major sales channel
1	Sunshine Life Insurance Zhen Xin Bei Zhi Whole Life (陽光人壽臻鑫倍致終身壽險)	Traditional life insurance	6,285	Bancassurance
2	Sunshine Life Insurance Jin Wen Ying G Endowment (Participating) (陽光人壽金穩盈G款兩全保險(分紅型))	Participating life insurance	6,144	Bancassurance
3	Sunshine Life Insurance Jin Ji Li E Endowment Insurance (陽光人壽金吉利E款兩全保險)	Traditional life insurance	6,144	Bancassurance
4	Sunshine Life Insurance Zhen Ying Bei Zhi (Celebration Version) Whole Life (Participating) (陽光人壽臻盈倍致(慶典版)終身壽險(分紅型))	Participating life insurance	5,481	Bancassurance
5	Sunshine Life Insurance Zhen An Bei Zhi Whole Life (陽光人壽臻安倍致終身壽險)	Traditional life insurance	4,405	Bancassurance

5. *Premiums in the Top Ten Regions*

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Guangdong	**4,586**	3,852	19.1%
Zhejiang	**4,194**	3,378	24.2%
Chongqing	**3,977**	3,836	3.7%
Hubei	**3,839**	2,989	28.4%
Shandong	**3,523**	2,667	32.1%
Jiangsu	**2,993**	1,487	101.3%
Beijing	**2,843**	3,141	(9.5%)
Henan	**2,719**	1,815	49.8%
Shenzhen	**2,680**	3,079	(13.0%)
Anhui	**2,434**	1,876	29.7%
Subtotal	**33,788**	**28,120**	**20.2%**
Subtotals of other regions	**33,372**	**27,320**	**22.2%**
GWPs	**67,160**	**55,440**	**21.1%**

6. *Science and Technology Application*

In the first half of 2026, Sunshine Life comprehensively advanced the "Technological Sunshine" strategy, persistently promoted digital and intelligent transformation, and built a multi-intelligent agent architecture and digital-driven closed-loop, driving new growth across the business through digital and intelligent transformation.

(1) Sales empowerment

With the sales robot as the core carrier, we provided the sales team with full-chain intelligent support for customer management and collaborative sales. In terms of data empowerment, we connected activity volume, operation logs, customer profiles, and operational journeys, achieving data-driven precise customer segmentation and automated generation of marketing plans, and driving the refined upgrading of customer management. In terms of human-machine collaboration, the sales assistant coordinated multi-agent collaborative operations, and launched functions including product explanation assistance, real-time interactive Q&A, and customer conversion intent recognition, achieving the organic integration of deep insight and business conversion. Since the launch of the sales robot, it has completed 263,000 instances of assisted customer management, achieving converted standard premiums exceeding RMB30 million.

Management Discussion and Analysis

(2) Customer service

We upgraded the customer experience of "My Home Sunshine" APP and completed the iterations in the two dimensions of intelligent services and user management. In terms of intelligent services, we further improved the response timeliness, the precision of intent recognition, the accuracy rate of response to professional questions and other important performance of service robots, optimized the design for age-friendly interaction to cover the need of customers of all age groups. In the first half of 2026, the resolution rate of customers' issues reached 94.27%, and the service satisfaction rate reached 96.61%. In terms of user management, we launched a variety of creative online activities such as "New Year Sign-in" and "Fans Carnival and Customer Acquisition during the Spring Festival", and activated the users and strengthened the stickiness through lightweight interaction, thereby achieving a dual improvement in membership scale and user activation. As at June 30, 2026, the total number of registered users of the "My Home Sunshine" APP exceeded 7.147 million, representing an increase of 7.7% from the end of the previous year.

(3) Risk management

We strengthened the in-depth implementation of data intelligence in risk monitoring and disposal, building a solid safeguard for stable business operations. In terms of risk monitoring, we promoted the penetration of big data technology into sales behavior management, focusing on high-frequency risk points such as misleading sales practices, and moved the management checkpoint forward to reduce risk exposure at the source. To date, we have cumulatively set 316 risk monitoring indicators. In terms of verification and disposal, we strengthened the closed-loop management mechanism of "intelligent monitoring – precise verification – tiered disposal", verified all risk alert one by one, and implemented tiered and categorized disposal according to risk levels, building a complete risk control system from both institutional and technical perspectives and consolidating the defense line for the company's healthy development.

(II) Profit Source Analysis

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Insurance service results	3,473	**3,524**	**(1.4%)**
Including: Insurance revenue	8,880	8,627	2.9%
Insurance service expenses	(5,346)	(4,973)	7.5%
Investment results	1,894	**2,364**	**(19.9%)**
Others[1]	(1,951)	**(2,966)**	**(34.2%)**
Net profit	3,416	**2,922**	**16.9%**

Note 1: Others include other income, finance costs, other operating and administrative expenses and income tax.

Insurance revenue

In the first half of 2026, insurance revenue from Sunshine Life amounted to RMB8,880 million, representing an increase of 2.9% over the same period of last year, primarily due to the expansion of business volume. Among them, the contractual service margin (CSM) release was RMB2,532 million, and the changes in the non-financial risk adjustment were RMB244 million.

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Insurance revenue	8,880	**8,627**	**2.9%**
Non-premium allocation approach	8,220	7,839	4.9%
Premium allocation approach	660	788	(16.2%)

Management Discussion and Analysis

Insurance service expenses

In the first half of 2026, the insurance service expenses from Sunshine Life amounted to RMB5,346 million, representing an increase of 7.5% over the same period of last year, primarily due to the expansion of business volume.

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Insurance service expenses	**5,346**	**4,973**	**7.5%**
Non-premium allocation approach	**4,675**	4,236	10.4%
Premium allocation approach	**671**	737	(9.0%)

Investment results

In the first half of 2026, investment results from Sunshine Life amounted to RMB1,894 million, representing a decrease of 19.9% over the same period of last year, primarily due to the fluctuation of the capital market.

Net profit

Primarily as a result of the foregoing, net profit from Sunshine Life was RMB3,416 million in the first half of 2026, representing an increase of 16.9% over the same period of last year.

Sunshine P&C

(I) Business Analysis

In the first half of 2026, Sunshine P&C adhered to a developmental tone of "stability first, seeking advancement", actively contributed to the financial sectors' "five priorities (五篇大文章)", continuously optimized the business structure and steadily enhanced profitability. The OPI was RMB23.62 billion, representing a year-on-year decrease of 6.5%, which was mainly due to the impact of the Company's cessation of underwriting new financing-type guarantee insurance business starting from 2026. The OPI of non-guarantee insurance was RMB24.01 billion, representing a year-on-year increase of 5.3%. The net profit was RMB0.8 billion, representing a year-on-year increase of 55.1%. The underwriting combined ratio was 98.7%, representing a year-on-year decrease of 0.1 percentage point and the underwriting profit was RMB0.31 billion, representing a year-on-year increase of 8.3%.

Unit: RMB in millions, except for percentages

Original premium income	January – June 2026	January – June 2025	YOY
Automobile insurance	12,313	12,495	(1.5%)
Accident and short-term health insurance	6,081	5,213	16.7%
Liability insurance	2,130	1,860	14.5%
Cargo insurance	1,109	1,157	(4.1%)
Agricultural insurance	833	723	15.2%
Others[1]	1,151	3,824	(69.9%)
Total	**23,617**	**25,272**	**(6.5%)**
Total (excluding guarantee insurance)	**24,012**	**22,810**	**5.3%**

Note 1: Others mainly include commercial property insurance, engineering insurance, special risk insurance, hull insurance, homeowner insurance, credit insurance and guarantee insurance.

Management Discussion and Analysis

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Underwriting profit	313	289	8.3%
Underwriting expense ratio[1]	30.8%	29.9%	0.9pt
Underwriting loss ratio[2]	67.9%	68.9%	(1.0pt)
Underwriting combined ratio	98.7%	98.8%	(0.1pt)

Note 1: Underwriting expense ratio = (amortisation of acquisition expenses + maintenance expenses)/insurance revenue.

Note 2: Underwriting loss ratio = (settled loss + changes in outstanding loss reserves + gain/loss on loss contracts + (allocation of reinsurance premiums paid – amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in premium reserves)/insurance revenue.

1. *Business by insurance type*

Unit: RMB in millions, except for percentages

January – June 2026	Original premium income	Insured amount	Insurance revenue	Insurance service expenses	Underwriting profit	Underwriting combined ratio
Automobile insurance	12,313	13,273,503	12,871	12,381	318	97.5%
Accident and short-term health insurance	6,081	55,640,510	3,436	3,499	(74)	102.2%
Liability insurance	2,130	11,269,796	1,860	2,003	(93)	105.0%
Cargo insurance	1,109	2,093,771	1,139	1,194	(88)	107.8%
Agricultural insurance	833	30,188	464	452	6	98.7%
Others	1,151	5,400,144	3,677	3,328	244	93.3%

Automobile insurance

Sunshine P&C continued to deepen the project of Auto Insurance Intelligent Mortality Table (車險智能生命表), and further enhanced its ability to respond swiftly to market changes and its capabilities in precision identification and pricing of segmented risks by enriching data dimensions, upgrading pricing models and optimizing regional differentiation strategies. We adhered to the "new-renewal-switching" operational logic for household auto, enhanced its professional capabilities in new energy vehicle operations, and promoted sustained enhancement in profitability of automobile insurance through structure optimization. We upgraded the claims robot and launched a pricing robot, comprehensively implemented provincial-level centralized claims management, and advanced the deep integration of technological capabilities and organizational transformation, achieving more accurate pricing, faster claims and a systematic improvement in automobile insurance operational efficiency. In the first half of 2026, the OPI from automobile insurance was RMB12.31 billion, representing a year-on-year decrease of 1.5%, which was mainly due to the fluctuations in sales of new vehicles and the continued proactive optimization of the business structure. Among which, the proportion of household auto premiums increased by 1.3 percentage points year-on-year and the proportion of new energy vehicle insurance premiums increased by 2.8 percentage points year-on-year. The underwriting combined ratio was 97.5%, representing a year-on-year decrease of 0.6 percentage point and the underwriting profit was RMB0.32 billion, representing a year-on-year increase of 24.2%.

Accident and short-term health insurance

Focusing on the needs of livelihood protection, Sunshine P&C actively participated in the construction of the multi-level healthcare system, proactively seized policy opportunities, and continued to deepen its involvement in areas such as the handling of long-term care insurance, the integration of social insurance and commercial insurance and the innovation of inclusive insurance products. At the same time, keeping pace with policy developments, we upgraded and launched the "Ai Jiankang (愛健康)" million-level medical insurance product without health declaration requirement, which supported flexible coverage customization based on individual needs, effectively extending coverage to individuals with pre-existing medical conditions and senior citizens. In the first half of 2026, the OPI of accident and short-term health insurance was RMB6.08 billion, representing a year-on-year increase of 16.7%. Due to the increase in phased costs of the policy-oriented health insurance business, the underwriting combined ratio was 102.2%.

Management Discussion and Analysis

Liability insurance

Sunshine P&C thoroughly implemented the requirements of the comprehensive governance of non-automobile insurance, and leveraged the non-automobile data mortality table to enhance the pricing accuracy and refined expense management capabilities. We continued to deeply focus on traditional advantage areas such as production safety, green and low-carbon development, and social governance, and actively expanded risk research and product innovation in emerging sectors including new quality productive forces, new citizen services and consumption expansion. Through the "Partnership Action" risk management services, we helped customers identify and mitigate potential risks, empowering them to achieve production safety. In the first half of 2026, the OPI of liability insurance was RMB2.13 billion, representing a year-on-year increase of 14.5%. Affected by risk mitigation of the existing business with high risk, the underwriting combined ratio was 105.0%.

Cargo insurance

Sunshine P&C actively responded to national strategic deployments, integrated into the broader development of cross-border trade, and helped Chinese enterprises "go global". At the same time, we deepened cooperation with e-commerce platforms, continuously optimized the provision of consumption services such as return freight insurance, actively implemented the strategy of expanding domestic demand, and rigorously controlled high-risk business. In the first half of 2026, the OPI of cargo insurance was RMB1.11 billion, representing a year-on-year decrease of 4.1%. Due to the risk volatility on certain international shipping routes, extreme weather events, and a phased increase in business risk of individual channels, the underwriting combined ratio was 107.8%.

Agricultural insurance

Sunshine P&C actively responded to the national strategy for rural revitalization, continuously advanced the "expansion of coverage, addition of products and enhancement of standards", and promoted the transformation of agricultural insurance from cost protection to income protection. We continued to strengthen innovation of products such as weather index insurance, and actively developed full-cost insurance and planting income insurance for the three major grain crops, consistently enhancing the precision and effectiveness of risk protection. Meanwhile, leveraging the "Sunflower Agricultural Insurance APP (向日葵農險APP)" and the "Smart Agricultural Insurance (智農險)" platform, we have achieved full-process digital operations for agricultural insurance on mobile devices, including underwriting, object verification, survey and claims, with significant improvement in underwriting and claims efficiency. In the first half of 2026, the OPI of agricultural insurance was RMB0.83 billion, representing a year-on-year increase of 15.2%. The underwriting combined ratio was 98.7%.

2. *Customer Management*

In the first half of 2026, Sunshine P&C fully upgraded its top-level design for "customer management", and established a full-chain closed loop from strategy to execution with implementation at the sales front, adaptation at the product front and enhancement at the service front as three major drivers, promoting simultaneous improvements in customer experience and operational efficiency. As of June 30, 2026, the number of active customers was 21.34 million.

In terms of individual customers, we continued to upgrade the differentiated customer segment management system. At the sales front, we strengthened the tiered and classified management of sales force, and promoted the transformation of sales personnel into comprehensive and full-cycle insurance advisors. We established a regular in-depth customer interview mechanism, which facilitated optimization of operational processes, product upgrades and experience improvement. At the product front, focusing on high-frequency scenarios such as mobility, health and lifestyle, we advanced the innovation of servicing products and enriched the product design of health insurance, effectively facilitating the conversion of standalone auto insurance customers into comprehensive coverage policyholders. In the first half of 2026, the proportion of personal auto insurance customers purchasing non-auto insurance products reached 64.3%, representing a year-on-year increase of 3.4 percentage points. On the service side, we deepened the "six-dimension" customer profiling system, completed value-based segmentation and the cross-system deployment of business systems, and promoted the implementation of differentiated and automated customization such as fast-track claims channels and exclusive services. The claims service robot is available on a 7×24 basis, enhancing the capability to handle various types of cases. We continued to optimize the evaluation model based on the four service standards (四性), facilitating process optimization and experience improvement. Our customer satisfaction score stably remained above 9 (out of 10).

