



中國再保險(集團)股份有限公司

CHINA REINSURANCE (GROUP) CORPORATION

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

Stock Code : 1508

2025 Annual Report

專業 讓保險更保險

EMPOWER YOUR INSURANCE BY EXPERTISE



CORPORATE CULTURE OF CHINA RE GROUP

VISION

Developing a world-class comprehensive reinsurance group with sustainable development capabilities and core competitiveness

CORE VALUES

Integrity, Expertise,
Cooperation,
Aspiration

BUSINESS PHILOSOPHY

Prudence and
innovation for sound
and prosperous growth

MISSION

Diversifying economic
risks to ensure a better
life for all

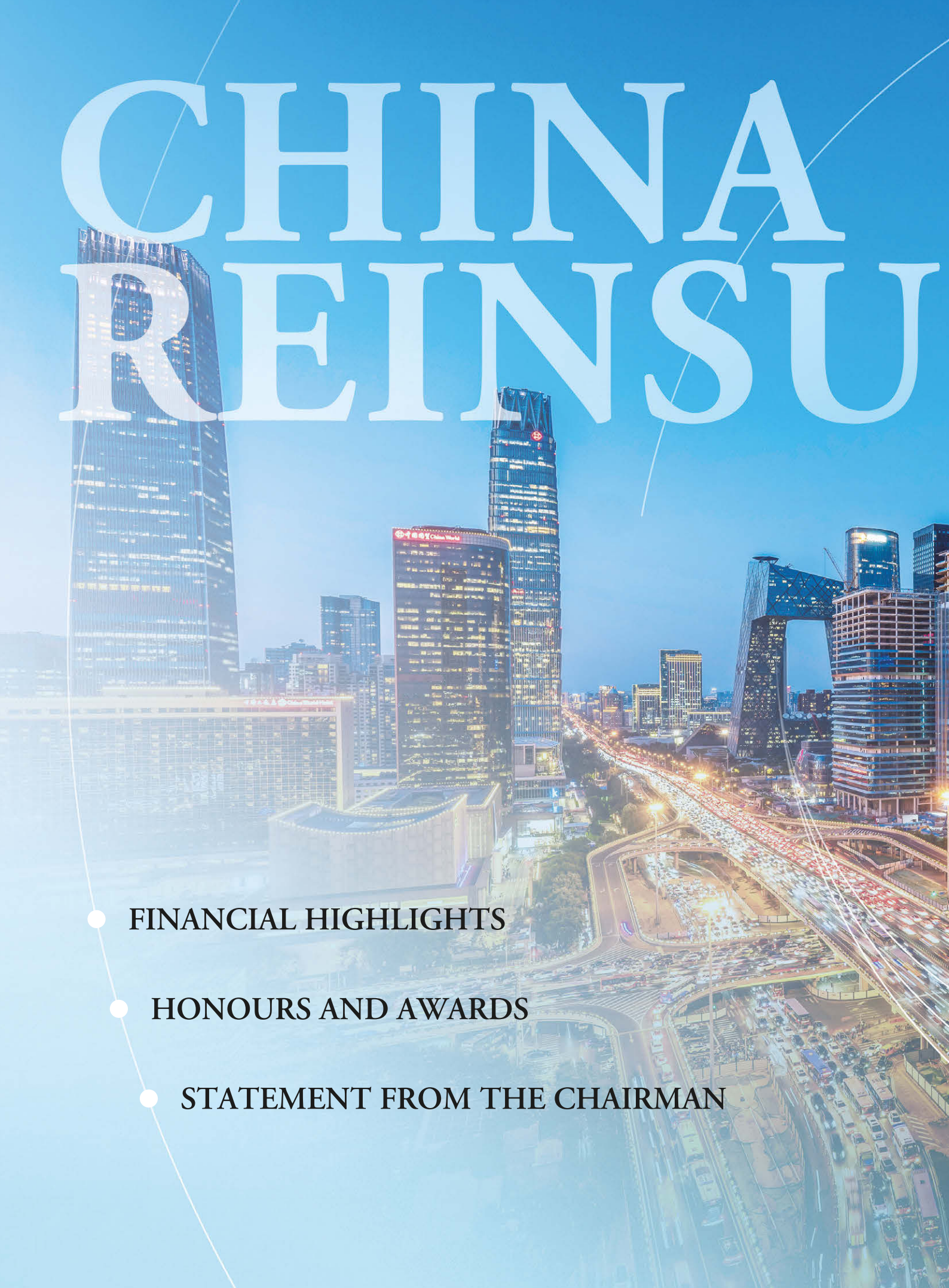


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CHINA REINSU

A nighttime photograph of a dense urban skyline, likely Shanghai, featuring several prominent skyscrapers with glowing windows. In the foreground, a complex multi-level highway interchange is visible, filled with the light trails of many cars. The sky is a deep blue, and the overall scene is illuminated by the city's lights.

- FINANCIAL HIGHLIGHTS

- HONOURS AND AWARDS

- STATEMENT FROM THE CHAIRMAN

RANCE



FINANCIAL HIGHLIGHTS



Total assets

RMB 527,763 million

Year-on-year increase of 3.8%



Total liabilities

RMB 408,449 million

Year-on-year increase of 3.2%



Total equity

RMB 119,315 million

Year-on-year increase of 5.9%



Insurance revenue

RMB 103,087 million

Year-on-year increase of 1.7%



Net profit attributable to equity shareholders of the parent company

RMB 9,771 million

Year-on-year decrease of 7.4%



Net profit

RMB 10,217 million

Year-on-year decrease of 7.8%



Earnings per share

RMB 0.23

Year-on-year decrease of 7.4%



Net assets per share attributable to equity shareholders of the parent company

RMB 2.58

Year-on-year increase of 6.2%



Weighted average return on equity

9.18%

Decrease by 1.56 percentage points

FINANCIAL HIGHLIGHTS

The Group has implemented International Financial Reporting Standards (“IFRS”) 17 – Insurance Contracts (the “**New Standard for Insurance Contracts**”) and IFRS 9 – Financial Instruments (the “**New Standard for Financial Instruments**”) (collectively, the “**New Standards**”) from 1 January 2023.

Highlights of financial information of the Group for the past five accounting years are extracted as below:

Unit: in RMB millions, except for percentages and unless otherwise stated

	2025	2024	Change (%)	2023	2022 (Restated)	2021 (Restated)
Total assets	527,763	508,347	3.8	459,728	424,732	499,796
Total liabilities	408,449	395,682	3.2	357,549	327,236	397,706
Total equity	119,315	112,665	5.9	102,179	97,496	102,090
Insurance revenue	103,087	101,363	1.7	99,755	89,225	162,732
Net profit	10,217	11,080	(7.8)	5,791	(875)	5,895
Net profit attributable to equity shareholders of the parent company	9,771	10,557	(7.4)	5,652	(325)	5,954
Earnings per share (RMB)	0.23	0.25	(7.4)	0.13	(0.01)	0.14
Net assets per share attributable to equity shareholders of the parent company (RMB)	2.58	2.43	6.2	2.20	2.09	2.18
Weighted average return on equity (%) ¹	9.18	10.74	Decrease of 1.56 percentage points	6.22	(0.36)	6.41

- Notes: 1. Weighted average return on equity = Net profit attributable to equity shareholders of the parent company ÷ balance of weighted average equity.
2. The data of 2021 in the above table were prepared in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts (Cai Kuai [2006] No. 3), the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts (Cai Kuai [2006] No. 3), the Regulations on Accounting Treatment Related to Insurance Contracts (Cai Kuai [2009] No. 15), the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 – Hedging (Cai Kuai [2006] No. 3), the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (Cai Kuai [2014] No. 23) and other relevant accounting standards (collectively, the “**Old Standards**”).

HONOURS AND AWARDS



China Re

The People's Bank of China

"2024 Fintech Development Awards"

Insurance Association of China

"Good News from China's Insurance Industry in 2024"

China Green Finance Committee, City of London

Green Investment Principles (GIP) for "Belt and Road" Best Innovation Award

League of American Communications Professionals MerComm, Inc.

LACP VISION AWARDS – Best Annual Report, Best Sustainability Report, Annual Report Golden Award, and Sustainability Report Golden Award

ARC Awards-Gold Award for Cover Photo/Design, Silver Award for Asia's Best Sustainability Report (CEO Letter) (Digital Version)

China Securities

Golden Bauhinia Awards: "The Most Valuable Listed Company for Investment" and "Listed Companies with Excellent Investor Relationship Management"



China Re P&C

China Banking and Insurance News

Case of Annual Brand Influence by Jinnuo Financial

China Banking and Insurance News

Demonstration Case for Digital Transformation

Financial News

Golden Dragon: Financial Power's Case of "Five Major Areas of Finance"

Securities Times

Ark Award for Fintech Practice in Insurance Industry

Economic Media Association of China

Outstanding Enterprise for Technological Innovation

JRJ.com

Outstanding Influential Brand

Stockstar

Outstanding Fintech Award

Lanjinger

Annual Green Financial Institution

Shanghai International Reinsurance Registration and Trading Center

Best Reinsurance Partner

HONOURS AND AWARDS



China Re Life

Insurance Association of China

The surge in demand for health protection among people with pre-existing conditions: How can insurance services keep pace with market trends?