In terms of group customers, we deepened the implementation of the "Partnership Action" strategic initiative. We completed the iteration of the ABCD service grading system and built a specialized risk mitigation service product matrix, effectively promoting the continuous improvement of professional service quality and ongoing structural optimization. In niche segments such as hotels, general warehousing, and onshore wind power, the volume of Grade B and above services has doubled year-on-year. In the hotel sector, we expanded towards the broader cultural tourism segment and the accommodation industry cluster, establishing a comprehensive protection network encompassing "hazard identification + safety training + emergency drills + IoT monitoring + disaster prevention supplies", thereby earning long-term customer trust through in-depth service. In the general warehousing sector, leveraging 7×24 IoT early warning systems and on-site engineer patrols, we created a closed-loop management model of "online real-time monitoring + offline rapid response", making risks visible and manageable. In the onshore wind power sector, we utilized millimeter-wave radar and 3D laser scanning technology to drive high-precision risk surveys, redefining service standards with digital technology and empowering the safe development of green energy.

Management Discussion and Analysis

3. *Premiums in the Top Ten Regions*[1]

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Shandong	3,137	2,500	25.5%
Henan	2,719	2,583	5.3%
Zhejiang	1,583	1,724	(8.2%)
Hubei	1,563	1,607	(2.7%)
Hebei	1,388	1,505	(7.8%)
Guangdong	1,298	1,138	14.1%
Jiangsu	890	899	(1.0%)
Sichuan	868	821	5.7%
Gansu	811	668	21.4%
Anhui	708	728	(2.7%)
Subtotal	**14,965**	**14,173**	**5.6%**
Subtotal in other regions	**9,047**	**8,637**	**4.7%**
Total	**24,012**	**22,810**	**5.3%**

Note 1: Excluding premiums of guarantee insurance business.

4. *Science and Technology Application*

In the first half of 2026, Sunshine P&C insisted on the dual-drive of artificial intelligence and data intelligence, continuously promoting the construction of the "Robotics Engineering" and "Data Engineering" initiatives. Technology application evolved from "single-point breakthroughs" to "systematic output", driving the upgrade of operational models and management methods from "experience-driven" to "data-intelligence-driven".

(1) Sales empowerment

The telesales assistant robot used predictive models to screen high-intent leads and built multi-dimensional customer profiles through "large language models + big data", enabling agents to implement differentiated marketing strategies and communication scripts to enhance operational efficiency. It can cover approximately 200,000 customer leads daily, steadily supporting the daily operations of more than 2,000 agents, and has preliminarily achieved large-scale application. The assistant robot for sales other than network marketing and telemarketing launched the public beta of its intelligent bidding module.

The renewal prediction model, based on 75 factors, enables high-precision prediction of the renewal probability for each auto insurance customer, supporting automated quotation and differentiated operation. The model, powered by customer data, enables proactive identification and precise targeting of high-potential customers.

(2) Customer service

The claims service robot expanded its service scope from auto insurance to third-party claims, bodily injury, and non-auto health and accident insurance. In the first half of the year, it served 1.09 million customers, provided over 400,000 intelligent assisted responses, and achieved a customer satisfaction rate of 98%. The robot proactively tracks vehicle repairs and conditions of the injured, resulting in a steady decline in the proportion of telephone inquiries. It has handled over 10,000 cases involving customers who have been discharged from the hospital, reducing the average claim settlement cycle by 10 days.

On the claim processing side, pilot programs were launched for intelligent assessment of minor exterior vehicle damage, and automated claims investigation was realized by using robots to autonomously guide customers through the document upload process. For non-auto policies such as student safety insurance and supplementary medical insurance, pilot programs for end-to-end automated processing were launched through multi-agent collaboration. The timeline feature on the operations monitoring platform went live, recording the full behavioral trajectory from claim reporting to settlement, providing better system support for continuous optimization of claims service.

(3) Management empowerment

The auto insurance risk pricing robot has completed the construction of a dataset covering the entire process of quoting, underwriting, and claims settlement, reducing the data preparation time from 5 days to 1 day, and shortening the time required to detect anomalies from 8 hours to 1 hour. A closed-loop capability of "automated anomaly inspection + model simulation verification + dynamic solution output" was preliminarily established.

The four-tiered branch management robot empowers grassroots through intelligent agents such as "AI Little Tabulator, AI Little Advisor, and AI Little Designer". AI-powered smart sales log analysis covers 820 fourth-tier branches nationwide, with a cumulative total of 621,000 pushes in the first half of the year, and 784 new reports added in June alone. Grassroots managers can complete the entire process of tabulation, data querying, and attribution through natural language processing.

Management Discussion and Analysis

(II) Profit Source Analysis

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Insurance revenue	23,447	23,753	(1.3%)
Insurance service expenses	(22,857)	(23,218)	(1.6%)
Net reinsurance expenses from reinsurance contracts held[1]	24	(5)	N/A
Net insurance finance expenses for insurance contracts issued and others[2]	(301)	(241)	24.9%
Underwriting profit[3]	**313**	**289**	**8.3%**
Underwriting combined ratio	98.7%	98.8%	(0.1pt)

Note 1: Net reinsurance expenses for reinsurance contracts held = allocation of reinsurance premiums paid – amount recovered from reinsurers.

Note 2: Net insurance finance expenses for insurance contracts issued and others = net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held + changes in premium reserves.

Note 3: Underwriting profit = insurance revenue – insurance service expenses – net reinsurance expenses for reinsurance contracts held – net insurance finance expenses for insurance contracts issued and others.

Insurance revenue

In the first half of 2026, the insurance revenue of Sunshine P&C was RMB23,447 million, representing a decrease of 1.3% over the same period of last year, which was primarily due to the company's cessation of new financing-type guarantee insurance business starting from 2026, targeted remediation of high-risk business segments and further optimization of its business structure.

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Insurance revenue	**23,447**	**23,753**	**(1.3%)**
Automobile insurance	12,871	13,151	(2.1%)
Non-automobile insurance	10,576	10,602	(0.2%)

Insurance service expenses

In the first half of 2026, the insurance service expenses of Sunshine P&C amounted to RMB22,857 million, representing a decrease of 1.6% over the same period of last year, primarily due to a reduction in business volume and a slight decrease in underwriting combined ratio.

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	YOY
Insurance service expenses	**22,857**	**23,218**	**(1.6%)**
Automobile insurance	**12,381**	12,731	(2.7%)
Non-automobile insurance	**10,476**	10,487	(0.1%)

Underwriting profit

In the first half of 2026, the underwriting profit of Sunshine P&C was RMB313 million, representing an increase of 8.3% over the same period of last year, and its underwriting combined ratio was 98.7%, representing a decrease of 0.1 percentage point over the same period of last year.

Management Discussion and Analysis

Asset Management

The Company upholds the philosophy of long-term value investment, adheres to asset-liability matching as its fundamental orientation, and in line with the safety, profitability, and liquidity requirements of insurance funds, continuously optimizes its asset structure and improves the quality and efficiency of integrated asset-liability management. In strategic allocation, grounded in the attributes and characteristics of insurance funds, the Company fully leverages its strengths as patient capital. After comprehensively considering the impacts of new accounting standards implementation, solvency constraints, and the duration characteristics of its liabilities, the Company has consolidated an asset-allocation system that fits liability characteristics and features cross-cyclical resilience. In tactical allocation, the Company continues to deepen its research on the macroeconomy and capital markets, and dynamically optimizes allocation timing and asset structure under rigorous investment risk control. The Company will constantly enhance the organic synergy between strategic and tactical allocation, and provide solid support for the high-quality development of its core insurance business through long-term, stable, and sustainable investment returns.

(I) The Company's investment assets

In the first half of 2026, the Company adhered to the orientation of long-term value investment, consolidated the core returns through core portfolio assets, strengthened cross-cyclical profitability via diversified allocation, continuously optimized allocation structure to feature both robustness and growth attributes, thereby driving the long-term and steady appreciation of insurance funds.

In terms of equity investment, the Company strengthened the synergy between the primary and secondary markets, promoted the iteration and upgrading of investment strategies and methodologies, advanced the further optimization of the overall equity asset structure, and enhanced the stability, balance and return resilience of the portfolio. In the secondary market, the Company continued to allocate high-quality assets with solid fundamentals, strong dividend-paying capacity and valuation safety margins to build a solid foundation for overall portfolio returns. The Company remained committed to comprehensively assessing equity assets across dimensions such as growth quality, safety margin and dividend stability, dynamically analysed the impact of industrial structural adjustment and technological progress on the long-term value of different industries, and constantly improved the quality of the equity portfolio. On this basis, and in light of the market environment and the needs of separate-account management, the Company adjusted the mix of OCI and PL assets as appropriate, enhanced the diversification of portfolios across sectors, styles and sources of returns, strengthened the ability to seize structural opportunities, and improved the allocation efficiency. In the primary market, the Company adhered to the philosophy of long-term value and counter-cyclical investment, focused on high-quality projects with stable returns and sound operations, and strengthened project reserves around new quality productive forces and advanced manufacturing industries, expanded the allocation scope, and consolidated the long-term value foundation of equity investment.

In terms of fixed-income investment, the Company adhered to the principle of asset-liability matching, and steadily optimized the portfolio term structure and the cost-yield matching level. For interest-rate bonds, in light of interest rate trends and liability duration requirements, the Company prudently carried out long-duration bond allocation and accelerated the pace of allocation at times of relatively high interest-rate levels. For non-standard assets and credit bonds, the Company upheld risk controllability and quality-first principles, and maintained the allocation of high-quality assets. Meanwhile, the Company actively promoted the amortised cost method for bond investment, enhanced the stability of returns from the portfolio, and increased the allocation of publicly-offered REITs and other innovative instruments, thereby diversifying the sources of returns and enhancing overall returns.

As of June 30, 2026, the Company's total investment assets reached RMB667.76 billion, representing an increase of 4.3% from the end of the previous year. The total investment income amounted to RMB12.43 billion, reflecting a year-on-year increase of 16.2%, while the comprehensive investment income reached RMB4.51 billion, representing a year-on-year decrease of 72.4%.

Management Discussion and Analysis

1. *Investment portfolio*

Unit: RMB in millions, except for percentages

	June 30, 2026 Amount	June 30, 2026 Percentage	Change in percentage from the end of the previous year	Change in amount from the end of the previous year
Fixed-income financial assets	**466,148**	**69.8%**	**(2.3pt)**	**0.9%**
Term deposits	22,643	3.4%	0.0pt	3.4%
Bonds	359,152	53.8%	1.6pt	7.4%
Wealth management products(1)	57,377	8.6%	(4.4pt)	(31.1%)
Other debt investments(2)	26,976	4.0%	0.5pt	20.1%
Equity financial assets	**138,736**	**20.7%**	**(0.7pt)**	**1.7%**
Stocks	80,498	12.0%	(1.7pt)	(8.0%)
Equity funds	7,598	1.1%	(0.1pt)	2.1%
Wealth management products(3)	33,936	5.1%	0.3pt	10.1%
Other equity investments(4)	16,704	2.5%	0.8pt	56.8%
Investments in associates and joint ventures	**11,117**	**1.7%**	**(0.1pt)**	**(4.9%)**
Investment properties	**9,115**	**1.4%**	**0.0pt**	**(1.7%)**
Cash and cash equivalents and others(5)	**42,646**	**6.4%**	**3.1pt**	**104.9%**
Investment assets (total)	**667,762**	**100.0%**	**–**	**4.3%**

Note 1: Wealth management products under fixed-income financial assets mainly include trust schemes from trust companies and fixed-income wealth management products from commercial banks.

Note 2: Other debt investments mainly include statutory deposits, bond funds and money market funds.

Note 3: Wealth management products under equity financial assets mainly include products from insurance asset management companies, equity and hybrid wealth management products from commercial banks, and private equity funds.

Note 4: Other equity investments mainly include unlisted equities, preferred shares and equity perpetual bonds.

Note 5: Cash and cash equivalents and others mainly include cash and short-term time deposits and securities purchased under agreements to resell.

(1) By investment category

Bond investment. The Company continued to enhance its integrated asset-liability management, and dynamically optimized the bond allocation structure by closely integrating characteristics of liability business and cash flow. Given interest rates fluctuating at low levels, the Company steadily advanced the allocation of long-term bonds and increased the allocation when interest rates were at a phased high level. As of June 30, 2026, bond investments accounted for 53.8% of the total investment assets, representing an increase of 1.6 percentage points from the end of the previous year; among them, government bonds accounted for 70.4% of the bond investments, representing an increase of 1.1 percentage points from the end of the previous year. The Company continued to strengthen the development of credit risk management and post-investment management system, and explored high-quality investment targets under strict risk control. Overall, the issuers of the Company's bond investments are of strong financial strength, and hence the credit risk is well managed. Approximately 99.2% of domestic bonds (excluding government bonds and policy bank bonds) held by the Company received a credit rating of AA+ or above by external rating agencies, of which, approximately 95.6% received a credit rating of AAA or above. All overseas bonds held by the Company were investment-grade.

Fixed-income wealth management products. As of June 30, 2026, the fixed-income wealth management products held by the Company amounted to RMB57.38 billion, accounting for 8.6% of the total investment assets. For the risk management of non-public financing instruments (NPFIs), the Company adhered to the principle of substantive risk management and strictly managed the credit risk throughout the full-life cycle of the products, including asset allocation, sector analysis and product selection. In terms of industry distribution, the underlying projects were spread across sectors including infrastructure, non-banking finance, real property, manufacturing, utilities and other industries.

Equity financial assets. As of June 30, 2026, the Company's investment in equity financial assets amounted to RMB138.74 billion, accounting for 20.7% of the total investment assets and representing a decrease of 0.7 percentage points from the end of the previous year, of which the investment in stocks and equity funds accounted for 13.1% of the total investment assets, representing a decrease of 1.8 percentage points from the end of the previous year. The Company proactively managed equity investments driven by in-depth research, prioritized value stocks with high dividend yield and high-quality growth stocks with sustainable performance, and actively explored investment opportunities in the fields such as new quality productive forces and advanced manufacturing industries.

Management Discussion and Analysis

(2) By investment purpose

Unit: RMB in millions, except for percentages

	June 30, 2026		December 31, 2025	
	Amount	**Percentage**	Amount	Percentage
Financial assets at fair value through profit or loss	**169,300**	**25.4%**	178,390	27.9%
Financial assets at fair value through other comprehensive income	**378,865**	**56.7%**	383,632	59.9%
Financial assets at amortised cost and others[1]	**119,597**	**17.9%**	78,173	12.2%
Investment assets (total)	**667,762**	**100.0%**	**640,195**	**100.0%**

Note 1: Financial assets at amortised cost and others mainly include financial assets at amortised cost, cash at bank and on hand, term deposits, securities purchased under agreements to resell, statutory deposits, investments in associates and joint ventures and investment properties.

2. Investment income

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	Changes
Net investment income[1]	**9,433**	9,787	(3.6%)
Realised gains	**3,707**	95	3,802.1%
Gains or losses on changes in fair value	**(358)**	1,565	N/A
Impairment losses on investment assets	**(348)**	(749)	(53.5%)
Total investment income[2]	**12,434**	**10,698**	**16.2%**
Changes in other comprehensive income	**(7,920)**	5,631	N/A
Comprehensive investment income[3]	**4,514**	**16,329**	**(72.4%)**
Net investment yield (annualised) (%)[1][4][5]	**3.1**	**3.8**	**(0.7pt)**
Total investment yield (annualised) (%)[2][4][5]	**3.6**	**4.0**	**(0.4pt)**
Comprehensive investment yield (annualised) (%)[3][4][5]	**2.3**	**5.1**	**(2.8pt)**

Note 1: Net investment income consists of interest revenue from fixed-income financial assets, dividend income from equity financial assets, operating lease income from investment properties, share of profits and losses of associates and joint ventures, interest revenue from securities purchased under agreements to resell and interest revenue from demand deposits.

Note 2: Total investment income refers to the sum of net investment income, realised gains and gains or losses from fair value changes, less impairment losses on investment assets.

Note 3: Comprehensive investment income refers to the sum of total investment income, changes in the fair value of financial assets at fair value through other comprehensive income, and share of other comprehensive income of associates and joint ventures. It excludes the RMB4.09 billion changes in the fair value of debt instruments at fair value through other comprehensive income for Sunshine Life from January to June 2026.

Note 4: In the calculation of net, total, and comprehensive investment yield, average investment assets used as the denominator are calculated with reference to the Modified Dietz method, excluding fair value changes in debt instruments classified under FVOCI for Sunshine Life, and deducting securities sold under agreements to repurchase from the denominator.

Note 5: In the calculation of the annualised investment yield, only the interest revenue from fixed-income financial assets, dividend income from equity financial assets, operating lease income from investment properties, share of profits and losses of associates and joint ventures, interest revenue from securities purchased under agreements to resell, interest revenue from demand deposits and other items of net investment income have been annualised.

In the first half of 2026, the Company achieved a net investment income of RMB9.43 billion, representing a year-on-year decrease of 3.6%, and a total investment income of RMB12.43 billion, representing a year-on-year increase of 16.2%. The Company recorded a comprehensive investment income of RMB4.51 billion, representing a year-on-year decrease of 72.4%. The Company's annualised net investment yield was 3.1%, the annualised total investment yield was 3.6%, and the annualised comprehensive investment yield was 2.3%.

(II) Third-party assets under management

Sunshine AMC is responsible for the entrusted management of investment assets for the Company's insurance funds. It also provides third-party clients with professional asset management, investment advisory, and related services to help clients achieve steady asset appreciation, through insurance asset management products and separately managed accounts. As of June 30, 2026, Sunshine AMC achieved the assets under management ("**AUM**") amounting to RMB766.31 billion, representing a decrease of 2.1% from the end of the previous year, among which, the third-party AUM amounted to RMB191.02 billion.

Management Discussion and Analysis

Unit: RMB in millions, except for percentages

	June 30, 2026	December 31, 2025	Changes
Assets under management entrusted to Sunshine AMC	**766,308**	782,786	(2.1%)
Including: AUM entrusted by Company	**575,293**	556,846	3.3%
Including: AUM entrusted by third parties	**191,015**	225,940	(15.5%)

In the first half of 2026, amid an ever-changing economic and market environment, Sunshine AMC continued to enhance its comprehensive capabilities in the fields of asset allocation, investment research, risk management and service innovation. Sunshine AMC further strengthened its core competitiveness through a multi-asset and multi-strategy product system, and the development of third-party businesses remained resilient. At the same time, the debt-related business leveraged the characteristics of long-term funds, deeply practiced the "five priorities" in the financial sector, adhered to the direction of major national strategies, continuously intensified its investment layout in the coordinated development of Beijing-Tianjin-Hebei, advanced manufacturing industries and the "Belt and Road Initiative", focused on business and product innovation and expanded the service dimensions. The Company was selected into the IPE Global Asset Management Top 500 for four consecutive years, ranking 250th globally and 50th in China in 2026.

ANALYSIS ON SPECIAL ITEMS

(I) Liquidity Analysis

1. Gearing Ratio

	June 30, 2026	December 31, 2025
Gearing Ratio(1)	91.2%	90.4%

Note 1: gearing ratio = total liabilities/total assets

2. Statement of Cash Flows

Unit: RMB in millions, except for percentages

	January – June 2026	January – June 2025	Increase/ decrease
Net cash flows from operating activities	38,442	30,227	27.2%
Net cash flows from investing activities	1,740	(7,276)	N/A
Net cash flows from financing activities	(18,130)	(3,479)	421.1%

3. Liquidity Analysis

The Group manages the liquidity of the group company and its subsidiaries. As a holding company, the cash flow of the group company is mainly derived from dividends and other investment income of its subsidiaries.

The Group's major sources of capital include premium income, interests and dividend income, and cash inflows from the selling or maturing of investment assets, etc. The demand for liquidity mainly includes the reimbursement or payment of insurance contracts, withdrawals, reductions or other forms of early termination of insurance contracts by policyholders, dividends paid to shareholders, and cash payments for daily expenses.

The Group's cash and bank deposits provide the Group with liquid resources to meet its cash disbursement needs. As of the end of the Reporting Period, the Group had cash and cash equivalents of RMB42.96 billion and term deposits of RMB22.64 billion. In the case of interest loss, substantially all of the Group's term bank deposits are available. In addition, the Group's investment portfolio also provides the Group with liquidity resources to meet unforeseen cash disbursement needs. As of the end of the Reporting Period, the book value of the Group's fixed-income financial assets investment was RMB466.15 billion and the book value of equity financial assets investment was RMB138.74 billion.

The Group believes that it has sufficient liquidity to meet its foreseeable liquidity requirements.

Management Discussion and Analysis

(II) Solvency

The Group and each of its insurance subsidiaries prepare and report solvency data in accordance with the Regulatory Rules on the Solvency of Insurance Companies (II) (《保險公司償付能力監管規則(II)》) issued by the CBIRC and the Circular on Optimization of Solvency Supervision Standard for Insurance Companies (《關於優化保險公司償付能力監管標準的通知》) issued by the National Financial Regulatory Administration.

As of June 30, 2026, the comprehensive solvency ratio and the core solvency ratio of the Group and each of its insurance subsidiaries were significantly higher than the regulatory requirements, and their capital positions were sufficient and sound.

The table below sets forth the solvency data of the Group and its main insurance subsidiaries as at the dates indicated:

Unit: RMB in millions, except for percentages

	June 30, 2026	December 31, 2025	Increase/ Decrease
The Group			
Core capital	**84,515**	85,126	(0.7%)
Actual capital	**118,057**	122,762	(3.8%)
Minimum capital	**63,910**	62,671	2.0%
Core solvency ratio (%)	**132**	136	(4pt)
Comprehensive solvency ratio (%)	**185**	196	(11pt)
Sunshine Life			
Core capital	**60,716**	58,731	3.4%
Actual capital	**88,036**	90,691	(2.9%)
Minimum capital	**54,652**	53,487	2.2%
Core solvency ratio (%)	**111**	110	1pt
Comprehensive solvency ratio (%)	**161**	170	(9pt)
Sunshine P&C			
Core capital	**15,066**	15,042	0.2%
Actual capital	**21,288**	20,719	2.7%
Minimum capital	**8,819**	8,738	0.9%
Core solvency ratio (%)	**171**	172	(1pt)
Comprehensive solvency ratio (%)	**241**	237	4pt

Note 1: Core solvency ratio = core capital/minimum capital; comprehensive solvency ratio = actual capital/minimum capital.

Note 2: The minimum regulatory requirements for core solvency ratio and comprehensive solvency ratio are 50% and 100% respectively.

(III) Asset Charge

Some subsidiaries of the Group sold and repurchased securities in the market due to liquidity management needs. During the transactions, the securities held by subsidiaries of the Group will be used as collateral for transactions. As of the end of the Reporting Period, bonds with a carrying value of RMB19.13 billion were pledged as collateral for bond repurchase transactions entered into by the Group in the interbank market and bonds with a carrying value of RMB6.18 billion were pledged as collateral for transactions entered into by the Group in the exchange market.

(IV) Bank Borrowings and Bonds Payable

As of the end of the Reporting Period, the aggregate balance of bank borrowings of the Group was RMB90 million, excluding the bonds issued by some subsidiaries of the Group and the securities sold under agreements to repurchase of its investment business. The aggregate balance of bonds payable of the Group was RMB17.4 billion. The bonds payable by the Group are set out in Note 19 to the consolidated financial statements of this report.

(V) Risk of Exchange Rate Fluctuations

The Group mainly operates in the PRC, and the vast majority of its assets and liabilities are denominated in Renminbi. The Group was not exposed to significant concentrated foreign exchange risk except for certain foreign exchange risk arising from holding certain financial assets.

(VI) Contingent Liabilities

Given the nature of insurance business, in the ordinary course of its business, the Group is involved in various estimates, contingencies and legal proceedings, including as plaintiff and defendant in litigation and as applicant and respondent in arbitration. The adverse effects of the above disputes mainly include claims of insurance policies and others. The Group has made provision for possible losses, including provisions for claims such as insurance policies, when management has consulted counsel (if any) and is able to make a reasonable estimate of the outcome of the above litigation. No provision shall be made for audits, contingencies or legal proceedings where the outcome cannot be reasonably predicted and management considers that the likelihood of failure is low. As of the end of the Reporting Period, with respect to the above pending litigation, the management believes that the obligations arising from the final ruling will not have a material adverse impact on the financial position and operating results of the Group.

Management Discussion and Analysis

MAJOR EVENTS

(I) Connected Transactions

1. Continuing Connected Transactions

Provision of Investment Management Services by Sunshine AMC to the Group

On December 12, 2024, the Company and Sunshine AMC entered into the entrusted investment management services framework agreement (the "Entrusted Investment Management Services Framework Agreement"), with term from January 1, 2025 to December 31, 2027, pursuant to which, the Group shall entrust Sunshine AMC and its subsidiary Sunshine AMC (HK) to manage part of investment assets and Sunshine AMC and Sunshine AMC (HK) shall manage the entrusted assets in accordance with the Entrusted Investment Management Services Framework Agreement, specific entrusted investment management agreements, relevant laws, regulations, regulatory requirements as well as the investment guidelines formulated by the Group. In addition, Sunshine AMC and Sunshine AMC (HK) shall provide investment advisory services to the Group in connection with direct equity investments and real estate investments and other investment matters. The Group shall pay investment management fees, advisory service fees and other service fees to Sunshine AMC and Sunshine AMC (HK). Sunshine AMC is a non-wholly owned subsidiary of the Company and pursuant to the requirement of Rule 14A.16(1) of the Hong Kong Listing Rules, Sunshine AMC and Sunshine AMC (HK) are connected subsidiaries of the Company, and therefore constitute connected persons of the Company. As a result, the transactions under the Entrusted Investment Management Services Framework Agreement constitute the continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

2. Capital Increase in Sunshine AMC (HK)

On February 9, 2026, the Board of Directors of the Company considered and approved that Sunshine Life, a subsidiary of the Company, Sunshine AMC and its subsidiary, Sunshine AMC (HK), jointly entered into the capital increase agreement and the parties agreed on the principal terms of the capital increase agreement, pursuant to which, Sunshine Life and Sunshine AMC proposed to increase their capital in Sunshine AMC (HK) with the amount of not more than HK$250 million and HK$750 million, respectively (the "Capital Increase"). Upon the completion of the Capital Increase, the total share capital of Sunshine AMC (HK) shall increase from HK$100 million to HK$1,100 million, and the respective shareholding percentages of Sunshine Life and Sunshine AMC in Sunshine AMC (HK) shall remain unchanged, being 25% and 75%. Sunshine AMC is a non-wholly owned subsidiary of the Company. Pursuant to the requirements of Rule 14A.16(1) of the Hong Kong Listing Rules, Sunshine AMC and its subsidiary Sunshine AMC (HK) are connected subsidiaries of the Company, and therefore constitute connected persons of the Company. As such, the Capital Increase constitutes the connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Details of the Group's related party transactions are set out in the consolidated financial statements and Note 24. Save for the connected transactions and continuing connected transactions disclosed in this report, there are no related party transactions that constitute connected transactions or continuing connected transactions that are required to be announced or approved by independent Shareholders under Chapter 14A of the Hong Kong Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules in respect of the connected transactions and continuing connected transactions of the Company.

(II) Material Contracts and Their Implementation

Investment is one of the core business activities of the Company. The Company mainly adopts the model of entrusted investment management. Sunshine AMC and its subsidiary Sunshine AMC (HK), as the asset managers within the Sunshine Insurance, are entrusted to manage most of the investment assets. The Company also cooperates with professional investment management institutions such as fund companies as external managers to complete the diversified pattern of entrusted investment management. The Company sets different investment strategies and performance benchmarks based on the liability profiles of different accounts and the risk-return characteristics of major asset classes to enhance the stability of returns while reasonably diversifying investment risks. Under the entrusted investment management contracts entered into with Sunshine AMC, the Company guides and supervises investment managers' investment behaviors through investment guidelines, dynamic tracking, performance evaluation and other measures, and adopts targeted risk management measures according to the characteristics of different investment assets.

During the Reporting Period, except as otherwise disclosed in this report, there were no other material contractual matters required to be disclosed by the Company.

(III) Material Litigation and Arbitration

During the Reporting Period, the Company had no material litigation or arbitration.

(IV) Major Acquisition and Investment

During the Reporting Period, the Company had no major acquisition or investment.

Management Discussion and Analysis

PROSPECTS

(I) Market Environment

With China's socioeconomic development, industrial transformation and technological progress, the insurance industry has entered a period of opportunities for high-quality development. Since the beginning of this year, the domestic economy has maintained steady progress amid stability with continuous structural optimization, demonstrating strong resilience in economic development. The industry has kept advancing high-quality development, further deepened the unified commission fees in reporting and underwriting (報行合一) policy, optimized liability costs, standardized channel operations, returned to its protection-oriented essence, improved operation management and service standards, and steadily bolstered endogenous driving forces for development. As efforts to foster new quality productive forces gather pace, and emerging industries including artificial intelligence, low-altitude economy and green industries are thriving, bringing growing demand for risk management. Meanwhile, the silver economy is forging ahead in depth, demand in the pension security market is expanding rapidly, and the scope for industrial development keeps broadening.

(II) Development Outlook

The Company will stick to its mission of "bring more sunshine to people", always adhere to the "customer-centered" philosophy, actively engage in the "five priorities (五篇大文章)" in financial sector, vigorously advance value-driven development, systematically reshape customer management and service models, and effectively build core competitiveness driven by data intelligence, so as to fully promote the achievement of the strategic goal of "high-quality development and high-value growth".