“Good News from China’s Insurance Industry in 2024”

China Banking and Insurance News

2025 Jinnuo Case of Financial Brand Innovation Case of Long-term Care Insurance Report Dissemination

Online Sales Platform for Agricultural and Sideline Products in Areas Lifted out of Poverty (832 Platform)

“Special Contribution Award for Helping Farmers Increase Income”

China Financial Media Co., Ltd.

Third-party Business Operation Platform Project

2025 Excellent Case of Digital Transformation in the Insurance Industry

Excellent Case of Intelligent Operation

China Financial Media Co., Ltd.

Intelligent Claims Digital Employees

2025 Excellent Case of Digital Transformation in the Insurance Industry

Excellent Case of Intelligent Operation

China Central Depository & Clearing Co., Ltd.

2025 “Outstanding Contribution Institution in Collateral Business”

HONOURS AND AWARDS



China Continent Insurance

Securities Times

Outstanding Technological Innovation Case in Financial Innovation for the “14th Five Year Plan”

2025 Value Growth Insurance Company Ark Award

National Business Daily

2025 Outstanding Property Insurance Company of the Year

China Banking and Insurance News

2025 Excellent Case of Financial Consumer Education and Promotion, 2025 Outstanding Case of Digital Innovation Technologies and Platforms in the Insurance Industry

IRJ.com

2025 Outstanding Institution for Financial Consumer Rights Protection

finance.sina.com.cn

2025 Outstanding Insurance Company Award for Responsible Investment



China Re AMC

Investment & Pension Europe (IPE)

Shortlisted as the “2025 Top 500 Asset Managers”

Financial News

“China Re AMC’s innovative practice of ‘index + product’ guides the empowerment of five major areas of long-term capital” was selected as a typical case of “Five Major Areas of Finance” in the 2025 Golden Dragon Financial Power Awards

Securities Times

“China Re AMC – Ruicheng No. 6 Asset Management Product” won the 2025 Innovative Insurance Asset Management Product Ark Award

Shanghai Securities News

“China Re AMC – Ruitong No. 1 Asset Management Product” won the “Shanghai Stock Exchange Eagle Golden Wealth Management” Annual Mixed Insurance Asset Management Product Award

21st Century Business Herald

“China Re AMC – Ruiqi No. 11 Asset Management Product” won the Golden Shell Award for Outstanding Fixed Income Insurance Asset Management Product 2025

Modern Bankers Magazine, Global Assets Management Alpha Think Tank

Serving the “Five Major Areas” of Finance: Green Finance Pioneer Award

Insurance Asset Management Association of China (“IAMAC”)

“Overseas Trustee Organisations”, “Overseas Investment Institutions – Comprehensive” and “Overseas Investment Institutions – Overseas Open Market Operations” recommended by the IAMAC

HONOURS AND AWARDS



China Re CRM

Emergency Management Science and Technology Innovation Awards Committee, jointly established by the China Fire Protection Association, the China Association for Disaster Prevention, and other organisations

First Prize of Emergency Management Science and Technology Innovation Awards

National Data Administration

First Prize in the Meteorological Service Track of the Beijing Division, and Commercial Value Award in the Meteorological Service Track of the National Finals of the "Data Element X" Competition

The People's Bank of China

"2nd Prize of Fintech Development Award"

STATEMENT FROM THE CHAIRMAN



2025 was a pivotal year for China, marking the conclusion of the “14th Five-Year Plan” and the beginning of the “15th Five-Year Plan”. It was also a crucial year for further deepening comprehensive reforms and ensuring the steady and sustained advancement of Chinese modernization. China Re has consistently adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly fulfilling the political and people-oriented nature of financial work. It has fully served national strategies, and continuously deepened reform and innovation. We have achieved a good start in building a “world-class” comprehensive reinsurance group, and taken solid steps towards high-quality development.

STATEMENT FROM THE CHAIRMAN

In 2025, China Re actively seized market opportunities, responded to risks and challenges, and balanced development and safety, achieving significant improvement in operating efficiency and continuously enhancing the resilience of development. Under the Old Standards, the Group's consolidated gross written premiums exceeded RMB180 billion for the first time, with net profit reaching RMB10.2 billion, all hitting record highs. All international business platforms achieved underwriting profitability. As a result, the Group was recognized as the first "Internationally Active Insurance Group" within China. The domestic market shares of our P&C reinsurance and life and health reinsurance businesses ranked first in the industry, further consolidating its status as the primary reinsurance channel. The solvency of all operating entities remained sufficient. The Group maintained its "A" rating from S&P Global Ratings and its "A (Excellent)" rating from A.M. Best, both with stable outlooks.

We strengthened the role and function of reinsurance, and served the overall economic and social development landscape. Prioritizing supporting a technologically strong nation, we provided insurance and reinsurance protection for "major national strategic equipment", including domestic nuclear power technology and commercial aerospace. We promoted green and low-carbon development and transformation by providing a series of comprehensive insurance solutions for the overseas

expansion of new energy vehicles. We proactively addressed climate change risks, contributing to the development of the national catastrophe insurance protection system, and we have established a climate risk research centre, issued the Outline of Actions on Climate Change, and launched the climate change risk insights platform. We completed the capital increase for China Re CRM, and optimized and upgraded the catastrophe risk map in China, with multiple government agencies and commercial organizations deeply applying catastrophe model products. We served the joint pursuit of the "Belt and Road" and as the chairman unit of the China "Belt and Road" Reinsurance Pool, we promote the continuous expansion and upgrading of the Pool, providing high-quality service guarantees for China's overseas interests. We supported the construction of the Shanghai International Reinsurance Centre, ranking first in both cumulative transaction volume and settlement amount at the trading centre.

STATEMENT FROM THE CHAIRMAN

Leveraging our global resource endowments, we achieved breakthroughs in international development. By actively navigating market cycles and steadily enhancing operational quality and efficiency, the Group's premiums from the overseas business accounted for 18.2% of the Group's consolidated gross written premiums. With our international management and control framework continuously improved, overseas risk and compliance management steadily strengthened, and domestic and international exchanges and collaboration further deepened, we actively participated in international exchanges such as the Fourth China-UK Financial Services Summit, deeply integrated into the global insurance value chain, and continuously enhanced our brand influence.

We embraced technological innovation and transformation, accelerating and upgrading our digitalization transformation. The "Digital China Re 2.0" initiative was successfully concluded, with robust implementation of top-level design, yielding remarkable results in areas such as foundational infrastructure and security, data capabilities, business empowerment, and innovation ecosystems. Data governance has been continuously improved, with the completion of the second phase of the data middleware and business platform, essentially forming a data-

driven management and control model for the Group. Accelerated development of AI applications and prominent achievements in technology-driven empowerment have been realized and digital security capabilities have been continuously enhanced, solidifying the digital technology foundation for advancing high-quality development.

The next decade will be a critical period for China's insurance and reinsurance industry to bridge gaps and achieve high-quality development. China Re will thoroughly implement the decisions and arrangements of the Party Central Committee, fully leverage its role as the main force of national reinsurance team, actively integrate into the country's overall development strategy, remain firmly committed to its vision of becoming a world-class institution, comprehensively uphold the "Five Insistence", and strive to achieve the "Five Breakthroughs", so as to firmly shoulder the glorious mission of China Re in the great cause of building a financial powerhouse.

We will fully uphold "Five Insistence". First, we will remain steadfast in our goal of becoming a world-class comprehensive reinsurance group by 2035, never wavering in our commitment to this vision. Second, we will adhere to the general tone of seeking progress while ensuring stability.

STATEMENT FROM THE CHAIRMAN

Overall, stability is the top priority in our work, while specific tasks aim to promote stability through progress. Third, we will uphold correct business, performance, and risk perspectives, consistently adhering to the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”. Fourth, we will focus on our main responsibilities and businesses and give play to our functions and roles, actively integrating ourselves into the overall reform and development of China’s financial system. Fifth, we will uphold the organic unity of high-quality development and high-level security, firmly safeguarding the bottom line of risk prevention and control.

We will strive to achieve “Five Breakthroughs”. First, business breakthroughs. We will accelerate the transformation and development of the reinsurance business, the high-quality development of the primary P&C insurance business, and the innovative development of the insurtech sector. Second, governance breakthroughs. We will improve the corporate governance mechanism, enhance group-level management and control efficiency, and continue to refine the ‘One Body with Two Wings’ development pattern. Third, mechanism breakthroughs. We will improve the assessment and incentive mechanisms,

enhance the guidance and scientific basis of the operation and management mechanisms, and strengthen constraining mechanisms such as risk control and compliance, as well as supervision and management. Fourth, capability breakthroughs. We will focus on enhancing our global operation capabilities, digital capabilities, and market-oriented capabilities. Fifth, cultural breakthroughs. We will continue to shape a China Re-specific corporate culture that adapts to the journey of building a world-class reinsurance group, promote a simple, pragmatic, efficient and compliant work style, pursue professionalism, responsibility and excellence, and provide spiritual support for the high-quality development of the Group.