Sunshine Life will promote the coordinated development of assets and liabilities, consolidate a solid foundation for profit stability at the underlying logic level, and continuously forge core competencies for high-quality development in the new cycle. Adhering to a multi-channel development model that equally emphasizes both individual insurance and bancassurance channels, Sunshine Life will build diversified growth engines and comprehensively upgrade its long-term value creation capabilities. In terms of individual insurance, Sunshine Life will anchor the "three-transformations (三化)" team-building standards, consolidate the new agent cultivation system, strengthen the development of elite teams, and solidify the foundation for development. In terms of bancassurance, Sunshine Life will focus on deepening core competitive advantages, continuously advance diversified channel expansion and in-depth cultivation, accelerate key breakthroughs in potential markets, foster brand-new growth curves, and steadily consolidate professional service advantages. Centering on accurately identifying and meeting customers' differentiated demands throughout the full life cycle, Sunshine Life will systematically upgrade its full-chain customer operation capabilities.

Sunshine P&C will adhere to the development keynote of "stability first, seeking advancement" and actively seize the strategic opportunities brought by the national 15th Five-Year Plan and the industry's high-quality development. With the "Mortality Table Project" and the "Partnership Action" as fundamental drivers, and digital intelligence transformation and model innovation as core engines, we will solidly advance capacity building for the sales team and implement customer management initiatives. In terms of auto insurance, we will effectively improve the level of high-quality development and enhance our professional operational capabilities in the new energy vehicle sector. In terms of non-auto insurance, we will actively implement comprehensive governance and consolidate the foundation for value-driven development, so as to comprehensively enhance the Company's capacity for sustainable and high-quality development.

In terms of the investment segment, we will adhere to the long-term investment strategy and consolidate an asset-allocation system that fits liability characteristics and features cross-cyclical resilience. Closely following the strategic direction of the 15th Five-Year Plan, we will take the initiative to serve the real economy, the strategy for building China into a country strong in science and technology, and the overall advancement of Chinese modernization. Based on a clear strategic focus, we will continuously optimize the portfolio structure, build an asset layout that aligns with national strategies and resonates with the demands of the core insurance business, drive steady appreciation of assets, and provide solid support for the high-quality development of the core insurance business. In terms of the asset management sector, we will uphold the core philosophy of "value investment", continuously refine professional capabilities through multi-dimensional innovation and technology-driven development, and continuously optimize service experience around customer demand, thereby safeguarding the long-term and steady appreciation of customers' assets with professional expertise.

Embedded Value Report

I. BACKGROUND

In order to provide investors with an additional tool to understand the Company's economic value and business results, we have prepared the results of embedded value and value of new business in accordance with the "Actuarial Practice Standard: Assessment Standard for Embedded Value of Life Insurance" published by the China Association of Actuaries in November 2016 ("CAA [2016] No. 36") (thereafter referred to as "the EV Assessment Standard"), as well as generally accepted actuarial principles and relevant laws and regulations. We have engaged KPMG Advisory (China) Limited Beijing Branch to review the reasonableness of the valuation methodology, the valuation assumptions as well as the valuation results of embedded value and value of new business of the Company as of June 30, 2026.

The embedded value is an actuarial estimation of the economic value of an insurance company based on a set of assumptions for future. It does not include any value attributed by future new business sales. The embedded value of the Group is defined as the sum of:

- The adjusted net worth of Sunshine Insurance Group; and

- Sunshine Insurance Group's share in Sunshine Life's value of in-force business after cost of capital.

The adjusted net worth of Sunshine Insurance Group is defined as the Group's net asset value based on the China Accounting Standards, inclusive of net-of-tax adjustments for differences between the carrying value and market value of certain assets, together with net-of-tax adjustments for differences between policy liabilities under China Accounting Standards and policy liabilities under the EV Assessment Standard.

Sunshine Life's value of in-force business and value of half year's new business is defined as the present value of projected after-tax distributable earnings arising in the future from the existing business as at the valuation date, and from the sales of new business in the 6 months prior to the valuation date, respectively. The distributable earnings are determined based on policy liabilities and required capital valued under the EV Assessment Standard.

Sunshine Life uses the traditional deterministic discounted cash flow methodology for determining its value of in-force business and value of new business. This methodology makes implicit allowance for the cost of investment guarantees and policyholder options, asset and liability mismatch risk, credit risk, the risk of operating experience fluctuation, and for the economic cost of capital through the use of risk discount rate.

The evaluation of embedded value and new business value is based on current assumptions, which are subject to uncertainty. The evaluation results may change significantly with changes in key assumptions. The actual experience in the future may differ from the assumptions presented in this report; therefore, investors should exercise caution when using the evaluation results for investment decisions.

Please note that the values in some of the tables in this report may not be additive due to rounding.

II. KEY ASSUMPTIONS

This section summarizes the key assumptions used in determining the embedded value and value of new business as of June 30, 2026. These assumptions have been made on a going concern basis under the current economic and regulatory environment, and based on the Company's own experience in recent years, expectation of current and future experience, and the overall knowledge of the Chinese insurance market.

1. Risk Discount Rate

The risk discount rate used to calculate the value of in-force business and the value of new business of Sunshine Life is 8.5%.

2. Investment Return

The investment return assumption is 4.0%, and remains 4.0% in subsequent years.

3. Mortality

Mortality assumptions have been developed based on the China Life Insurance Mortality Table (2010-2013), considering Sunshine Life's past mortality experience, expectation of current and future experience, and the overall knowledge of the Chinese insurance market.

4. Morbidity

Morbidity assumptions have been developed based on China Life Insurance Critical Illness Table (2020) or Sunshine Life's pricing tables, considering Sunshine Life's past morbidity experience, expectation of current and future experience, and the overall knowledge of the Chinese insurance market. The trend of long-term morbidity deterioration has been taken into consideration.

5. Lapse and Surrender Rates

Lapse and surrender rates have been developed based on Sunshine Life's past lapse and surrender experience, expectation of current and future experience, and the overall knowledge of the Chinese insurance market. The assumptions vary by product type, premium payment mode and distribution channel.

6. Expenses

Expense assumptions are classified into two categories: the acquisition expense assumption and the maintenance expense assumption. Both are set based on unit cost, reflecting the expense analysis results and best estimates of future expenses. Inflation rate assumption of 2% per annum has also been applied.

7. Commission and Handling Fees

The assumed level of commission and commission override, as well as handling fees, have been set consistently with the actual level being paid.

Embedded Value Report

8. Policyholder Dividends

Policyholder dividends have been derived in accordance with participating account's historical operational experience, expected future returns and policyholders' reasonable expectations, as well as to ensure that no less than 70% of distributable earnings arising from participating business are paid to policyholders.

9. Tax Rate

Corporate tax rate is assumed to be 25%. The tax exemption assumption relating to investment return is based on the allocation of tax-exempted assets at present and expected in the future.

III. RESULTS OF EMBEDDED VALUE AND VALUE OF NEW BUSINESS

The tables below show the embedded value of Sunshine Insurance Group, the embedded value and value of new business of Sunshine Life as of June 30, 2026 (in RMB million):

1. Embedded value

Valuation Date	June 30, 2026	December 31, 2025
The adjusted net worth of Sunshine Insurance Group	**74,805**	**71,829**
The adjusted net worth of Sunshine Life	**52,370**	**47,082**
Sunshine Life's value of in-force business before cost of capital	62,757	58,362
Cost of capital	(8,134)	(9,411)
Sunshine Life's value of in-force business after cost of capital	**54,623**	**48,951**
Embedded value of Sunshine Insurance Group	**129,428**	**120,780**
Embedded value of Sunshine Life	**106,993**	**96,033**

2. Value of half year's new business

Valuation Date	June 30, 2026	June 30, 2025
Sunshine Life's value of new business before cost of capital	4,957	4,769
Cost of capital	(293)	(761)
Sunshine Life's value of new business after cost of capital	**4,664**	**4,008**

3. Value of half year's new business from main channels

Valuation Date	June 30, 2026	June 30, 2025
Total of Sunshine Life	**4,664**	**4,008**
Of which: Individual insurance	1,461	1,226
Bancassurance	2,812	2,452

IV. ANALYSIS OF EMBEDDED VALUE MOVEMENT

The table below shows the change in the embedded value of Sunshine Insurance Group from December 31, 2025 to June 30, 2026 (in RMB million):

Items		Amount
1.	**Embedded value of Sunshine Life at beginning of period**	**96,033**
2.	Impact of new business	4,664
3.	Expected return	2,934
4.	Investment experience variance	(758)
5.	Other experience variance	2,184
6.	Methodology, Model and Assumptions change	1,133
7.	Diversification effects	828
8.	Capital injection/shareholder dividend	0
9.	Others	(26)
10.	**Embedded value of Sunshine Life at end of period**	**106,993**
11.	**Adjusted net worth of the Group's other business at end of period**	**23,933**
12.	Adjustment for minority shareholders' interest	(1,498)
13.	**Embedded value of Sunshine Insurance Group at end of period**	**129,428**

Notes: Items of change are explained below

Item 2. Reflects the value of new business in the relevant period.

Item 3. Expected return earned on adjusted net worth, value of in-force business and value of new business in the relevant period.

Item 4. Reflects the difference between actual and expected investment returns in the relevant period.

Item 5. Reflects the difference between actual operating experience in the relevant period and the assumptions at beginning of period.

Item 6. Reflects changes of methodology, model and assumptions between valuation dates.

Item 7. Refers to the difference in cost of capital evaluated on different level under C-ROSS embedded value framework, that is, cost of capital of new business is evaluated on the policy level while cost of capital of in-force business is evaluated on the company level.

Item 8. Capital injection for Sunshine Life and dividend to shareholders.

Item 9. Other miscellaneous items.

Item 12. Relevant adjustment for minority shareholders' interest of the Group.

Embedded Value Report

V. SENSITIVITY TESTS

Sensitivity tests are performed under a range of alternative assumptions. In each of these tests, only the assumption referred to is changed, while all other assumptions remain unchanged. The table below shows the results of sensitivity tests (in RMB million):

Scenario	Sunshine Life's value of in-force business after cost of capital	Sunshine Life's value of half year's new business after cost of capital
Base Scenario	**54,623**	**4,664**
Risk discount rate increased by 50 base points	51,983	4,461
Risk discount rate decreased by 50 base points	57,533	4,884
Investment return increased by 50 base points	74,500	5,590
Investment return decreased by 50 base points	34,376	3,735
Mortality increased by 10% (i.e. 110% of Base)	54,029	4,619
Mortality decreased by 10% (i.e. 90% of Base)	55,229	4,708
Morbidity increased by 10% (i.e. 110% of Base)	53,452	4,654
Morbidity decreased by 10% (i.e. 90% of Base)	55,813	4,672
Lapse and surrender rates increased by 10% (i.e. 110% of Base)	54,344	4,629
Lapse and surrender rates decreased by 10% (i.e. 90% of Base)	54,918	4,700
Expenses assumptions increased by 10% (i.e. 110% of Base)	54,201	4,503

INDEPENDENT ACTUARIES OPINION ON REVIEW OF EMBEDDED VALUE INFORMATION

To the Board of Directors of Sunshine Insurance Group Company Limited

KPMG Advisory (China) Limited Beijing Branch ("We") have reviewed the Embedded Value ("EV") of Sunshine Insurance Group Company Limited ("the Company" or "Sunshine Insurance Group") and Embedded Value of Sunshine Life Insurance Corporation Limited ("Sunshine Life") as of 30 June 2026 set out in the 2026 Interim Report of the Company ("the EV Information").

The management of the Company are responsible for the preparation and presentation of the EV Information in accordance with the "Actuarial Practice Standard: Assessment Standard for Embedded Value of Life Insurance" published by the China Association of Actuaries ("the EV Assessment Standard") and industry practice for publicly listed companies in Hong Kong. This responsibility includes designing, implementing and maintaining internal control relevant to the maintenance of underlying data and information on the in-force business and preparation of the EV Information which is free from material misstatement, whether due to fraud or error; selecting and applying appropriate methodologies; making assumptions that are consistent with market information and are reasonable in the circumstances; and performing EV calculations.

Our responsibility, as independent actuaries, is to perform certain review procedures set out in our letter of engagement, and based on these procedures, conclude whether the EV methodologies and assumptions are consistent with the EV Assessment Standard, available market information and industry practice for publicly listed companies in Hong Kong.

We have reviewed the methodology and assumptions used in preparing the EV Information, including the following:

- The EV as of 30 June 2026;
- Value of half year's new business of the Sunshine Life as of 30 June 2026; and
- Movement analysis of the EV and sensitivity analysis of value of in-force business and value of half year's new business.

Embedded Value Report

Our review procedures included, but were not limited to, reviewing the methodology and assumptions, inspecting documentation relating thereto, and considering whether the methodologies and assumptions are consistent with the EV Assessment Standard, available market information, and industry practice for publicly listed companies in Hong Kong.

The preparation of the EV Information requires assumptions and projections to be made about future uncertain events, many of which are outside the control of Sunshine Insurance Group. Therefore, actual experience may differ from these assumptions and projections, and this will affect the value of in-force business and the value of new business.

Our conclusion has relied on the integrity, accuracy and completeness of audited and unaudited data and information provided by Sunshine Insurance Group. Our work did not involve reperforming the EV calculations, nor verifying the data and information underlying the EV Information.

Based on our review procedures, we have concluded that the methodologies and assumptions used in preparing the EV Information are consistent with the EV Assessment Standard, available market information, and industry practice for publicly listed companies in Hong Kong.

This report has been prepared for and only for the Board of Directors of the Company in accordance with our letter of engagement and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.

For and on behalf of **KPMG Advisory (China) Limited Beijing Branch**
Zhenhua Lu, *FSA*

28 August 2026

Other Information

EMPLOYEES, REMUNERATION AND EMPLOYEE SHARE OWNERSHIP PLAN

As of June 30, 2026, the Group had 45,074 employees. The total remuneration costs incurred by the Group for the six months ended June 30, 2026 were approximately RMB4.18 billion. During the Reporting Period, there were no significant changes to the Group's remuneration policies, training programs and employee share ownership plan. For relevant information, please refer to "Directors, Supervisors, Senior Management and Employees" and "Report of the Board of Directors" set out in 2025 Annual Report of the Company.

CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all other applicable code provisions other than code provision B.3.5 and code provision C.2.1 set out in the Corporate Governance Code and adopted most of the recommended best practices under appropriate circumstances.

Code provision B.3.5 of the Corporate Governance Code requires that an issuer should appoint at least one director of a different gender to the nomination committee. Although the Nomination and Remuneration Committee currently comprised of members of a single gender, the Company implemented the Board Diversity Policy and the employee diversity policy to enhance the diversity and inclusiveness (including gender diversity) in the recruitment. The Nomination and Remuneration Committee also took into account the Board Diversity Policy when reviewing the composition of the Board, appointing and re-appointing Directors, and making proposals for succession planning to facilitate the establishment of a diverse talent pipeline. In addition, the Directors satisfied that the overall composition of the Board demonstrated the diversity with a balanced mix of professional knowledge, industry experience and backgrounds, and there were two female Directors. All members of the Board provided extensive experience in senior management, which supported effective governance and strategic supervision. Therefore, the Board considered that it had justifiable reasons to deviate from code provision B.3.5 of the Corporate Governance Code. The Board will continue to review the composition of the Nomination and Remuneration Committee, and appoint Directors of different genders to the Nomination and Remuneration Committee after considering the situation of the Company in due course.

During the Reporting Period, Mr. ZHANG Weigong served as the chairman of the Board and chief executive officer of the Company. Mr. ZHANG Weigong, our founder, has extensive experience in the insurance industry and is responsible for the business strategies and overall management of operation. While this will constitute a deviation from code provision C.2.1 of Appendix C1 to the Hong Kong Listing Rules, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board considers that vesting the roles of chairman of the Board and chief executive officer in Mr. ZHANG Weigong is beneficial to the business prospects and operational efficiency of the Company. The balance of power and authority is ensured by the operation of the Board and the senior management, which comprises experienced and high-caliber individuals. The Board currently comprises four executive Directors (including Mr. ZHANG Weigong), three non-executive Directors and five independent non-executive Directors and therefore has a high level of independence. The overall strategies and other key business policies of the Group are made collectively by the Board after thorough discussion to ensure the comprehensiveness and reasonableness of decision-making. The Board will continue to review the effectiveness of the corporate governance structure of

Other Information

the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

In order to meet the needs of the Company's listing on the Hong Kong Stock Exchange and the strategic transformation and development under the new situation, strengthen the stability of development and mechanism optimization of the Company, boost the healthy and sustainable development of the Company, and draw on the effective practices of global corporate governance, the Board approved the establishment of the joint chief executive officer (Joint CEO) mechanism to effectively reinforce the collective decision-making of the Executive Committee and continuously improve the management and execution capability of the Company, and Mr. LI Ke and Mr. PENG Jihai were appointed as joint chief executive officers. The joint chief executive officers shall exercise management leadership over the relevant business segments under the leadership or authorization of the Chairman of the Board/CEO of the Company, respectively.

SECURITIES TRANSACTIONS

During the Reporting Period, the Company had adopted the Model Code set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct for governing the securities transactions by the Directors and the Supervisors. Upon specific enquiries by the Company, all Directors and Supervisors confirmed that they had complied with the standards set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company or any of its subsidiaries had not purchased, sold or redeemed any of its listed securities (including sale of treasury shares (as defined in the Hong Kong Listing Rules)).

No treasury shares were held by the Company as at the end of the Reporting Period.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS OR SHORT POSITIONS IN SHARES OR UNDERLYING SHARES OF THE COMPANY

As at the end of the Reporting Period, to the best knowledge of the Directors, the following persons (other than the Directors, Supervisors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or were, either directly or indirectly, interested in 5% or more of the nominal value of any class of share capital.

Equity Holder Name	Nature of Interest	Class of Shares	Number of Shares	Nature of Interest	Approximate Percentage of Total Issued Class of Shares [11] (%)	Approximate Percentage of Total Issued Share Capital [11] (%)
Beijing Chengtong Financial Holding Investment Co., Ltd. (北京誠通金控投資有限公司) ("**Beijing Chengtong**") [1]	Beneficial owner	Domestic Unlisted Shares	700,000,000	Long position	8.73	6.09
China Chengtong Holdings Group Ltd. (中國誠通控股集團有限公司) ("**China Chengtong**") [1]	Interest of controlled corporation	Domestic Unlisted Shares	700,000,000	Long position	8.73	6.09
Beijing Ruiteng Yihong Investment Management Co., Ltd. (北京銳藤宜鴻投資管理有限公司) ("**Ruiteng Yihong**") [2]	Beneficial owner	Domestic Unlisted Shares	660,000,000	Long position	8.23	5.74
Septwolves Group Holding Co., Ltd. (七匹狼控股集團股份有限公司) ("**Septwolves Holding**") [2]	Interest of controlled corporation	Domestic Unlisted Shares	660,000,000	Long position	8.23	5.74
	Beneficial owner	Domestic Unlisted Shares	100,000,000	Long position	1.25	0.87
Fujian Septwolves Group Co., Ltd. (福建七匹狼集團有限公司) [2]	Interest of controlled corporation	Domestic Unlisted Shares	660,000,000	Long position	8.23	5.74
	Interest of controlled corporation	Domestic Unlisted Shares	100,000,000	Long position	1.25	0.87
ZHOU Yongwei [2]	Interest of controlled corporation	Domestic Unlisted Shares	660,000,000	Long position	8.23	5.74
	Interest of controlled corporation	Domestic Unlisted Shares	100,000,000	Long position	1.25	0.87
ZHOU Shaoxiong [2]	Interest of controlled corporation	Domestic Unlisted Shares	660,000,000	Long position	8.23	5.74
	Interest of controlled corporation	Domestic Unlisted Shares	100,000,000	Long position	1.25	0.87
ZHOU Shaoming [2]	Interest of controlled corporation	Domestic Unlisted Shares	660,000,000	Long position	8.23	5.74
	Interest of controlled corporation	Domestic Unlisted Shares	100,000,000	Long position	1.25	0.87

Other Information

Equity Holder Name	Nature of Interest	Class of Shares	Number of Shares	Nature of Interest	Approximate Percentage of Total Issued Class of Shares [11] (%)	Approximate Percentage of Total Issued Share Capital [11] (%)
Lhasa Fengming Construction Machinery Sales Co., Ltd. (拉薩豐銘工程機械銷售有限公司) ("**Lhasa Fengming**") [3]	Beneficial owner	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
Shenzhen Qianhai Ruiyu Taihe Investment Center (Limited Partnership) (深圳前海瑞譽泰和投資中心(有限合夥)) ("**Shenzhen Qianhai Ruiyu**") [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
Tibet Ruiyu Investment Management Co., Ltd. (西藏瑞譽投資管理有限公司) ("**Tibet Ruiyu**") [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
YUAN Tao [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
Anxin Qiansheng Wealth Management (Shenzhen) Co., Ltd. (安信乾盛財富管理(深圳)有限公司) [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
Essence Fund Management Co., Ltd. (安信基金管理有限責任公司) [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
Minmetals Capital Holdings Limited (五礦資本控股有限公司) [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
Minmetals Capital Company Limited (五礦資本股份有限公司) [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
SDIC Securities Co., Ltd. (國投證券股份有限公司) [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
SDIC Capital Co., Ltd. (國投資本股份有限公司) [3]	Interest of controlled corporation	Domestic Unlisted Shares	550,000,000	Long position	6.86	4.78
Jiangsu Yonggang Group Co., Ltd. (江蘇永鋼集團有限公司) ("**Jiangsu Yonggang**") [4]	Beneficial owner	Domestic Unlisted Shares	523,700,000	Long position	6.53	4.55
Everrising Holdings Co., Ltd. (永卓控股有限公司) [4]	Interest of controlled corporation	Domestic Unlisted Shares	523,700,000	Long position	6.53	4.55
Suzhou Yongyuan Holding Co., Ltd. (蘇州永源控股有限公司) [4]	Interest of controlled corporation	Domestic Unlisted Shares	523,700,000	Long position	6.53	4.55

Equity Holder Name	Nature of Interest	Class of Shares	Number of Shares	Nature of Interest	Approximate Percentage of Total Issued Class of Shares [11] (%)	Approximate Percentage of Total Issued Share Capital [11] (%)
Beijing Taihe Fangyuan Investment Co., Ltd. (北京泰合方圓投資有限公司) [5]	Beneficial owner	Domestic Unlisted Shares	500,000,000	Long position	6.23	4.35
Beijing Wanquan Yide Investment Fund Management Co., Ltd. (北京萬泉易德投資基金管理有限公司) [5]	Interest of controlled corporation	Domestic Unlisted Shares	500,000,000	Long position	6.23	4.35
Shanghai Cai Tong Asset Management Co., Ltd. (上海財通資產管理有限公司) [5]	Interest of controlled corporation	Domestic Unlisted Shares	500,000,000	Long position	6.23	4.35
Caitong Fund Management Co., Ltd. (財通基金管理有限公司) [5]	Interest of controlled corporation	Domestic Unlisted Shares	500,000,000	Long position	6.23	4.35
Beijing Bangchen Zhengtai Investment Co., Ltd. (北京邦宸正泰投資有限公司) ("**Bangchen Zhengtai**") [6]	Beneficial owner	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Beijing Hengyi Shengtai Investment Management Center (Limited Partnership) (北京恒誼盛泰投資管理中心(有限合夥)) ("**Beijing Hengyi**") [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Shanghai Shengle Investment Partnership (Limited Partnership) (上海盛樂投資合夥企業(有限合夥)) ("**Shanghai Shengle**") [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Shanghai Baolin Enterprise Management Co., Ltd. (上海寶鱗企業管理有限公司) [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Shanghai Baohe Enterprise Management Co., Ltd. (上海寶荷企業管理有限公司) [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Shanghai Baoxin Enterprise Management Co., Ltd. (上海保忻企業管理有限公司) [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Shanghai Baoyao Enterprise Management Co., Ltd. (上海寶鑰企業管理有限公司) [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Wealth Smart International Holdings Limited (駿寶國際集團有限公司) [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Cheer Wealthy Holdings Limited (展裕控股有限公司) [6]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09

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Equity Holder Name	Nature of Interest	Class of Shares	Number of Shares	Nature of Interest	Approximate Percentage of Total Issued Class of Shares [11] (%)	Approximate Percentage of Total Issued Share Capital [11] (%)
Shanghai Xuchang Technology Co., Ltd. (上海旭昶科技有限公司) ("**Shanghai Xuchang**") [7]	Beneficial owner	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Beijing Maisheng Information Consulting Center (Limited Partnership) (北京邁晟信息諮詢中心(有限合夥)) ("**Beijing Maisheng**") [7]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Beijing Dingsi Hengyi Management Consulting Co., Ltd. (北京鼎思衡誼管理諮詢有限公司) ("**Beijing Dingsi Hengyi**") [7]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Beijing Qiyi Information Consulting Co., Ltd. (北京齊誼信息諮詢有限公司) ("**Beijing Qiyi**") [7]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
LIU Hong [7]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Dalian Jinxiang Enterprise Management Co., Ltd. (大連錦翔企業管理有限公司) ("**Dalian Jinxiang**") [7]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Dalian Jinxin Enterprise Management Co., Ltd. (大連錦欣企業管理有限公司) ("**Dalian Jinxin**") [7]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
DAI Chengshu [7]	Interest of controlled corporation	Domestic Unlisted Shares	470,900,000	Long position	5.87	4.09
Shannan Hongquan Management Consulting Co., Ltd. (山南泓泉企業管理諮詢有限公司) ("**Shannan Hongquan**") [8]	Beneficial owner	Domestic Unlisted Shares	373,200,000	Long position	4.65	3.24
Ningbo Dingzhi Jintong Equity Investment Center (Limited Partnership) (寧波鼎智金通股權投資中心(有限合夥)) ("**Ningbo Dingzhi Jintong**") [8]	Interest of controlled corporation	Domestic Unlisted Shares	373,200,000	Long position	4.65	3.24
Tibet Hengyi Investment Management Co., Ltd. (西藏恒誼投資管理有限公司) ("**Tibet Hengyi**") [6][7][8]	Interest of controlled corporation	Domestic Unlisted Shares	1,315,000,000	Long position	16.39	11.43

Equity Holder Name	Nature of Interest	Class of Shares	Number of Shares	Nature of Interest	Approximate Percentage of Total Issued Class of Shares (11) (%)	Approximate Percentage of Total Issued Share Capital (11) (%)
Shanghai Loyal Valley Investment Management Co., Ltd. (上海正心谷投資管理有限公司) ("**Shanghai Loyal Valley**") (6)(8)	Interest of controlled corporation	Domestic Unlisted Shares	844,100,000	Long position	10.52	7.34
LIN Lijun (6)(8)	Interest of controlled corporation	Domestic Unlisted Shares	844,100,000	Long position	10.52	7.34
China Universal Capital – Sunshine Insurance Employee Share Ownership Plan (匯添富資本－陽光保險員工持股計劃)	Beneficial owner	Domestic Unlisted Shares	440,780,000	Long position	5.49	3.83
China Chengtong	Beneficial owner	H Shares	350,000,000	Long position	10.06	3.04
China Petrochemical Corporation (中國石油化工集團有限公司)	Beneficial owner	H Shares	350,000,000	Long position	10.06	3.04
HAITONG ASSET MANAGEMENT ANYING HAI WAI NO.20 DIRECTIONAL INVESTMENT SCHEME	Beneficial owner	H Shares	184,249,000	Long position	5.30	1.60

Notes:

(1) Beijing Chengtong directly holds 700,000,000 Domestic Unlisted Shares in the Company. Beijing Chengtong is wholly owned by China Chengtong, which is controlled by the State-owned Assets Supervision and Administration Commission of the State Council.

(2) Ruiteng Yihong holds 660,000,000 Domestic Unlisted Shares of the Company. Ruiteng Yihong is held as to 62.83% by Septwolves Holding. Septwolves Holding is held as to 82.86% by Fujian Septwolves Group Co., Ltd., which in turn is ultimately controlled by ZHOU Yongwei, ZHOU Shaoxiong and ZHOU Shaoming, who are related to each other as brothers. At the same time, Septwolves Holding directly holds 100,000,000 Domestic Unlisted Shares in the Company.

According to the Disclosure of Interests Form filed by Septwolves Holding on February 21, 2024, 100,000,000 shares were pledged by Septwolves Holding.

(3) Lhasa Fengming holds 550,000,000 Domestic Unlisted Shares in the Company. Shenzhen Qianhai Ruiyu is a limited partnership incorporated under the laws of the PRC as an investment vehicle, which holds 66.67% interest in Lhasa Fengming. Tibet Ruiyu is a general partner of Shenzhen Qianhai Ruiyu. Tibet Ruiyu is held as to 99.00% by YUAN Tao. Anxin Qiansheng Wealth Management (Shenzhen) Co., Ltd. holds a partnership interest of 99.95% in Shenzhen Qianhai Ruiyu as its sole limited partner. Anxin Qiansheng Wealth Management (Shenzhen) Co., Ltd. is wholly owned by Essence Fund Management Co., Ltd., which is in turn held as to 39.84% and 39.88% by Minmetals Capital Holdings Limited and SDIC Securities Co., Ltd. respectively. Minmetals Capital Holdings Limited is wholly owned by Minmetals Capital Company Limited, a company listed on the Shanghai Stock Exchange (stock code: 600390). SDIC Securities Co., Ltd. is held as to 99.99% by SDIC Capital Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600061).

(4) Jiangsu Yonggang directly holds 523,700,000 Domestic Unlisted Shares in the Company. Jiangsu Yonggang is held as to 33.68% by Everrising Holdings Co., Ltd. Everrising Holdings is held as to 75.00% by Suzhou Yongyuan Holding Co., Ltd.