China Re will forever uphold its original aspiration of serving the country through finance and benefiting the people through insurance, bravely shoulder the responsibility and mission of being the main force of the national reinsurance team, and set its sights on the vision and goal of “building a world-class comprehensive reinsurance group”. With higher morale, a more pragmatic style, and more outstanding performance, we will strive to write a new chapter of high-quality development, and continuously create value for shareholders, customers, employees and society, making greater contributions to the Chinese-style modernisation!



CHINA REINSU

- MANAGEMENT DISCUSSION
AND ANALYSIS

RANCE



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is engaged in P&C reinsurance, life and health reinsurance, primary P&C insurance, asset management, insurance intermediary business and other businesses. We operate our domestic and overseas P&C reinsurance business primarily through China Re P&C, Chaucer and Singapore Branch; our domestic and overseas life and health reinsurance business primarily through China Re Life, China Re HK and Singapore Branch; our domestic and overseas primary P&C insurance business primarily through China Continent Insurance and Chaucer. We utilise and manage our insurance funds in a centralised and professional manner primarily through China Re AMC. We operate our insurance intermediary business primarily through Huatai Insurance Agency and its subsidiary. We build a catastrophe risk management industry technological platform, and carry out catastrophe risk mitigation management and services primarily through China Re CRM. We provide technological resource integration, technological construction and operation, as well as technological service support and empowerment primarily through China Re DT. In addition, the Group Company manages domestic and overseas P&C reinsurance business through China Re P&C, and manages domestic and overseas life and health reinsurance business through China Re Life.

Key Operating Data

The following table sets forth the key operating data of the Group for the reporting periods indicated:

Unit: in RMB millions, except for percentages

	For the year ended 31 December		Change (%)
	2025	2024	
Insurance revenue	103,087	101,363	1.7
Insurance revenue by business segment:			
P&C reinsurance ¹	45,812	46,042	(0.5)
Life and health reinsurance ¹	10,088	9,846	2.5
Primary P&C insurance ¹	48,869	46,914	4.2
Total investment income ²	18,249	17,389	4.9
Total investment yield (%) ⁴	4.66	4.83	Decrease by 0.17 percentage points
Net investment income ³	14,452	14,246	1.4
Net investment yield (%) ⁴	3.69	3.96	Decrease by 0.27 percentage points

MANAGEMENT DISCUSSION AND ANALYSIS



- Notes: 1. Insurance revenue for each business segment does not consider inter-segment eliminations, in which:
the businesses of P&C reinsurance segment mainly include domestic P&C reinsurance business, overseas P&C reinsurance and Chaucer business, CNIP business and legacy P&C reinsurance business;
the businesses of life and health reinsurance segment mainly include domestic life and health reinsurance business, overseas life and health reinsurance business and legacy life and health reinsurance business; and
the business of primary P&C insurance segment refers to the property and casualty insurance business operated by China Continent Insurance.
2. $\text{Total investment income} = \text{Investment income after deducting non-insurance investment contracts and derivative financial instruments related to life insurance business} + \text{interest income} + \text{share of profit of associates} + \text{impairment losses of associates} - \text{interest expenses on financial assets sold under repurchase agreements} - \text{net impairment loss on financial assets after deducting other assets} - \text{loss on dilution of equity in associates}.$
3. $\text{Net investment income} = \text{Interest income} + \text{dividend income} + \text{rental income} + \text{share of profit of associates} - \text{interest expenses on financial assets sold under repurchase agreements}.$
4. $\text{Total/net investment yield} = \text{Total/net investment income} \div (\text{average of total investment assets at the beginning and end of the period} - \text{average of financial assets sold under repurchase agreements at the beginning and end of the period}).$

MANAGEMENT DISCUSSION AND ANALYSIS

	As at 31 December 2025		As at 31 December 2024	
	Core solvency adequacy ratio (%)	Aggregated solvency adequacy ratio (%)	Core solvency adequacy ratio (%)	Aggregated solvency adequacy ratio (%)
Group	153	188	159	194
Group Company	320	320	328	328
China Re P&C	149	228	148	223
China Re Life	149	200	154	208
China Continent Insurance	249	278	261	285

- Notes: 1. The relevant solvency data as at 31 December 2025 has been audited by the auditors of the Group. If there is any discrepancy between the solvency data disclosed in this annual report and the results announcement, this annual report shall prevail.
2. According to Articles 5 and 7 of the Regulations on the Solvency Supervision of Insurance Companies No. 1: Actual Capital, the evaluation of actual capital shall be based on the Accounting Standards for Business Enterprises approved by the former CBIRC, and the evaluation standards of assets and liabilities shall be adjusted according to the purpose of solvency supervision; as for the assets and liabilities of insurance contracts, their book value shall be recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts and the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts issued in 2006 by the Ministry of Finance, and the Regulations on Accounting Treatment of Insurance Contracts issued in 2009 by the Ministry of Finance.

In 2025, China Re firmly grasped the primary task of high-quality development, and resolutely implemented the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”. We deeply advanced business structure adjustment, achieving total premium income of RMB180,368 million, representing a year-on-year increase of 1.1%, and insurance revenue of RMB103,087 million, representing a year-on-year increase of 1.7%. We actively responded to the changes in external market and the transformation in internal business, and evaluated the assets and liabilities in a prudent and steady manner, achieving net profit of RMB10,217 million, representing a year-on-year decrease of 7.8%. The Group’s solvency and international ratings remained stable. During the Reporting Period, we maintained the “A (Excellent)” rating by A.M. Best and “A” by S&P Global Ratings, and the financial position remained robust and healthy.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Indicators

The following table sets forth the key financial indicators of the Group for the reporting periods indicated:

Unit: in RMB millions, except for percentages and unless otherwise stated

	For the year ended 31 December		Change (%)
	2025	2024	
Operating income	124,928	118,133	5.8
Profit before tax	12,632	13,798	(8.5)
Net profit	10,217	11,080	(7.8)
Net profit attributable to equity shareholders of the parent company	9,771	10,557	(7.4)
Earnings per share (RMB)	0.23	0.25	(7.4)
Weighted average return on equity (%) ¹	9.18	10.74	Decrease by 1.56 percentage points

Note: 1. Weighted average return on equity = Net profit attributable to equity shareholders of the parent company ÷ balance of weighted average equity.

In 2025, the Group achieved net profit attributable to equity shareholders of the parent company of RMB9,771 million, representing a year-on-year decrease of 7.4%, which was mainly due to the fact that we have prudently evaluated the assets and liabilities based on the macro environment and market changes, which has further enhanced the resilience of sustainable growth.

Unit: in RMB millions, unless otherwise stated

	31 December 2025	31 December 2024	Change (%)
Total assets	527,763	508,347	3.8
Total liabilities	408,449	395,682	3.2
Total equity	119,315	112,665	5.9
Net assets per share attributable to equity shareholders of the parent company (RMB)	2.58	2.43	6.2

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

P&C REINSURANCE BUSINESS

The business of P&C reinsurance segment mainly includes domestic P&C reinsurance business, overseas P&C reinsurance and Chaucer business, CNIP business and legacy P&C reinsurance business.

In 2025, we focused on consolidating the leading position in domestic reinsurance market, deeply integrated into national development, facilitated the role of platforms, and strengthened the innovation-driven model and digital empowerment to create new value while giving full play to our professional advantages. We continued to upgrade our customer service system to optimise our professional service model, and strengthened the risk mitigation capability. We continued to vigorously expand emerging business sectors such as short-term health insurance, construction inherent defects insurance (IDI), Chinese interest abroad projects insurance, catastrophe insurance and agriculture-related insurance, and thus our business structure continued to optimise.

For overseas business, we have always adhered to a high-quality development orientation. We continuously optimised our management mechanisms and strengthened risk prevention and control. By proactively adapting to changes in market cycles, we actively adjusted our business portfolio, which helped sustain strong operating results. We focused on strengthening professional team building, and rooted in consolidating resources from core channels to continuously elevate the quality and efficiency of comprehensive services. We continued to deepen the collaborative synergy between domestic and overseas businesses, and each operating entity made collaborative efforts and was convergent in expanding underwriting capacity, broadening business territory, optimising the risk allocation, serving the construction of the “Belt and Road”, etc., to form a synergistic force for overall development.

In 2025, the insurance revenue from our P&C reinsurance segment amounted to RMB45,812 million, representing a year-on-year decrease of 0.5% and accounting for 43.7% of insurance revenue of the Group (before inter-segment eliminations). The profit before tax amounted to RMB6,566 million, remaining flat year-on-year. Net profit amounted to RMB5,114 million, representing a year-on-year decrease of 1.2%.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Analysis

The following table sets forth the selected key financial data of our P&C reinsurance segment for the reporting periods indicated:

Unit: in RMB millions, except for percentages

	For the year ended 31 December		Change (%)
	2025	2024	
Insurance revenue	45,812	46,042	(0.5)
Interest income	3,098	2,999	3.3
Investment income	2,533	2,386	6.2
Exchange gains and losses, net	(136)	(298)	(54.4)
Other income	304	194	56.7
Total income	51,612	51,323	0.6
Insurance service expenses	(38,106)	(39,792)	(4.2)
Allocation of reinsurance premiums	(6,587)	(5,625)	17.1
Amounts recoverable from reinsurers	3,621	3,891	(6.9)
Finance expenses from insurance contracts issued	(1,941)	(1,701)	14.1
Finance income from reinsurance contracts held	396	320	23.8
Net impairment loss on financial assets	(368)	(272)	35.3
Finance costs	(611)	(710)	(13.9)
Other operating and administrative expenses	(1,623)	(1,069)	51.8
Total insurance service expense and others	(45,220)	(44,957)	0.6
Share of profit of associates	174	198	(12.1)
Profit before tax	6,566	6,564	0.0
Income tax	(1,452)	(1,386)	4.8
Net profit	5,114	5,177	(1.2)

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

Insurance revenue

Insurance revenue of our P&C reinsurance segment decreased by 0.5% from RMB46,042 million in 2024 to RMB45,812 million in 2025, mainly due to the decline in scale of earned premiums from domestic agriculture insurance business.