Other Information

(5) Beijing Taihe Fangyuan Investment Co., Ltd. directly holds 500,000,000 Domestic Unlisted Shares of the Company. Beijing Taihe Fangyuan Investment Co., Ltd. is wholly-owned by Beijing Wanquan Yide Investment Fund Management Co., Ltd., which is wholly-owned by Shanghai Cai Tong Asset Management Co., Ltd. Shanghai Cai Tong Asset Management Co., Ltd. is owned as to 80.00% by Caitong Fund Management Co., Ltd.

(6) Bangchen Zhengtai directly holds 470,900,000 Domestic Unlisted Shares in the Company. Beijing Hengyi is a limited partnership incorporated under the laws of the PRC as an investment vehicle, which directly holds a 99.99% interest in Bangchen Zhengtai. Tibet Hengyi and Shanghai Loyal Valley are the general partners of Beijing Hengyi, of which Tibet Hengyi is the executive partner of Beijing Hengyi. Tibet Hengyi is directly held as to 99.00% by ZHANG Weigong and Shanghai Loyal Valley is directly held as to 99.9% by LIN Lijun.

According to the Disclosure of Interests Form filed by Mr. ZHANG Weigong on November 20, 2025, 215,000,000 shares were pledged by Bangchen Zhengtai.

Shanghai Shengle holds a 91.75% partnership interest in Beijing Hengyi as its limited partner. Shanghai Shengle is a limited partnership incorporated under the laws of the PRC as an investment vehicle; its general partner is Shanghai Loyal Valley, and its limited partners include Shanghai Baolin Enterprise Management Co., Ltd. and Shanghai Baohe Enterprise Management Co., Ltd., each of which hold a partnership interest of 49.54%. Shanghai Baolin Enterprise Management Co., Ltd. is wholly owned by Shanghai Baoxin Enterprise Management Co., Ltd., which is in turn wholly owned by Wealth Smart International Holdings Limited; Shanghai Baohe Enterprise Management Co., Ltd. is wholly owned by Shanghai Baoyao Enterprise Management Co., Ltd., which is in turn wholly owned by Cheer Wealthy Holdings Limited.

(7) Shanghai Xuchang directly holds 470,900,000 Domestic Unlisted Shares in the Company. Beijing Maisheng is a limited partnership incorporated under the laws of the PRC as an investment vehicle, which directly holds a 42.59% interest in Shanghai Xuchang. Beijing Dingsi Hengyi and Beijing Qiyi are the general partners of Beijing Maisheng, of which Beijing Dingsi Hengyi is the executive partner of Beijing Maisheng. Tibet Hengyi directly holds a 100% interest in Beijing Dingsi Hengyi. Tibet Hengyi and Liu Hong directly hold 33.33% and 66.67% interest in Beijing Qiyi, respectively.

Dalian Jinxiang is the limited partner of Beijing Maisheng, which holds a 99.86% partnership interest. Dalian Jinxiang is wholly owned by Dalian Jinxin. Dalian Jinxin is held as to 99.99% by DAI Chengshu.

(8) Shannan Hongquan directly holds 373,200,000 Domestic Unlisted Shares in the Company. Ningbo Dingzhi Jintong is a limited partnership incorporated under the laws of the PRC as an investment vehicle, and directly holds a 95.98% interest in Shannan Hongquan. Tibet Hengyi and Shanghai Loyal Valley are the general partners of Ningbo Dingzhi Jintong, of which Shanghai Loyal Valley is the executive partner of Ningbo Dingzhi Jintong.

Pursuant to the confirmation letter issued by Shannan Hongquan to Bangchen Zhengtai, Shannan Hongquan shall continue to maintain consistency with Bangchen Zhengtai in exercising its proposal, nomination, voting and decision-making rights in respect of all material matters in the corporate governance and production and operation of the Company.

(9) The information disclosed above was based on the information provided on the website of the Hong Kong Stock Exchange at www.hkexnews.hk.

(10) According to Section 336 of the SFO, shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled. When the shareholdings of the shareholders in the Company change, it is not necessary for the shareholders to notify the Company and the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the shareholders in the Company may be different from the shareholdings filed with the Hong Kong Stock Exchange.

(11) As at the end of the Reporting Period, the Company had a total of 11,501,522,500 Shares in issue, comprising 8,022,753,987 Domestic Unlisted Shares and 3,478,768,513 H Shares.

Save as disclosed above, as at the end of the Reporting Period, so far as the Directors were aware, no other person (other than the Directors, Supervisors or chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company which are required to be disclosed or recorded in the register of the Company to be kept under Section 336 of the SFO.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at the end of the Reporting Period, the following Directors, Supervisors and chief executive had the following interests and/or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interest and/or short position taken or deemed to be held under the relevant provisions of the SFO), or are required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code, or are required to be recorded in the register required to be kept under Section 352 of the SFO:

Name	Position(s)	Capacity	Class of shares	Number of shares	Nature of interest	Approximate Percentage of Total Issued Class of Shares [7] (%)	Approximate Percentage of Total Issued Share Capital [7] (%)
ZHANG Weigong [1][2]	Executive Director, Chairman and Chief Executive Officer	Interest of controlled corporation	Domestic Unlisted Shares	1,315,000,000	Long position	16.39	11.43
		Others	Domestic Unlisted Shares	10,799,373	Long position	0.13	0.09
		Others	H Shares	395,275	Long position	0.01	0.00
LI Ke [3]	Executive Director	Others	Domestic Unlisted Shares	12,263,949	Long position	0.15	0.11
		Others	H Shares	395,275	Long position	0.01	0.00
PENG Jihai [4]	Executive Director	Others	Domestic Unlisted Shares	6,832,297	Long position	0.09	0.06
		Others	H Shares	395,275	Long position	0.01	0.00
WANG Xiaopeng [5]	Executive Director	Others	Domestic Unlisted Shares	435,000	Long position	0.01	0.00
		Others	H Shares	395,275	Long position	0.01	0.00
HOU Huisheng [6]	Non-executive Director	Others	Domestic Unlisted Shares	186,637	Long position	0.00	0.00
		Others	H Shares	237,511	Long position	0.01	0.00

Other Information

Notes:

(1) Bangchen Zhengtai directly holds 470,900,000 Domestic Unlisted Shares of the Company. Beijing Hengyi, a limited partnership incorporated under the laws of the PRC as an investment vehicle, directly holds 99.99% equity interests in Bangchen Zhengtai. Tibet Hengyi is the general partner of Beijing Hengyi. Mr. ZHANG Weigong directly holds 99.00% equity interests in Tibet Hengyi.

Shanghai Xuchang directly holds 470,900,000 Domestic Unlisted Shares of the Company. Beijing Maisheng, a limited partnership incorporated under the laws of the PRC as an investment vehicle, directly holds 42.59% equity interests in Shanghai Xuchang. Beijing Dingsi Hengyi is the general partner of Beijing Maisheng. Tibet Hengyi directly holds 100% equity interests in Beijing Dingsi Hengyi. Beijing Qiyi is the general partner of Beijing Maisheng. Tibet Hengyi directly holds 33.33% equity interests in Beijing Qiyi.

Shannan Hongquan directly holds 373,200,000 Domestic Unlisted Shares of the Company. Ningbo Dingzhi Jintong, a limited partnership incorporated under the laws of the PRC as an investment vehicle, directly holds 95.98% equity interests in Shannan Hongquan. Tibet Hengyi is the general partner of Ningbo Dingzhi Jintong.

According to the Disclosure of Interests Form filed by Mr. ZHANG Weigong on November 20, 2025, 215,000,000 Shares were pledged by Bangchen Zhengtai.

(2) Mr. ZHANG Weigong indirectly holds 10,799,373 Domestic Unlisted Shares of the Company through participation in the Employee Share Ownership Plan, and indirectly holds 395,275 H Shares of the Company through participation in the performance-based bonus deferral plan of the Company.

(3) Mr. LI Ke indirectly holds 12,263,949 Domestic Unlisted Shares of the Company through participation in the Employee Share Ownership Plan, and indirectly holds 395,275 H Shares of the Company through participation in the performance-based bonus deferral plan of the Company.

(4) Mr. PENG Jihai indirectly holds 6,832,297 Domestic Unlisted Shares of the Company through participation in the Employee Share Ownership Plan, and indirectly holds 395,275 H Shares of the Company through participation in the performance-based bonus deferral plan of the Company.

(5) Mr. WANG Xiaopeng indirectly holds 435,000 Domestic Unlisted Shares of the Company through participation in the Employee Share Ownership Plan, and indirectly holds 395,275 H Shares of the Company through participation in the performance-based bonus deferral plan of the Company.

(6) Mr. HOU Huisheng indirectly holds 186,637 Domestic Unlisted Shares of the Company through participation in the Employee Share Ownership Plan, and indirectly holds 237,511 H Shares of the Company through participation in the performance-based bonus deferral plan of the Company.

(7) As at the end of the Reporting Period, the Company had a total of 11,501,522,500 Shares in issue, comprising 8,022,753,987 Domestic Unlisted Shares and 3,478,768,513 H Shares.

Save as disclosed above, as at the end of the Reporting Period, none of the Directors, Supervisors or chief executive of the Company had any interests and/or short positions in the shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interest and/or short position taken or deemed to be held under the relevant provisions of the SFO), or are required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code, or are required to be recorded in the register required to be kept under Section 352 of the SFO.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

As at the Latest Practicable Date, the changes in information of Directors, Supervisors and chief executive officer of the Company are as follows:

1. On December 12, 2024, the Board of the Company considered and approved the Proposal on the Nomination of Candidate for Independent Director of the Sixth Session of the Board of the Company, and nominated Mr. DONG Bin as a candidate for independent non-executive Director of the sixth session of the Board of the Company. On June 17, 2025, following the approval by the Shareholders at the annual general meeting, Mr. DONG Bin was appointed as an independent non-executive Director of the sixth session of the Board. On March 4, 2026, Mr. DONG Bin obtained the legal advice as stipulated in Rule 3.09D of the Hong Kong Listing Rules and understood his responsibilities as a Director of the Company. On March 4, 2026, following the approval by the National Financial Regulatory Administration, Mr. DONG Bin served as an independent non-executive Director of the Company. For biography and other information of Mr. DONG Bin, please refer to the relevant announcement of the Company dated March 4, 2026. As at the Latest Practicable Date, there has been no change to such information.

2. The Board of the Company held the meeting on March 26, 2025, at which the Proposal on the Nomination of Candidate for Executive Director of the Sixth Session of the Board of the Company was considered and approved, and nominated Mr. WANG Xiaopeng as a candidate for executive Director of the sixth session of the Board of the Company. On June 17, 2025, following the approval by the Shareholders at the annual general meeting, Mr. WANG Xiaopeng was appointed as an executive Director of the sixth session of the Board. On January 29, 2026, Mr. WANG Xiaopeng obtained the legal advice as stipulated in Rule 3.09D of the Hong Kong Listing Rules and understood his responsibilities as a Director of the Company. On January 29, 2026, following the approval by the National Financial Regulatory Administration, Mr. WANG Xiaopeng served as the executive Director of the Company. For the biography and other information of Mr. WANG Xiaopeng, please refer to the relevant announcement of the Company dated January 30, 2026. As at the Latest Practicable Date, there has been no change to such information.

Other Information

3. As the term of office of the sixth session of the Board of the Company expired, the Board held the meeting on April 7, 2026, at which the Proposal on the Nomination of Candidates for Directors of the Seventh Session of the Board was considered and approved. On June 17, 2026, following the approval by the Shareholders at the annual general meeting, Mr. ZHANG Weigong, Mr. LI Ke, Mr. PENG Jihai, Mr. WANG Xiaopeng and Mr. LIU Yingchun were appointed as executive Directors of the seventh session of the Board of the Company, Mr. CAI Qiwu, Mr. XING Junxiang, Mr. CHEN Xinwei and Ms. QIAN Yiqun were appointed as non-executive Directors of the seventh session of the Board of the Company, and Ms. JIA Ning, Mr. WU Xiaoqiu, Mr. HONG Qi, Mr. XU Ying and Mr. DONG Bin were appointed as independent non-executive Directors of the seventh session of the Board of the Company. They will, together with Mr. HOU Huisheng, the employee Director elected by the employee representatives' meeting of the Company on April 7, 2026, form the seventh session of the Board of the Company. The term of office of the seventh session of the Board of the Company shall be three years. The terms of office of the re-elected Directors shall commence from the date of approval by the annual general meeting and expire upon the expiration of the term of office of the seventh session of the Board, subject to re-election upon the expiration of their terms of office, except as otherwise provided by laws and regulations. The terms of office of the new Directors shall commence from the date of completion of the procedures set forth in the Articles of Association and the approval by Chinese insurance regulatory authority of their directorship qualifications, and shall expire upon the expiration of the term of office of the seventh session of the Board, subject to re-election upon the expiration of their terms of office. Due to the expiration of their terms of office, Mr. WANG Jingwei and Mr. CHEN Yong ceased to be the non-executive Directors of the Company from the date of the election of the seventh session of the Board at the annual general meeting. On June 17, 2026, it was resolved by the Board that Mr. ZHANG Weigong was elected as the chairman of the seventh session of the Board of the Company, Mr. PENG Jihai was elected as the vice chairman of the seventh session of the Board of the Company, and the members of each committee of the seventh session of the Board of the Company were elected, with the same term of office as that of the seventh session of the Board. For details of the election of the Board, please refer to relevant announcements of the Company dated April 7, 2026, May 26, 2026 and June 17, 2026.

4. As the term of office of the sixth session of the Board of Supervisors of the Company expired , the Board of Supervisors held the meeting on April 7, 2026, at which the Proposal on the Nomination of Candidates for Supervisors of the Seventh Session of the Board of Supervisors was considered and approved. On June 17, 2026, following the approval by the Shareholders at the annual general meeting, Mr. PAN Hui was appointed as the shareholder Supervisor of the seventh session of the Board of Supervisors of the Company, and Ms. WANG Zhe was appointed as the external Supervisor of the seventh session of the Board of Supervisors of the Company. They formed the seventh session of the Board of Supervisors of the Company together with Ms. YANG Dan, the employee Supervisor elected by the employee representatives' meeting of the Company on April 7, 2026. The term of office of the re-elected Supervisor shall commence from the

date of approval by the annual general meeting of the Company and expire upon the expiration of the term of office of the seventh session of the Board of Supervisors, subject to re-election upon the expiration of their terms of office, except as otherwise provided by laws and regulations. The terms of office of the new Supervisors shall commence from the date of completion of the procedures set forth in the Articles of Association and the approval by Chinese insurance regulatory authority of their qualifications as Supervisors, and shall expire upon the expiration of the term of office of the seventh session of the Board of Supervisors, subject to re-election upon the expiration of their terms of office. Mr. ZHUANG Liang will continue to serve as the employee Supervisor and the chairman of the Board of Supervisors of the Company and Ms. ZHANG Di will continue to serve as the shareholder Supervisor of the Company until the new Supervisors obtain approval of their qualifications as Supervisors. For details of the election of the Board of Supervisors, please refer to relevant announcements of the Company dated April 7, 2026, May 26, 2026 and June 17, 2026.