Interest income

Interest income from our P&C reinsurance segment increased by 3.3% from RMB2,999 million in 2024 to RMB3,098 million in 2025. For details of the analysis on changes of interest income, please refer to relevant contents in asset management business segment.

Investment income

Investment income from our P&C reinsurance segment increased by 6.2% from RMB2,386 million in 2024 to RMB2,533 million in 2025. For details of the analysis on changes of investment income, please refer to relevant contents in asset management business segment.

Insurance service expenses

Insurance service expenses of our P&C reinsurance segment decreased by 4.2% from RMB39,792 million in 2024 to RMB38,106 million in 2025, mainly due to the decrease in catastrophic events and the change in the discount rate in 2025.

Share of profit of associates

Share of profit of associates from our P&C reinsurance segment decreased by 12.1% from RMB198 million in 2024 to RMB174 million in 2025, mainly affected by the decrease in operating results of invested enterprises in 2025.

Net profit

As a result of the investment and underwriting efficiency factors mentioned above, net profit of our P&C reinsurance segment decreased by 1.2% from RMB5,177 million in 2024 to RMB5,114 million in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Analysis

Domestic P&C Reinsurance Business

Domestic P&C reinsurance business mentioned in this section refers to domestic P&C reinsurance business operated by China Re P&C.

In 2025, the reinsurance premium income from our domestic P&C reinsurance business amounted to RMB40,106 million, representing a year-on-year increase of 3.5%. The insurance revenue amounted to RMB19,952 million, representing a year-on-year decrease of 11.5%, which was mainly due to the decline in scale of earned premiums for agriculture insurance business. The combined ratio was 95.98%, representing a year-on-year increase of 3.21 percentage points, mainly due to an increase in the insurance service performance of the same period last year, affected by the reversal of the initial loss from prior-year agriculture insurance business, resulting in a relatively lower base for the combined ratio during that period.

The following table sets forth the financial indicators relevant to the insurance service performance of our domestic P&C reinsurance business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

	For the year ended 31 December		Change (%)
	2025	2024	
Insurance revenue	19,952	22,556	(11.5)
Insurance service expenses	(19,294)	(20,910)	(7.7)
Allocation of reinsurance premiums	(1,278)	(1,230)	3.9
Amounts recoverable from reinsurers	1,372	1,126	21.9
Insurance service performance	751	1,542	(51.3)
Comprehensive loss ratio (%) ¹	93.19	90.74	Increase by 2.44 percentage points
Comprehensive expense ratio (%) ²	2.79	2.02	Increase by 0.77 percentage points
Combined ratio (%) ³	95.98	92.77	Increase by 3.21 percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

- Notes:
1. Comprehensive loss ratio = (incurred claims and loss adjustment expenses for the period + changes in fulfilment cash flows related to liability for incurred claims + gain/loss on loss contracts – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums).
 2. Comprehensive expense ratio = (amortisation of insurance acquisition cash flows + maintenance costs) ÷ (insurance revenue – allocation of reinsurance premiums).
 3. Combined ratio = (insurance service expenses – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums); or combined ratio = comprehensive loss ratio + comprehensive expense ratio.
 4. If finance income or expenses from insurance contracts issued and finance income or loss from reinsurance contracts held are considered, combined ratio = (insurance service expenses + allocation of reinsurance premiums – amounts recoverable from reinsurers + finance income or expenses from insurance contracts issued – finance income or loss from reinsurance contracts held + change in premium reserves) ÷ insurance revenue, the calculation result of which was 100.70%.
 5. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

In terms of types of reinsurance arrangement and forms of cession, our domestic P&C reinsurance business primarily consisted of treaty reinsurance and proportional reinsurance, which was generally in line with the business mix of the domestic P&C reinsurance market.

In terms of business channels, by virtue of our good cooperation relationship with domestic clients, our domestic P&C reinsurance business mainly relied on direct business channel.

The following table sets forth the insurance revenue from our domestic P&C reinsurance business by type of reinsurance arrangement for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Type of reinsurance arrangement	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	18,451	92.5	21,287	94.4
Facultative reinsurance	1,501	7.5	1,269	5.6
Total	19,952	100.0	22,556	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the insurance revenue from our domestic P&C reinsurance business by form of cession for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Form of cession	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Proportional reinsurance	19,056	95.5	22,120	98.1
Non-proportional reinsurance	896	4.5	437	1.9
Total	19,952	100.0	22,556	100.0

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

Lines of Business

As the largest domestic specialised P&C reinsurance company in the PRC, we offer a wide variety of P&C reinsurance coverage catering to the business characteristics of the PRC market. Our lines of business cover a wide range of P&C insurance types in the PRC.

Motor reinsurance. In 2025, the reinsurance premium income from motor insurance business amounted to RMB11,877 million, representing a year-on-year increase of 7.5%, mainly due to the Company's great effort in expanding businesses such as new energy vehicle insurance.

Non-motor reinsurance. In 2025, the reinsurance premium income from non-motor insurance business amounted to RMB28,228 million, representing a year-on-year increase of 1.9%, and the premium scale steadily increased.

In 2025, we actively seized the opportunities of market transformation and development, continuously and vigorously developed emerging businesses such as short-term health insurance, construction inherent defects insurance (IDI), Chinese interest abroad projects insurance, catastrophe insurance and agriculture-related insurance, with total reinsurance premium income recorded at RMB4,598 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Clients and Client Services

In 2025, we continued to uphold the customer-oriented philosophy. We maintained stable cooperation relationships with major P&C insurance companies in the PRC, continued to improve user experience through business cooperation, exchange of technical know-how and client services, and promoted the in-depth development of cooperative relationships. We continued to promote the optimisation and upgrading of our customer service model and provided customised solutions that closely met customer needs. As of the end of the Reporting Period, we maintained business relationships with 86 domestic P&C insurance companies, covering 97.7% of clients. We were the lead reinsurer for over 40% of our contracts. We ranked first in the domestic market in terms of both client coverage and the number of contracts entered into as the lead reinsurer.

Overseas P&C Reinsurance and Chaucer Business

Overseas P&C reinsurance business described in this section includes overseas P&C reinsurance business operated by China Re P&C and Singapore Branch. Chaucer business described in this section refers to overseas P&C reinsurance and overseas primary P&C insurance business operated by the entities of Chaucer.

In 2025, we actively responded to changes in the international market rate environment and worked hard to develop our competitive businesses, resulting in steady growth in insurance revenue. While the first half of the year was impacted by catastrophic losses such as California wildfires in the United States and SCS, underwriting profit for the full year still remained at a relatively good level. The total premium income from our overseas P&C reinsurance and Chaucer business amounted to RMB28,545 million, representing a year-on-year increase of 7.5%. The insurance revenue amounted to RMB25,731 million, representing a year-on-year increase of 10.2%. The combined ratio was 81.19%, representing a year-on-year decrease of 3.52 percentage points.

The following table sets forth the financial indicators relevant to the insurance service performance of our overseas P&C reinsurance and Chaucer business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

	For the year ended 31 December		Change (%)
	2025	2024	
Insurance revenue	25,731	23,358	10.2
Insurance service expenses	(18,829)	(18,828)	0.0
Allocation of reinsurance premiums	(5,309)	(4,395)	20.8
Amounts recoverable from reinsurers	2,249	2,765	(18.7)
Insurance service performance	3,842	2,900	32.5
Comprehensive loss ratio (%) ¹	51.21	57.80	Decrease by 6.59 percentage points
Comprehensive expense ratio (%) ²	29.98	26.91	Increase by 3.07 percentage points
Combined ratio (%) ³	81.19	84.71	Decrease by 3.52 percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

- Notes: 1. Comprehensive loss ratio = (incurred claims and loss adjustment expenses for the period + changes in fulfilment cash flows related to liability for incurred claims + gain/loss on loss contracts – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums).
2. Comprehensive expense ratio = (amortisation of insurance acquisition cash flows + maintenance costs) ÷ (insurance revenue – allocation of reinsurance premiums).
3. Combined ratio = (insurance service expenses – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums); or combined ratio = comprehensive loss ratio + comprehensive expense ratio.

Overseas P&C Reinsurance Business

In 2025, facing complexity in the international market, the reinsurance premium income from our overseas P&C reinsurance business amounted to RMB4,522 million, representing a year-on-year increase of 5.4%. The insurance revenue amounted to RMB3,433 million, representing a year-on-year increase of 3.1%. Impacted by factors including catastrophes in the first half of the year, the combined ratio was 95.63%, representing a year-on-year increase of 6.80 percentage points.

The following table sets forth the comprehensive loss ratio, comprehensive expense ratio and combined ratio of our overseas P&C reinsurance business for the reporting periods indicated:

	For the year ended 31 December		Change
	2025	2024	
Comprehensive loss ratio (%) ¹	87.16	79.12	Increase by 8.04 percentage points
Comprehensive expense ratio (%) ²	8.47	9.71	Decrease by 1.24 percentage points
Combined ratio (%) ³	95.63	88.83	Increase by 6.80 percentage points

- Notes: 1. Comprehensive loss ratio = (incurred claims and loss adjustment expenses for the period + changes in fulfilment cash flows related to liability for incurred claims + gain/loss on loss contracts – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums).
2. Comprehensive expense ratio = (amortisation of insurance acquisition cash flows + maintenance costs) ÷ (insurance revenue – allocation of reinsurance premiums).
3. Combined ratio = (insurance service expenses – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums); or combined ratio = comprehensive loss ratio + comprehensive expense ratio.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of types of business, treaty reinsurance dominated our overseas P&C reinsurance business.

The following table sets forth the insurance revenue from our overseas P&C reinsurance business by type of business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Type of business	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	3,125	91.0	3,087	92.7
Facultative reinsurance	308	9.0	244	7.3
Total	3,433	100.0	3,331	100.0

In terms of form of cession, proportional reinsurance dominated our overseas P&C reinsurance business.

The following table sets forth the insurance revenue from our overseas P&C reinsurance business by form of cession for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Form of cession	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Proportional reinsurance	2,204	64.2	2,165	65.0
Non-proportional reinsurance	1,229	35.8	1,166	35.0
Total	3,433	100.0	3,331	100.0

In terms of lines of business, our overseas P&C reinsurance business mainly provided coverage for non-marine, specialty and liability reinsurance. Business portfolio mainly consisted of short tail business.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of business channels, we adhered to the principle of long-term cooperation and mutual benefit to focus on developing a balanced and stable network of business channels. We focused on consolidating and strengthening cooperation with reputable international brokers, while exploring business opportunities with distinctive regional brokers. At the same time, we continuously strengthened our direct cooperation with high-quality clients and built closer business connections.

In terms of clients, we continuously developed high-quality clients based on our management philosophy of prioritising profitability while valuing service quality. By virtue of building long-term and stable business relationships with high-quality and core clients, we strove for the profitable ceding business. We established a comprehensive cooperation relationship network with various internationally renowned major ceding companies and increased our efforts in developing high-quality clients of regions by leveraging the geographical advantages of different international platforms. This contributed to significant results in the expansion of our high-quality client base.

In terms of service ability, our quotation ability continued to improve, and our service quality received more client recognition. Leveraging our talents and technology advantages as well as years of experience in international business operations, we were able to better serve local Chinese clients by providing more products and cooperation solutions for international reinsurance practice, and exert our synergy advantages between domestic and overseas business especially in promoting the “Belt and Road” related business development and in safeguarding the overseas interests of Chinese clients.

Chaucer Business

In 2025, faced with the complex situation in the international market, Chaucer recorded total premium income of RMB24,023 million, representing a year-on-year increase of 7.9%, and insurance revenue of RMB22,298 million, representing a year-on-year increase of 11.3%. The combined ratio was 78.52%, representing a year-on-year decrease of 5.37 percentage points. The return on economic capital (ROEC) was 18.1%.

The following table sets forth the comprehensive loss ratio, comprehensive expense ratio and combined ratio of Chaucer business for the reporting periods indicated:

	For the year ended 31 December		Change
	2025	2024	
Comprehensive loss ratio (%)	44.57	50.81	Decrease by 6.24 percentage points
Comprehensive expense ratio (%)	33.95	33.08	Increase by 0.87 percentage points
Combined ratio (%)	78.52	83.89	Decrease by 5.37 percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

- Notes:
1. Comprehensive loss ratio = (incurred claims and loss adjustment expenses for the period + changes in fulfilment cash flows related to liability for incurred claims + gain/loss on loss contracts – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums).
 2. Comprehensive expense ratio = (amortisation of insurance acquisition cash flows + maintenance costs) ÷ (insurance revenue – allocation of reinsurance premiums).
 3. Combined ratio = (insurance service expenses – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums); or combined ratio = comprehensive loss ratio + comprehensive expense ratio.
 4. Return on economic capital = the net profit of Chaucer's statement under the UK GAAP (Management Information)/ economic capital.

In terms of types of business, Chaucer business consists of treaty reinsurance, facultative reinsurance and primary insurance.

The following table sets forth the insurance revenue from Chaucer business by type of business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Type of business	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Reinsurance	9,314	41.8	8,342	41.7
Primary insurance	12,984	58.2	11,685	58.3
Total	22,298	100.0	20,027	100.0

In terms of form of cession, non-proportional reinsurance dominated our Chaucer reinsurance business.

The following table sets forth the insurance revenue from our Chaucer business by line of business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Line of business	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Casualty	3,562	16.0	3,015	15.1
Property	4,776	21.4	4,259	21.3
Specialty	4,661	20.9	4,392	21.9
Treaty	9,299	41.7	8,361	41.7
Total	22,298	100.0	20,027	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of lines of business, our Chaucer business mainly comprised reinsurance, primary P&C insurance, political violence insurance, primary marine insurance, energy insurance, nuclear insurance, etc.

In terms of development strategy, Chaucer further focused on the direction of business growth, and deployed business resources more specifically in Chaucer's core advantageous business areas. In the long run, Chaucer will continue to focus on the development of its core business which will further consolidate Chaucer's sustainable, differentiated and influential market leading position in core business areas.

In terms of business channels, the broker channel is the main source of business of Chaucer. We continued to consolidate our business relationships with major international brokers, and developed further cooperation with regional brokers while actively expanding our authorised underwriting agency channels. In addition, we further strengthened direct connection with our clients and sought to build closer business relationships.

In terms of professional capability, Chaucer has a management team that has rich experience in insurance sector, the members of which have operational capability to deliver customised risk solutions to the market and distinctive reputation in the market across 45 specialty lines, including political risk and nuclear insurance, etc. It also has a claim team capable of dealing with the most complex claims. It has won the Best Claims Service Award in the London market for 9 consecutive years. Through a comprehensive risk management system comprising five components: "strategy, governance, appetite, assessment and reporting", as well as a risk culture embedded throughout business processes and performance evaluations, we effectively manage risks to support the steady development of our business.

In terms of service platforms, with headquarters in London, and international branches for Europe, the Middle East and North Africa, Latin America and Asia, Chaucer provides protections to clients worldwide. We provide our clients with a range of flexible business platforms to choose from. Membership of Lloyd's allows Chaucer to take advantage of Lloyd's strong rating and excellent brand reputation to provide risk coverage to our clients in over 200 countries and territories worldwide. In 2025, our underwriting capacity at Lloyd's exceeded GBP2 billion, making us one of the leading platforms with substantial contract leadership capabilities in Lloyd's market. At the same time, we provide customers with flexible business platform options other than Lloyd's.

In terms of product innovation, Chaucer increased investment in this aspect and endeavoured to leverage digital solutions to provide innovative products while offering more intelligent and efficient underwriting capabilities. It accelerated digital transformation by using modern technology in some business lines to improve work efficiency in channel management, risk analysis, and underwriting processes.

CNIP Business

The Group Company, together with China Re P&C and China Continent Insurance, underwrites global nuclear insurance business via CNIP. In 2025, our insurance revenue of nuclear business via the CNIP platform amounted to RMB142 million.

MANAGEMENT DISCUSSION AND ANALYSIS

LIFE AND HEALTH REINSURANCE BUSINESS

The life and health reinsurance segment comprises the life and health reinsurance business operated by China Re Life, China Re HK and Singapore Branch, as well as the legacy life and health reinsurance business managed by the Group Company through China Re Life.

In 2025, insurance revenue from our life and health reinsurance segment amounted to RMB10,088 million, representing a year-on-year increase of 2.5% and accounting for 9.6% of the Group's insurance revenue (before inter-segment eliminations). Net profit amounted to RMB3,896 million, representing a year-on-year decrease of 7.4%. The decrease in net profit was mainly due to updates to business assumptions and prudent assessment of assets, resulting in the enhancement of the Company's development resilience.

Financial Analysis

The following table sets forth the selected key financial data of our life and health reinsurance segment for the reporting periods indicated:

Unit: in RMB millions, except for percentages

	For the year ended 31 December		
	2025	2024	Change (%)
Insurance revenue	10,088	9,846	2.5
Interest income	4,550	4,664	(2.4)
Investment income	7,841	3,159	148.2
Exchange gains and losses, net	(511)	(70)	630.0
Other income	27	27	0.0
Total income	21,995	17,625	24.8
Insurance service expenses	(12,930)	(10,929)	18.3
Allocation of reinsurance premiums	(1,785)	(2,018)	(11.5)
Amounts recoverable from reinsurers	2,476	4,213	(41.2)
Finance expenses from insurance contracts issued	(3,203)	(3,468)	(7.6)
Finance income from reinsurance contracts held	253	656	(61.4)
Net impairment loss on financial assets	(554)	(382)	45.0
Finance costs	(752)	(947)	(20.6)
Other operating and administrative expenses	(756)	(668)	13.2
Total insurance service expenses and others	(17,251)	(13,542)	27.4
Share of profit of associates	873	982	(11.1)
Impairment loss on investments in associates	(1,216)	–	–
Profit before tax	4,401	5,066	(13.1)
Income tax	(504)	(857)	(41.2)
Net profit	3,896	4,209	(7.4)

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

Insurance revenue

Insurance revenue of our life and health reinsurance segment increased by 2.5% from RMB9,846 million in 2024 to RMB10,088 million in 2025, and remained stable year-on-year, mainly due to the Company's adherence to the steady development of protection-type businesses.