Save as mentioned above, as at the Latest Practicable Date, there is no other change in the information of the Directors, Supervisors and chief executive officer required to be disclosed under Rule 13.51B(1) of the Listing Rules.

CHANGE OF JOINT COMPANY SECRETARY

Mr. SHU Gaoyong has ceased to act as the joint company secretary of the Company due to the adjustment of work arrangement, and Mr. DONG Yingqiu has been appointed as the joint company secretary of the Company, both with effect from August 28, 2026. For details of the change of joint company secretary, please refer to relevant announcement of the Company dated August 28, 2026.

INTERIM DIVIDEND

The Company will not declare any interim dividend for the six months ended June 30, 2026.

SUBSEQUENT EVENTS

Save as disclosed in this report, there were no other material subsequent events of the Company after the Reporting Period.

REVIEW OF INTERIM REPORT

The 2026 interim financial information prepared by the Group in accordance with IFRS has been reviewed by Ernst & Young. The 2026 interim report of the Group has been reviewed by the Audit Committee of the Board.

Independent Review Report

To the board of directors of Sunshine Insurance Group Company Limited
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial information set out on pages 71 to 96, which comprises the interim consolidated statement of financial position of Sunshine Insurance Group Company Limited (the "Company") and its subsidiaries as at 30 June 2026 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Ernst & Young
Certified Public Accountants

Hong Kong
28 August 2026

Interim Consolidated Statement of Profit or Loss

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

	Notes	Six months ended 30 June 2026 (Unaudited)	Six months ended 30 June 2025 (Unaudited)
Insurance revenue	5	**32,355**	32,441
Interest income	6	**5,212**	4,808
Investment income	7	**7,394**	6,349
Share of profits and losses of associates and joint ventures		**157**	261
Other income		**1,187**	1,260
Total revenues		**46,305**	45,119
Insurance service expenses		**(28,250)**	(28,253)
Allocation of reinsurance premiums paid		**(891)**	(868)
Less: Amount recovered from reinsurers		**856**	741
Net insurance finance expenses for insurance contracts issued		**(8,377)**	(7,136)
Less: Net reinsurance finance income for reinsurance contracts held		**49**	51
Expected credit losses	8	**(163)**	(474)
Finance costs		**(352)**	(556)
Other operating and administrative expenses	9	**(3,119)**	(3,528)
Total expenses		**(40,247)**	(40,023)
Profit before tax		**6,058**	5,096
Income tax	10	**(1,227)**	(1,615)
Net profit		**4,831**	3,481
Attributable to:			
Equity owners of the parent		**4,694**	3,389
Non-controlling interests		**137**	92
Earnings per share attributable to ordinary equity holders of the parent:			
– Basic	11	**RMB0.41**	RMB0.29
– Diluted	11	**RMB0.41**	RMB0.29

Interim Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Net profit	**4,831**	3,481
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Changes in the fair value of debt instruments at fair value through other comprehensive income	**3,235**	470
Credit risks provision of debt instruments at fair value through other comprehensive income	**73**	244
Insurance finance expenses for insurance contracts issued	**(3,817)**	(11,570)
Reinsurance finance income for reinsurance contracts held	**5**	3
Exchange differences on translating foreign operations	**(53)**	42
Share of other comprehensive income of associates and joint ventures	**(23)**	(17)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in the fair value of equity instruments at fair value through other comprehensive income	**(5,947)**	4,867
Insurance finance expenses for insurance contracts issued	**1,236**	(1,480)
Share of other comprehensive income of associates and joint ventures	**23**	(32)
Other comprehensive income for the period, net of tax	**(5,268)**	(7,473)
Total comprehensive income for the period, net of tax	**(437)**	(3,992)
Attributable to:		
Equity owners of the parent	**(574)**	(4,084)
Non-controlling interests	**137**	92

Interim Consolidated Statement of Financial Position

AS AT 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Property and equipment		**16,156**	18,496
Right-of-use assets		**2,212**	2,284
Investment properties		**9,115**	9,274
Investments in associates and joint ventures		**11,117**	11,690
Financial investments:			
Financial assets at fair value through profit or loss	13	**169,300**	178,390
Financial assets at amortised cost	14	**27,731**	8,108
Debt financial assets at fair value through other comprehensive income	15	**325,575**	322,611
Equity financial assets at fair value through other comprehensive income	16	**53,290**	61,021
Term deposits	17	**22,643**	21,904
Statutory deposits		**6,345**	6,388
Securities purchased under agreements to resell		**31,803**	5,436
Insurance contract assets	18	**269**	285
Reinsurance contract assets		**5,460**	5,474
Deferred tax assets	20	**2,718**	1,325
Other assets		**8,257**	5,280
Cash at bank and on hand		**10,843**	15,373
Total assets		**702,834**	673,339
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	18	**586,940**	537,054
Reinsurance contract liabilities		**19**	12
Lease liabilities		**516**	561
Bonds payable	19	**17,397**	19,522
Financial liabilities at fair value through profit or loss		**2,945**	2,998
Securities sold under agreements to repurchase		**15,070**	27,661
Tax payables		**1,072**	1,141
Premiums received in advance		**734**	2,932
Deferred tax liabilities	20	**3**	3
Other liabilities		**16,267**	16,718
Total liabilities		**640,963**	608,602

Interim Consolidated Statement of Financial Position (Continued)

AS AT 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Equity			
Share capital	21	**11,502**	11,502
Reserves		**7,759**	17,204
Retained profits		**36,076**	29,495
Attributable to equity owners of the parent		**55,337**	58,201
Non-controlling interests		**6,534**	6,536
Total equity		**61,871**	64,737
Total liabilities and equity		**702,834**	673,339

The interim condensed consolidated financial information on pages 71 to 96 were approved and authorised for issue by the Board of Directors on 28 August 2026 and were signed on its behalf by:

Mr. ZHANG Weigong	**Mr. PENG Jihai**
Director	*Director*

Interim Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

	Attributable to equity owners of the parent													
		Reserves												
(Unaudited)	Share capital	Capital reserves	Surplus reserves	General risk reserves	Agriculture catastrophic loss reserves	Nuclear catastrophic loss reserves	Financial assets at FVOCI reserves	Insurance finance reserve	Foreign currency translation reserves	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2026	11,502	26,047	2,074	8,602	57	46	22,998	(42,283)	(97)	(240)	29,495	58,201	6,536	64,737
Net profit	-	-	-	-	-	-	-	-	-	-	4,694	4,694	137	4,831
Other comprehensive income	-	-	-	-	-	-	(2,639)	(2,576)	(53)	-	-	(5,268)	-	(5,268)
Total comprehensive income	-	-	-	-	-	-	(2,639)	(2,576)	(53)	-	4,694	(574)	137	(437)
Dividend declared	-	-	-	-	-	-	-	-	-	-	(2,185)	(2,185)	-	(2,185)
Appropriation to general risk reserves	-	-	-	13	-	-	-	-	-	-	(13)	-	-	-
Transfer of gains/(losses) on disposal of equity investments at fair value through other comprehensive income to retained profits	-	-	-	-	-	-	(3,867)	(218)	-	-	4,085	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(138)	(138)
Others	-	(105)	-	-	-	-	-	-	-	-	-	(105)	(1)	(106)
As at 30 June 2026	11,502	25,942	2,074	8,615	57	46	16,492	(45,077)	(150)	(240)	36,076	55,337	6,534	61,871

Interim Consolidated Statement of Changes in Equity (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

	Attributable to equity owners of the parent													
		Reserves												
(Unaudited)	Share capital	Capital reserves	Surplus reserves	General risk reserves	Agriculture catastrophic loss reserves	Nuclear catastrophic loss reserves	Financial assets at FVOCI reserves	Insurance finance reserve	Foreign currency translation reserves	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2025	11,502	25,879	1,819	7,469	57	29	30,550	(41,809)	14	(153)	26,725	62,082	1,331	63,413
Net profit	–	–	–	–	–	–	–	–	–	–	3,389	3,389	92	3,481
Other comprehensive income	–	–	–	–	–	–	5,581	(13,047)	42	(49)	–	(7,473)	–	(7,473)
Total comprehensive income	–	–	–	–	–	–	5,581	(13,047)	42	(49)	3,389	(4,084)	92	(3,992)
Dividend declared	–	–	–	–	–	–	–	–	–	–	(2,185)	(2,185)	–	(2,185)
Appropriation to general risk reserves	–	–	–	12	–	–	–	–	–	–	(12)	–	–	–
Transfer of gains/(losses) on disposal of equity investments at fair value through other comprehensive income to retained profits	–	–	–	–	–	–	(626)	224	–	–	402	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(60)	(60)
Other equity instruments issued by subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	5,000	5,000
Others	–	24	–	–	–	–	–	–	–	–	–	24	3	27
As at 30 June 2025	11,502	25,903	1,819	7,481	57	29	35,505	(54,632)	56	(202)	28,319	55,837	6,366	62,203

Interim Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Net cash inflows from operating activities	**38,442**	30,227
Cash flows from investing activities		
Purchases of property and equipment, intangible assets and other assets	**(135)**	(314)
Proceeds from disposals of property and equipment, intangible assets and other assets	**2**	122
Purchases of investments	**(131,827)**	(132,805)
Proceeds from disposals of investments	**124,881**	116,432
Interest received	**8,706**	9,206
Dividends received	**217**	168
Others	**(104)**	(85)
Net cash inflows/(outflows) from investing activities	**1,740**	(7,276)
Cash flows from financing activities		
Decrease in securities sold under agreements to repurchase, net	**(12,587)**	(7,838)
Proceeds from issuance of asset-backed securities	**–**	2,750
Repayment of asset-backed securities	**(2,750)**	(2,750)
Capital injected into subsidiaries by non-controlling interests	**–**	5,000
Proceeds from bonds issued	**5,000**	–
Repayment of borrowings	**(7,057)**	–
Interest paid	**(400)**	(376)
Dividends paid	**(139)**	(60)
Payment of principal portion of lease liabilities	**(174)**	(184)
Others	**(23)**	(21)
Net cash outflows from financing activities	**(18,130)**	(3,479)
Effects of foreign exchange rate changes	**(90)**	(12)
Net increase in cash and cash equivalents	**21,962**	19,460
Cash and cash equivalents at the beginning of period	**20,994**	12,005
Cash and cash equivalents at the end of period	**42,956**	31,465
Analysis of balances of cash and cash equivalents		
Cash at bank and on hand	**10,842**	10,797
Investments with an initial term within 3 months	**32,114**	20,668

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

1 CORPORATE INFORMATION

Sunshine Insurance Group Company Limited (the "Company") was established on 27 June 2007 in Shenzhen, the People's Republic of China under the name of Sunshine Insurance Holdings Co., Ltd., according to the approval by the former China Insurance Regulatory Commission. On 23 January 2008, the Company officially changed its name to Sunshine Insurance Group Company Limited.

The business scope of the Company includes investing in insurance enterprises, supervising and managing various domestic and overseas businesses of subsidiaries, investment business permitted by national laws and regulations, as well as insurance business and other businesses approved by regulators.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are property and casualty insurance business, life insurance business, as well as asset management.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and the material accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025. Thus the interim condensed consolidated financial information should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 December 2025 and any public announcements made during the interim reporting period.

3 EFFECTIVE STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Group has adopted the following amendments for the first time for the interim condensed consolidated financial statements.

Standards/Amendments	Content
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Annual Improvements to IFRS Accounting Standards–Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The above amendments to the standards did not have any significant impact on the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

4 SEGMENT INFORMATION

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

The Group's operating segments are as follows:

(i) The life insurance segment which offers a wide range of life insurance products mainly by Sunshine Life Insurance Corporation Limited ("Sunshine Life");

(ii) The property and casualty insurance segment which offers a wide range of property and casualty insurance products mainly by Sunshine Property and Casualty Insurance Co., Ltd. ("Sunshine P&C") and Sunshine Surety Insurance Co., Ltd. ("Sunshine Surety"); and

(iii) Other businesses segment mainly provides corporate management and assets management services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions with regard to resources allocation and performance assessment. Segment performance is assessed based on indicators such as net profit.

Transfer prices between operating segments are based on the amount stated in the contracts signed by both sides.

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

4 SEGMENT INFORMATION (continued)

The segment analysis for the six months ended 30 June 2026 is as follows:

		Property and casualty insurance				
	Life insurance	Sunshine P&C	Sunshine Surety	Subtotal	Other businesses and elimination	Total
Insurance revenue	8,880	23,447	55	23,502	(27)	32,355
Interest income	4,766	340	11	351	95	5,212
Investment income	5,157	1,108	2	1,110	1,127	7,394
Share of profits and losses of associates and joint ventures	340	38	–	38	(221)	157
Other income	44	46	–	46	1,097	1,187
Total revenues	19,187	24,979	68	25,047	2,071	46,305
Insurance service expenses	(5,346)	(22,857)	(75)	(22,932)	28	(28,250)
Allocation of reinsurance premiums paid	(316)	(590)	(1)	(591)	16	(891)
Less: Amount recovered from reinsurers	255	614	6	620	(19)	856
Net insurance finance expenses for insurance contracts issued	(8,056)	(306)	(1)	(307)	(14)	(8,377)
Less: Net reinsurance finance income for reinsurance contracts held	17	32	–	32	–	49
Expected credit losses	(110)	(35)	–	(35)	(18)	(163)
Finance costs	(228)	(118)	–	(118)	(6)	(352)
Other operating and administrative expenses	(1,173)	(664)	(1)	(665)	(1,281)	(3,119)
Total expenses	(14,957)	(23,924)	(72)	(23,996)	(1,294)	(40,247)
Profit before tax	4,230	1,055	(4)	1,051	777	6,058
Income tax	(814)	(252)	1	(251)	(162)	(1,227)
Net profit	3,416	803	(3)	800	615	4,831

4 SEGMENT INFORMATION (continued)

The segment analysis for the six months ended 30 June 2025 is as follows:

		Property and casualty insurance				
	Life insurance	Sunshine P&C	Sunshine Surety	Subtotal	Other businesses and elimination	Total
Insurance revenue	8,627	23,753	66	23,819	(5)	32,441
Interest income	4,398	360	12	372	38	4,808
Investment income	5,297	679	1	680	372	6,349
Share of profits and losses of associates and joint ventures	388	84	–	84	(211)	261
Other income	139	64	3	67	1,054	1,260
Total revenues	18,849	24,940	82	25,022	1,248	45,119
Insurance service expenses	(4,973)	(23,218)	(62)	(23,280)	–	(28,253)
Allocation of reinsurance premiums paid	(306)	(570)	–	(570)	8	(868)
Less: Amount recovered from reinsurers	176	565	1	566	(1)	741
Net insurance finance expenses for insurance contracts issued	(6,601)	(237)	(1)	(238)	(297)	(7,136)
Less: Net reinsurance finance income for reinsurance contracts held	30	21	–	21	–	51
Expected credit losses	(353)	(103)	–	(103)	(18)	(474)
Finance costs	(415)	(132)	–	(132)	(9)	(556)
Other operating and administrative expenses	(1,930)	(762)	(2)	(764)	(834)	(3,528)
Total expenses	(14,372)	(24,436)	(64)	(24,500)	(1,151)	(40,023)
Profit before tax	4,477	504	18	522	97	5,096
Income tax	(1,555)	14	(6)	8	(68)	(1,615)
Net profit	2,922	518	12	530	29	3,481