Investment income

Investment income from our life and health reinsurance segment increased by 148.2% from RMB3,159 million in 2024 to RMB7,841 million in 2025, mainly due to changes in capital market. For details of analysis on changes of investment income, please refer to relevant contents in the asset management business segment.

Insurance service expenses

Insurance service expenses from our life and health reinsurance segment increased by 18.3% from RMB10,929 million in 2024 to RMB12,930 million in 2025, mainly due to the impact of updates of business assumptions.

Finance expenses from insurance contracts issued

Finance expenses from insurance contracts issued from our life and health reinsurance segment decreased by 7.6% from RMB3,468 million in 2024 to RMB3,203 million in 2025, mainly due to the lower interest rates for new businesses as some in-force businesses expired.

Share of profit of associates

Share of profit of associates from our life and health reinsurance segment decreased by 11.1% from RMB982 million in 2024 to RMB873 million in 2025, which was mainly due to the decrease in profit of associates in 2025.

Net profit

As a result of the foregoing reasons, net profit for our life and health reinsurance segment decreased by 7.4% from RMB4,209 million in 2024 to RMB3,896 million in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Analysis

Considering the business significance and operational independence of China Re Life (consolidated with China Re HK), and given that the insurance revenue from China Re Life (consolidated with China Re HK) accounted for the majority of the life and health reinsurance business segment, unless otherwise stated, references to our life and health reinsurance business in the business analysis of this section shall be the business of China Re Life (consolidated with China Re HK) only.

In 2025, insurance revenue from our life and health reinsurance business amounted to RMB10,026 million, representing a year-on-year increase of 2.1%. The reinsurance premium income amounted to RMB61,903 million, representing a year-on-year decrease of 3.7%.

The following table sets forth the insurance revenue from our life and health reinsurance business by business line for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Line of business	For the year ended 31 December				
	2025		Change (%)	2024	
	Amount	Percentage (%)		Amount	Percentage (%)
Protection-type reinsurance	9,545	95.2	(0.8)	9,623	98.0
Other reinsurance ¹	481	4.8	148.2	194	2.0
Total	10,026	100.0	2.1	9,816	100.0

- Notes: 1. Other reinsurance includes savings-type reinsurance and financial reinsurance.
 2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the reinsurance premium income from our life and health reinsurance business by business line for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Line of business	For the year ended 31 December				
	2025		Change (%)	2024	
	Amount	Percentage (%)		Amount	Percentage (%)
Protection-type reinsurance	24,244	39.2	1.9	23,785	37.0
Savings-type reinsurance	29,197	47.1	23.1	23,722	36.9
Financial reinsurance	8,462	13.7	(49.5)	16,760	26.1
Total	61,903	100.0	(3.7)	64,267	100.0

In terms of type of reinsurance arrangement and form of cession, treaty reinsurance and proportional reinsurance, respectively, dominated our life and health reinsurance business.

The following table sets forth the insurance revenue from our life and health reinsurance business by type of reinsurance arrangement for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Type of reinsurance arrangement	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	9,907	98.8	9,690	98.7
Facultative reinsurance	118	1.2	127	1.3
Total	10,026	100.0	9,816	100.0

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the insurance revenue from our life and health reinsurance business by form of cession for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Form of cession	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Proportional reinsurance	10,055	100.3	9,688	98.7
Non-proportional reinsurance	(29)	(0.3)	128	1.3
Total	10,026	100.0	9,816	100.0

In respect of protection-type reinsurance business, the insurance revenue amounted to RMB9,545 million in 2025, remaining stable year-on-year. Facing tough business environment, we actively expanded the supply of our high-quality products and services. Firstly, we served Healthy China by vigorously developing commercial health insurance, focused on profitable medical insurance business, expanded access to high-quality medical resources, adapted to medical insurance reform to drive product iteration and innovation, and adhered to long-term and win-win cooperation with customers, further improving market coverage. Secondly, we accelerated the deployment of Aging Finance, making strategic moves in emerging risk sectors such as long-term care insurance and disability insurance. We achieved breakthroughs in research and development on innovative care insurance, and launched model products for the industry, enabling benefits to switch between services and cash payouts. Thirdly, we deepened the development of inclusive finance, promoted the sustainable development of Hui Min Bao in various cities, and provided customised reinsurance support plans for specific groups of people such as soldiers, workers, and residents of the Greater Bay Area. Fourthly, we continued to promote industrial integration and innovation, and carried out innovative cooperation on payment model around Internet outpatient service, special medicine, chronic disease management, traditional Chinese medicine and other fields. We launched the industry-finance integrated health management platform and the long-term care service system to strengthen operational capabilities in health insurance. Fifthly, we actively participated in the development of the industry's infrastructure, supported the compilation and publication of the fourth generation of Mortality Table, and assisted in launching the industry's medical insurance project. Sixthly, we strengthened our professional research capabilities by publishing "A Study on Product System Strategies for Life Insurance Companies in the New Environment" and "White Paper on Diversified Payment Models for Innovative Drugs and Medical Devices in China". Benefited by innovation-driven and stringent risk control, our business quality remained stable with the combined ratio of short-term protection-type business of 90.38%.

MANAGEMENT DISCUSSION AND ANALYSIS

- Notes: 1. Combined ratio = (insurance service expenses – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums).
2. If finance expenses from insurance contracts issued and finance income from reinsurance contracts held are considered, combined ratio = (insurance service expenses + allocation of reinsurance premiums – amounts recoverable from reinsurers + finance expenses from insurance contracts issued – finance income from reinsurance contracts held) ÷ insurance revenue, the calculation result of which represented a year-on-year increase of 4.78 percentage points.

In respect of other reinsurance business, the insurance revenue amounted to RMB481 million in 2025, accounting for 4.8% of the overall insurance revenue of our life and health reinsurance segment, mainly due to the low contribution to insurance revenue under the New Standards. In terms of savings-type reinsurance business, we continuously strengthened the coordination between assets and liabilities as well as cross-border collaboration. We strictly controlled business costs, and seized the timing window to deploy capital into high-quality assets. In terms of financial reinsurance business, we persistently enhanced compliance and risk management to ensure business risks under control, achieving a smooth transition under the new regulation.

MANAGEMENT DISCUSSION AND ANALYSIS

PRIMARY P&C INSURANCE BUSINESS

The business of primary P&C insurance segment refers to the property and casualty insurance business operated by China Continent Insurance.

In 2025, we continued to deepen our product operation. While maintaining the stability of our motor insurance business, the proportion of premiums contributed by value-generating non-motor insurance continued to increase. We have further upgraded the customer service, with key breakthroughs in consumer rights protection management, achieving a palpable efficient customer operation. A more solid foundation for institutional development led to the improvement in quality and efficiency of operation in branches. There were no newly added risk projects throughout the year as supported by a solid and effective risk prevention and control barrier. With stronger strategic leadership of the system, and the effective improvement of operational quality, we took solid steps towards high-quality development.

In 2025, insurance revenue from our primary P&C insurance segment amounted to RMB48,869 million, representing a year-on-year increase of 4.2% and accounting for 46.6% of insurance revenue of the Group (before inter-segment eliminations). Net profit amounted to RMB1,258 million, representing a year-on-year decrease of 14.7%, mainly due to the impairment provisions we made for transformation business.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Analysis

The following table sets forth the selected key financial data of our primary P&C insurance segment for the reporting periods indicated:

Unit: in RMB millions, except for percentages

	For the year ended 31 December		Change (%)
	2025	2024	
Insurance revenue	48,869	46,914	4.2
Interest income	1,194	1,119	6.7
Investment income	1,460	1,049	39.2
Exchange gains and losses, net	(32)	11	–
Other income	237	151	57.0
Total income	51,728	49,244	5.0
Insurance service expenses	(48,342)	(45,395)	6.5
Allocation of reinsurance premiums	(2,842)	(2,701)	5.2
Amounts recoverable from reinsurers	2,697	2,212	21.9
Finance expenses from insurance contracts issued	(674)	(789)	(14.6)
Finance income from reinsurance contracts held	107	127	(15.7)
Credit impairment loss	(273)	(200)	36.5
Finance costs	(199)	(209)	(4.8)
Other operating and administrative expenses	(695)	(442)	57.2
Total insurance service expenses and others	(50,221)	(47,399)	6.0
Share of profit of associates	26	23	13.0
Profit before tax	1,533	1,868	(17.9)
Income tax	(276)	(393)	(29.8)
Net profit	1,258	1,475	(14.7)

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

Insurance revenue

Insurance revenue of our primary P&C insurance segment increased by 4.2% from RMB46,914 million in 2024 to RMB48,869 million in 2025, mainly due to the growth in business scale.

Interest income

Interest income from our primary P&C insurance segment increased by 6.7% from RMB1,119 million in 2024 to RMB1,194 million in 2025. For details of the analysis on changes of interest income, please refer to relevant contents in asset management business segment.

Investment income

Investment income from our primary P&C insurance segment increased by 39.2% from RMB1,049 million in 2024 to RMB1,460 million in 2025. For details of the analysis on changes of investment income, please refer to relevant contents in asset management business segment.

Insurance service expenses

Insurance service expenses from our primary P&C insurance segment increased by 6.5% from RMB45,395 million in 2024 to RMB48,342 million in 2025, mainly due to the growth in business scale and the increase in reserve provisions.

Allocation of reinsurance premiums

Allocation of reinsurance premiums paid from our primary P&C insurance segment increased by 5.2% from RMB2,701 million in 2024 to RMB2,842 million in 2025.

Net profit

As a result of the foregoing reasons, net profit of our primary P&C insurance segment decreased by 14.7% from RMB1,475 million in 2024 to RMB1,258 million in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Analysis

In 2025, the primary premium income of our primary P&C insurance business segment amounted to RMB52,801 million, representing a year-on-year increase of 4.0%. The insurance revenue amounted to RMB48,869 million, representing a year-on-year increase of 4.2%.

The following table sets forth the financial indicators relevant to the insurance service performance of our primary P&C insurance business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

	For the year ended 31 December		
	2025	2024	Change (%)
Insurance revenue	48,869	46,914	4.2
Insurance service expenses	(48,342)	(45,395)	6.5
Allocation of reinsurance premiums	(2,842)	(2,701)	5.2
Amounts recoverable from reinsurers	2,697	2,212	21.9
Insurance service performance	382	1,029	(62.9)
Comprehensive loss ratio (%) ¹	67.27	65.21	Increase by 2.06 percentage points
Comprehensive expense ratio (%) ²	31.90	32.46	Decrease by 0.56 percentage points
Combined ratio (%) ³	99.17	97.67	Increase by 1.50 percentage points

- Notes: 1. Comprehensive loss ratio = (incurred claims and loss adjustment expenses for the period + changes in fulfilment cash flows related to liability for incurred claims + (recognition and reversal of loss component – loss component allocated in liability for remaining coverage) – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums).
2. Comprehensive expense ratio = (amortisation of insurance acquisition cash flows + maintenance costs) ÷ (insurance revenue – allocation of reinsurance premiums).
3. Combined ratio = (insurance service expenses – amounts recoverable from reinsurers) ÷ (insurance revenue – allocation of reinsurance premiums); or combined ratio = comprehensive loss ratio + comprehensive expense ratio.
4. If finance expenses from insurance contracts issued and finance income from reinsurance contracts held are considered, combined ratio = (insurance service expenses + allocation of reinsurance premiums – amounts recoverable from reinsurers + finance expenses from insurance contracts issued – finance income from reinsurance contracts held + change in premium reserves) ÷ insurance revenue, the calculation result of which was 100.41%.
5. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis by Line of Business

The following table sets forth insurance revenue of our primary P&C insurance business by line of business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Line of business	For the year ended 31 December				
	2025		Change (%)	2024	
	Amount	Percentage (%)		Amount	Percentage (%)
Motor insurance	26,532	54.3	3.6	25,616	54.6
Accident and short-term health insurance	7,800	16.0	14.5	6,812	14.5
Liability insurance	4,128	8.5	16.2	3,554	7.6
Surety insurance	3,925	8.0	(13.0)	4,512	9.6
Agriculture insurance	2,078	4.3	9.7	1,894	4.0
Commercial property insurance	1,462	3.0	0.4	1,456	3.1
Others ¹	2,944	6.0	(4.1)	3,071	6.6
Total	48,869	100.0	4.2	46,914	100.0

Notes: 1. Others include, among others, engineering, credit, marine hull, household property and specialty insurance.

2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

Motor Insurance. In 2025, insurance revenue from our motor insurance amounted to RMB26,532 million, representing a year-on-year increase of 3.6%. We always upheld the philosophy of high-quality development, strengthened the structural management of business, optimised the business quality, and enhanced profitability in motor insurance. We took regulatory requirements as the criterion to strengthen compliance requirements. We further optimised the pricing model for new energy vehicle insurance to provide new energy vehicle owners with more scientific and reasonable insurance prices and more comprehensive coverage. We also engaged in social risk management by implementing risk mitigation measures for commercial trucks to effectively reduce operational risks in vehicle fleets. Taking big data applications as the starting point and digital empowerment as the guide, we accelerated business transformation and upgrading and ensured stable operations.

MANAGEMENT DISCUSSION AND ANALYSIS

Accident and Short-term Health Insurance. In 2025, insurance revenue from accident and short-term health insurance amounted to RMB7,800 million, representing a year-on-year increase of 14.5%. In terms of inclusive finance, we actively implemented policy requirements, segmented our customer base, and implemented inclusive product innovation. We launched the sporty safe insurance product (Yue Dong Bao) which provided cumulative risk protection of RMB1,339.2 billion for urban marathons and various sports association events, with the coverage over 980,000 participants, and it was selected as the “2024 Typical Case of CIC Direct Serving National Strategic Inclusive Finance”. At the same time, we implemented 186 government and inclusive health insurance projects in 25 provinces, serving over 145.81 million people, a year-on-year increase of 34.9%; providing risk protection of RMB47.8 trillion, a year-on-year increase of 3.7%; and providing services to a total of 12.26 million people, with the coverage of risk protection expanding year by year.

Liability Insurance. In 2025, insurance revenue from liability insurance amounted to RMB4,128 million, representing a year-on-year increase of 16.2%. We continued to optimise the business structure and cost structure, and promoted the high-quality development and efficient operation of liability insurance, achieving remarkable results in specialised governance for employer’s liability insurance and the promotion of safety production liability insurance. We have actively served the national strategy, systematically promoted the “five target areas” of finance, participated in the formulation of industry risk control standards for environmental liability insurance in Shanghai, and provided the first set of risk protection for industries with key national supports such as marine hull, aviation, and mining machinery manufacturing. We have focused on the improvement of digital business capabilities, followed the digital trend, and comprehensively empowered the development of liability insurance and operation management by developing and launching employer quotation tools, security AI agents, and smart management dashboard.

Surety Insurance. In 2025, insurance revenue from surety insurance amounted to RMB3,925 million, representing a year-on-year decrease of 13.0%. We have always adhered to the operating principles of “compliance with laws and regulations, small amounts and diversification, and risks under control”. Since 2020, we have steadily reduced the business scale, and continuously optimised the business structure, achieving the steady development of business. Based on the development trend of the industry, the actual market demand and our long-term development strategies, we have decided not to add new surety insurance of finance from 2026 after a comprehensive discussion and a prudent decision-making.

Agriculture Insurance. In 2025, insurance revenue from agriculture insurance amounted to RMB2,078 million, representing a year-on-year increase of 9.7%. We made every effort to advance the policy selection projects for agriculture insurance, and made breakthroughs in innovative insurance for planting insurance, breeding insurance, forest insurance, agriculture insurance, as well as agriculture-related insurance. We continued to innovate and develop insurance products, and focused on exploring insurance for agricultural products with local characteristics, weather index insurance, price index insurance, agricultural futures price insurance, planting income insurance and other insurances.

Commercial Property Insurance. In 2025, insurance revenue from commercial property insurance amounted to RMB1,462 million, representing a year-on-year increase of 0.4%, with our overall business scale remaining stable. Focusing on serving national strategies and the development of the real economy, we concentrated on green finance, actively participated in the comprehensive insurance business for energy groups, prioritised supporting the construction of green energy projects, and continued to explore and proactively plan in the field of new energy infrastructure such as energy storage power stations and charging piles, constantly improving our professional underwriting and risk service capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis by Region

The following table sets forth insurance revenue from our primary P&C insurance business by region for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Region	For the year ended 31 December			
	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Shanghai	6,731	13.8	7,076	15.1
Zhejiang	3,822	7.8	3,851	8.2
Yunnan	3,235	6.6	3,086	6.6
Shandong	2,833	5.8	2,839	6.1
Inner Mongolia	2,384	4.9	2,231	4.8
Jiangxi	2,028	4.2	1,788	3.8
Jiangsu	1,883	3.9	1,796	3.8
Guangdong	1,878	3.8	1,696	3.6
Anhui	1,731	3.5	1,574	3.4
Sichuan	1,496	3.1	1,349	2.9
Others	20,846	42.7	19,629	41.8
Total	48,869	100.0	46,914	100.0

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

ASSET MANAGEMENT BUSINESS

In 2025, the external environment became increasingly unstable and uncertain, and the geopolitical situation was complex and volatile. The global economic recovery progress was hindered by tariff policies of certain economies. In the face of changes in the internal and external economic environment, China's economy forged ahead despite challenges, moving towards new and superior development, with continuous progress in the construction of a modern industrial system and new strides in reform and opening-up. Throughout 2025, equity assets of A-shares and Hong Kong shares generally trended upward with fluctuations, while structural opportunities in sectors such as technology were prominent. The domestic bond market exhibited a pattern of range-bound fluctuations at low levels, with credit spreads and term spreads widening slightly. Offshore USD bond market saw increased interest rate volatility and a steeper yield curve.