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

5 INSURANCE REVENUE

	Six months ended 30 June	
	2026	2025
Insurance contracts not measured under the premium allocation approach		
Insurance revenue relating to the changes in the liability for remaining coverage		
Amortisation of contractual service margin	**2,532**	2,305
Change in the risk adjustment for non-financial risk	**319**	337
Expected insurance service expenses incurred in the period	**3,073**	3,378
Amortisation of insurance acquisition cash flows	**3,964**	3,952
Subtotal	**9,888**	9,972
Insurance contracts measured under the premium allocation approach	**22,467**	22,469
Total	**32,355**	32,441

6 INTEREST INCOME

	Six months ended 30 June	
	2026	2025
Bonds	**3,785**	3,477
Trust schemes	**731**	669
Debt investment schemes	**179**	227
Term deposits	**296**	271
Statutory deposits	**77**	87
Securities purchased under agreements to resell	**144**	77
Total	**5,212**	4,808

7 INVESTMENT INCOME

	Six months ended 30 June	
	2026	2025
Interest and dividend income (a)	**3,886**	4,535
Realised gains (b)	**3,707**	95
Unrealised (losses)/gains (c)	**(358)**	1,565
Operating lease income from investment properties	**159**	154
Total	**7,394**	6,349

7 INVESTMENT INCOME (continued)

(a) Interest and dividend income

	Six months ended 30 June	
	2026	2025
Bonds	**698**	648
Debt investment schemes	**257**	228
Funds	**126**	607
Equity securities	**1,955**	2,558
Equity investment schemes	**175**	173
Others	**675**	321
Total	**3,886**	4,535

(b) Realised gains

	Six months ended 30 June	
	2026	2025
Bonds	**(170)**	440
Funds	**174**	(979)
Equity securities	**3,574**	666
Others	**129**	(32)
Total	**3,707**	95

(c) Unrealised (losses)/gains

	Six months ended 30 June	
	2026	2025
Bonds	**470**	(331)
Debt investment schemes	**(111)**	(98)
Funds	**832**	848
Equity securities	**(2,171)**	1,953
Others	**623**	(664)
Financial assets at fair value through profit or loss	**(357)**	1,708
Financial liabilities at fair value through profit or loss	**(1)**	(143)
Total	**(358)**	1,565

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

8 EXPECTED CREDIT LOSSES

	Six months ended 30 June	
	2026	2025
Debt financial assets at fair value through other comprehensive income	**93**	310
Others	**70**	164
Total	**163**	474

9 OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	Six months ended 30 June	
	2026	2025
Employee costs	**4,178**	4,494
Promotion and consulting fees	**1,269**	1,211
Insurance guarantee fund	**396**	356
Depreciation of property and equipment	**279**	298
Depreciation of right-of-use assets	**166**	189
Depreciation of investment properties	**159**	173
Taxes	**249**	202
Amortisation of intangible assets	**34**	49
Impairment losses on other assets	**249**	432
Others	**2,651**	2,308
Subtotal	**9,630**	9,712
Less: Expenses directly attributable to insurance contracts		
Insurance acquisition cash flows recognised in liabilities for remaining coverage	**(4,895)**	(4,737)
Amounts recognised in insurance service expenses	**(1,616)**	(1,447)
Subtotal	**(6,511)**	(6,184)
Net	**3,119**	3,528

10 INCOME TAX

	Six months ended 30 June	
	2026	2025
Current income tax	**616**	515
Deferred income tax	**611**	1,100
Total	**1,227**	1,615

11 EARNINGS PER SHARE

The calculation of earnings per share is based on the following:

	Six months ended 30 June	
	2026	2025
Consolidated net profit attributable to equity owners of the parent	**4,694**	3,389
Weighted average number of ordinary shares in issue	**11,502**	11,502
Basic earnings per share	**RMB0.41**	RMB0.29
Diluted earnings per share	**RMB0.41**	RMB0.29

12 DIVIDENDS

	Six months ended 30 June	
	2026	2025
Dividends recognised as distributions during the period:		
2025 final dividend – RMB0.19 per ordinary share	**2,185**	–
2024 final dividend – RMB0.19 per ordinary share	**–**	2,185

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
Listed		
Bonds		
Finance bonds	**143**	154
Corporate bonds	**758**	796
Funds	**919**	1,596
Equity securities	**28,119**	27,959
Other investments	**324**	328
Subtotal	**30,263**	30,833
Unlisted		
Bonds		
Government bonds	**180**	264
Finance bonds	**41,767**	39,652
Corporate bonds	**1,046**	1,115
Interbank deposits	**399**	1,031
Funds	**27,310**	21,930
Debt investment schemes	**9,203**	9,290
Trust schemes	**6,701**	6,689
Other investments	**52,431**	67,586
Subtotal	**139,037**	147,557
Total	**169,300**	178,390

14 FINANCIAL ASSETS AT AMORTISED COST

	30 June 2026	31 December 2025
Unlisted		
Bonds		
Government bonds	**15,452**	–
Corporate bonds	**1,082**	–
Debt investment schemes	**2,274**	2,115
Trust schemes	**8,934**	5,999
Subtotal	**27,742**	8,114
Less: Provisions for impairment losses	**(11)**	(6)
Total	**27,731**	8,108

15 DEBT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
Listed		
Bonds		
Government bonds	**29,134**	28,768
Corporate bonds	**1,130**	1,112
Mortgage-backed securities	**676**	688
Subtotal	**30,940**	30,568
Unlisted		
Bonds		
Government bonds	**208,191**	202,711
Finance bonds	**35,522**	30,719
Corporate bonds	**6,975**	5,994
Interbank deposits	**16,699**	21,281
Debt investment schemes	**6,560**	8,566
Trust schemes	**20,688**	22,772
Subtotal	**294,635**	292,043
Total	**325,575**	322,611

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

16 EQUITY FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
Listed		
Equity securities	**52,378**	59,555
Unlisted		
Other equity investments	**912**	1,466
Total	**53,290**	61,021

17 TERM DEPOSITS

	30 June 2026	31 December 2025
Maturing period		
Within 3 months (including 3 months)	**375**	469
3 months to 1 year (including 1 year)	**2,904**	2,098
1 to 2 years (including 2 years)	**1,715**	450
2 to 3 years (including 3 years)	**4,598**	5,800
3 to 4 years (including 4 years)	**12,700**	1,000
4 to 5 years (including 5 years)	**–**	11,700
Accrued interest	**358**	394
Less: Provisions for impairment losses	**(7)**	(7)
Total	**22,643**	21,904

18 INSURANCE CONTRACT ASSETS/LIABILITIES

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

	30 June 2026	31 December 2025
Insurance contract liabilities		
Liabilities for remaining coverage	**564,253**	516,196
Liabilities for incurred claims	**22,418**	20,573
Net insurance contract liabilities	**586,671**	536,769
Represented by:		
Insurance contract assets	**(269)**	(285)
Insurance contract liabilities	**586,940**	537,054

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

	30 June 2026	31 December 2025
Insurance contract liabilities		
Estimates of present value of future cash flows	**483,918**	439,446
Risk adjustment for non-financial risk	**7,614**	7,182
Contractual service margin	**61,452**	57,617
Total	**552,984**	504,245

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

19 BONDS PAYABLE

The information of the Group's major bonds payable is as follows:

Issuer	Issue date	Maturity	Early redemption option	Interest rate	30 June 2026	31 December 2025
Sunshine P&C	2021/12/7	10 years	End of the fifth year	4.5%-5.5%	**5,000**	4,999
Sunshine Life	2023/12/12	10 years	End of the fifth year	3.88%-4.88%	**7,082**	7,065
Sunshine Life	2026/3/24	10 years	End of the fifth year	2.55%-3.55%	**5,006**	–
Sunshine Life	2016/4/20	10 years	None	4.5%	**–**	2,119
Sunshine Life	2021/3/30	10 years	End of the fifth year	4.4%-5.4%	**–**	5,114
Subtotal					**17,088**	19,297
Add: Accrued interest					**309**	225
Total					**17,397**	19,522

20 DEFERRED TAX ASSETS AND LIABILITIES

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 relate to income taxes, if any, to be levied by the same tax authority and the same taxable entity.

	30 June 2026	31 December 2025
Net deferred income tax assets/(liabilities), at beginning of period/year	**1,322**	(716)
Recognised in profit or loss	**(611)**	(105)
Recognised in equity	**2,004**	2,143
Net deferred income tax assets, at end of period/year	**2,715**	1,322
Represented by:		
Deferred tax assets	**2,718**	1,325
Deferred tax liabilities	**(3)**	(3)

21 SHARE CAPITAL

	30 June 2026	31 December 2025
Numbers of shares issued and fully paid at RMB1 each (million)	**11,502**	11,502

22 FAIR VALUE MEASUREMENT

Determination of fair value and fair value hierarchy

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

The levels of the fair value hierarchy are as follows:

(a) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");

(b) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ("Level 2"); and

(c) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

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

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities traded among Chinese interbank market are classified as Level 2 when they are valued at recent quoted price from 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.. All significant inputs are observable in the market.

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
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22 FAIR VALUE MEASUREMENT (continued)

Determination of fair value and fair value hierarchy (continued)

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measures within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement, and valuation methodologies such as discounted cash flow models and other similar techniques.

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

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

	30 June 2026			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Equity securities	**27,489**	**630**	**–**	**28,119**
Funds	**28,229**	**–**	**–**	**28,229**
Bonds	**149**	**43,745**	**–**	**43,894**
Others	**–**	**14,279**	**54,779**	**69,058**
Debt financial assets at fair value through other comprehensive income				
Bonds	**–**	**280,952**	**–**	**280,952**
Others	**–**	**17,375**	**27,248**	**44,623**
Equity financial assets at fair value through other comprehensive income				
Equity securities	**52,378**	**–**	**–**	**52,378**
Others	**–**	**–**	**912**	**912**
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss	**–**	**1,031**	**1,914**	**2,945**

22 FAIR VALUE MEASUREMENT *(continued)*

Determination of fair value and fair value hierarchy (continued)

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

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Equity securities	27,918	41	–	27,959
Funds	23,521	5	–	23,526
Bonds	179	41,802	–	41,981
Others	2	36,434	48,488	84,924
Debt financial assets at fair value through other comprehensive income				
Bonds	–	269,304	–	269,304
Others	–	21,969	31,338	53,307
Equity financial assets at fair value through other comprehensive income				
Equity securities	59,555	–	–	59,555
Others	–	–	1,466	1,466
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss	–	1,088	1,910	2,998

For the six months ended 30 June 2026 and the year ended 31 December 2025, there were no significant transfers between Level 1 and Level 2 fair value measurements.

23 RISK MANAGEMENT

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

The interim condensed consolidated financial statements do not include all risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

There have been no significant changes in the Group's risk management processes since 31 December 2025 or in any risk management policies.

Notes to the Interim Condensed Consolidated Financial Information

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(All amounts expressed in RMB million unless otherwise specified)

24 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Shareholders holding more than 5% of the Company's shares:

Name	Relationship with the Company	Percentage of shareholding
Beijing Chengtong Financial Holding Investment Co., Ltd.(i) ("Beijing Chengtong")	Shareholder of the Company	6.09%
China Chengtong Holdings Group Ltd.(i) ("China Chengtong")	Shareholder of the Company	3.04%
Beijing Ruiteng Yihong Investment Management Co., Ltd.(ii) ("Ruiteng Yihong")	Shareholder of the Company	6.09%
Septwolves Group Holding Co., Ltd.(ii) ("Septwolves")	Shareholder of the Company	0.87%
Beijing Bangchen Zhengtai Investment Co., Ltd.(iii) ("Bangchen Zhengtai")	Shareholder of the Company	4.09%
Shanghai Xuchang Technology Co., Ltd.(iii) ("Shanghai Xuchang")	Shareholder of the Company	4.09%
Shannan Hongquan Management Consulting Co., Ltd.(iii) ("Shannan Hongquan")	Shareholder of the Company	3.24%

(i) Beijing Chengtong and China Chengtong are related parties and hold more than 5% of the Company's shares in total.

(ii) Ruiteng Yihong and Septwolves are related parties, and hold more than 5% of the Company's shares in total.

(iii) Bangchen Zhengtai, Shanghai Xuchang and Shannan Hongquan are related parties, and hold more than 5% of the Company's shares in total.

(b) Other related parties

Name	Relationship with the Company
Riverhead Capital Investment Management Co., Ltd. ("Riverhead Capital")	An associate of the Group
Hongde Fund Management Co., Ltd. ("Hongde Fund")	An associate of the Group
Chengtai financial leasing (Shanghai) Co., Ltd. ("Chengtai Lease")	An associate of the Group

(c) Transactions with significant related parties

The following table summarises significant transactions carried out by the Group with its significant related parties:

	Six months ended 30 June	
	2026	2025
Interest income from:		
China Chengtong	**15**	15

24 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(d) Amounts due from/to significant related parties

	30 June 2026	31 December 2025
Entrusted assets managed by:		
Riverhead Capital	**7,375**	7,585
Hongde Fund	**5,172**	4,623
Investments in bonds and other debt investments issued by:		
China Chengtong	**1,126**	1,112
Chengtai Lease	**30**	51

25 COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2026	31 December 2025
Contracted, but not provided for	**14,427**	15,771

Notes to the Interim Condensed Consolidated Financial Information

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(All amounts expressed in RMB million unless otherwise specified)

26 CONTINGENT LIABILITIES

Owing to the nature of the insurance business, the Group is involved in the making of estimates for contingencies and legal proceedings in the ordinary course of business, both in the capacity as plaintiff or defendant in litigation and arbitration. Legal proceedings mostly involve claims on the Group's insurance policies. Provision has been made for the probable losses to the Group, including those claims where management can reasonably estimate the outcome of the litigations taking into account the related legal advice, if any. No provision is made for contingencies and legal proceedings when the result cannot be reasonably estimated or the probability of loss is so low.

In addition to the above legal proceedings, as at 30 June 2026, the Group was the defendant in certain pending litigation and disputes. Provisions have been made for the possible loss based on best estimate by the management and the Group would only be contingently liable for any claim that is in excess of what had been provided. No provision is made for contingencies and legal proceedings when the result cannot be reasonably estimated or the probability of loss is extremely low.

27 SUBSEQUENT EVENTS

As at the approval date of the interim condensed consolidated financial information, there is no significant subsequent event that need to be disclosed by the Group.