As of the end of the Reporting Period, the balance of assets under the management of the Group amounted to RMB796,152 million, of which the balance of the total investment assets of the Group was RMB462,063 million, representing an increase of 4.1% as compared with the end of the previous year; the balance of assets of third parties under management was RMB334,089 million, representing a year-on-year decrease of 12.8%.

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Portfolio

The following table sets forth the portfolio of China Re's total investment assets as at the dates indicated:

Unit: in RMB millions, except for percentages

Investment assets	31 December 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
By type of investment				
Cash and short-term time deposits	16,623	3.6	13,006	2.9
Fixed-income investments	343,948	74.4	338,754	76.3
Time deposits	22,497	4.9	27,392	6.2
Bonds	264,549	57.3	248,469	56.0
Government bonds	65,418	14.2	45,117	10.2
Financial bond	31,706	6.9	35,923	8.1
Enterprise (corporate) bonds	106,269	23.0	111,748	25.2
Subordinated bonds	61,156	13.2	55,681	12.5
Other fixed-income investments ¹	56,902	12.2	62,893	14.1
Equity and investment funds	72,145	15.6	62,058	14.0
Investment funds ²	30,624	6.6	31,667	7.1
Stocks	34,628	7.5	27,088	6.1
Other equity and investment funds ³	6,893	1.5	3,303	0.8
Other investments	29,347	6.4	30,067	6.8
Investment in associates	23,243	5.0	25,285	5.7
Others ⁴	6,104	1.4	4,782	1.1
By accounting method				
Financial assets at fair value through profit or loss	112,373	24.3	118,124	26.6
Financial assets at fair value through other comprehensive income	184,434	39.9	151,017	34.0
Financial assets at amortised cost	62,337	13.5	74,378	16.8
Investment in associates	23,243	5.0	25,285	5.7
Others ⁵	79,676	17.3	75,081	16.9
Total investment assets⁶	462,063	100.0	443,885	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

- Notes:
1. Primarily including financial assets held under resale agreements, statutory deposits for insurance operations, debt investment schemes, trust schemes, asset support schemes and others.
 2. Including stock funds, bond funds, equity funds, monetary funds, etc.
 3. Mainly including unlisted equity interest and perpetual bonds.
 4. Including investment properties, currency swaps, etc.
 5. Mainly including cash and short-term time deposits, derivative financial assets, financial assets held under resale agreements, time deposits, statutory deposits for insurance operations, investment properties, etc.
 6. Financial assets sold under repurchase agreements amounting to RMB53,941 million (2024: RMB69,590 million) were not deducted from the total investment assets.

In terms of investment management, amid market fluctuations, we firmly established the business philosophy of “making prudent investment”, built and optimised the two-wheel driven investment framework system of “allocation + trading”. Asset allocation played a vital role of engine, proactively adapting to market shifts, further enhancing diversified allocation, and improving the portfolio’s resilience to risk and the strength of its returns. As for domestic fixed-income investments, we steadily allocated our bond portfolio, flexibly utilised various strategies, and participated in trading opportunities in long-term bonds, convertible bonds, and bond funds to enhance returns. As for overseas fixed-income investments, we actively addressed geopolitical risks, enriched investment strategies, strengthened country and currency diversification, and dynamically grasped market interest rate trends and swing trading opportunities, thus improving yield levels. As for secondary equity investment, we adhered to the allocation strategy of “progressing while ensuring stability”. Using dividend-paying assets as the core holdings, we actively seized investment opportunities in fields such as communications, semiconductors, media, pharmaceuticals, and high-end manufacturing. We also strengthened research in new quality productive forces such as artificial intelligence, innovative drugs, and robotics, and gradually allocated relevant assets when the opportunity arose. While ensuring stable performance, we reasonably increased the elasticity of investment returns. As for alternative investments, we actively served national strategies, constantly updated and optimised investment strategies in response to market changes, and gave full play to the role of patient capital, while continuing to improve the stability of rental income from real estate investments.

As of the end of the Reporting Period, in terms of market value, among the assets entrusted by the Group Company, China Re P&C, China Re Life, China Continent Insurance and products from insurance asset managers for management¹ with China Re AMC acting as the trustee, domestic credit bond investment directly held accounted for 17.77% of entrusted assets under the management of China Re AMC, of which bonds with AAA rating accounted for 99.35%, and bonds with AA rating² and above accounted for 100%. As of now, there is no bond default and the risk is generally controllable.

MANAGEMENT DISCUSSION AND ANALYSIS

As of the end of the Reporting Period, in terms of market value, among the assets entrusted by the Group Company, China Re P&C, China Re Life, China Continent Insurance and products from insurance asset managers for management with China Re AMC acting as the trustee, domestic non-standard assets³ directly held by China Re AMC accounted for 3.11% of entrusted assets under the management of China Re AMC, of which those with an external rating of AAA accounted for 87.31%. The top three industries in terms of positions held were transportation, real estate and public utility, accounting for 40.77%, 21.22% and 19.42%, respectively.

Notes: 1. The products from insurance asset managers for management issued by China Re AMC include external client funds.
2. Some of the credit bonds have no external debt rating, and the bonds are rated according to external rating agencies.
3. Non-standard assets include five types of assets which are collective fund trust schemes of the trust company, the infrastructure debt investment schemes, the equity investment schemes, the project asset support schemes, and the real estate debt investment schemes.

In terms of risk management, we continued to improve our comprehensive risk management system, and promoted the effective conduction of strategic asset allocation and risk appetite policies. We improved our risk assessment system, strengthened the investment risk limits and concentration management, and continuously conducted analysis of investment performance. We also optimised the risk monitoring management indicator system, and conducted risk investigation, evaluation and reporting to improve our refined management of investment risk.

We strove to promote the information system construction of risk management, and constantly enriched and improved embedded risk management tools to achieve visualisation of monitoring. We established a multi-layered and multi-dimensional risk reporting system to reflect the investment risk status in a timely and comprehensive manner. In order to effectively cope with the extreme risk condition, we measured the potential loss by scenario analysis, stress test, and other methods, studied and optimised the stop-loss mechanism, paid close attention to the impact of market volatility on the investment income, invested assets, and the solvency of the Group. We strengthened the risk prevention and control measures in key areas and took instant response to the warning signals of risk arising in assets held. There was no material risk event throughout the year, and the risk was generally controllable.

During the Reporting Period, we actively responded to changes in the external environment such as the aggravation of macro and capital market risks, stepped up research and early warning on key industries we held positions, reviewed and further improved the investment risk limit management, paid attention to the concentration of low-rated or long-duration assets, and constantly carried out rating and credit management, asset quality tracking, risk investigation and review, etc., to keep the relevant risks within an acceptable range. In terms of overseas risk, we continuously optimised risk control policies and management mechanisms for overseas subsidiaries, organised special investigations and studies on regional risks, and formulated corresponding scenario strategies. In terms of credit risk, we strengthened the credit risk sorting and analysis of overseas positions, established a combined credit management system at the domestic and overseas level, promoted the management synergy and experience sharing of the two-level platforms, and continued to strengthen the penetration management of credit risk at overseas investment platforms.

MANAGEMENT DISCUSSION AND ANALYSIS

As of the end of the Reporting Period, our significant investments held mainly included China Re – Bairong World Trade Center Real Estate Debt Investment Scheme, investments in an associate, namely China Everbright Bank, and investment in the real estate of the Shanghai Fuyuan Landmark Plaza Project.

On 23 June 2016, China Re AMC initiated to establish China Re – Bairong World Trade Center Real Estate Debt Investment Scheme with a term of 11 years. The subscription amount by China Re P&C, China Re Life and China Continent Insurance was RMB8.0 billion in total. A principal of RMB1,540 million in total for the scheme was repaid five times on 27 June 2017, 27 June 2018, 27 June 2019, 30 July 2019 and 20 December 2019, respectively. Since 2020, China Re AMC has taken legal measures on behalf of the investment scheme due to failure of the debt-servicing entity and the guarantor of the investment scheme to make timely payments relating to the investment scheme.

In 2025, China Everbright Bank operated prudently and maintained stable performance, with a capital adequacy ratio meeting regulatory requirements. As of the end of the Reporting Period, the Group held approximately 3.93% equity interest in China Everbright Bank in aggregate.

On 15 December 2018, China Continent Insurance entered into a sale and purchase agreement with Shanghai Fuyuan Binjiang Development Co. Ltd., to acquire a property with a total area of 36,006.28 square metres at an acquisition price of approximately RMB3,089 million, payable in cash. The property is Building No. 1 (the address is No. 6 Lane 38, Yuanshen Road) of the Shanghai Fuyuan Landmark Plaza Project located at the land plot Nos. 04-4 of Huangpu Riverbank Unit E10, Pudong New District, Shanghai, the PRC. China Continent Insurance has acquired title certificate for the project. As of the end of the Reporting Period, all of the transaction price of the project has been paid, and the property is held for investment purposes.

As of the end of the Reporting Period, the transaction amounts of the above-mentioned transactions each represented less than 5% of the Company's total assets and therefore did not constitute a major investment under paragraph 32(4) of Appendix D2 to the Hong Kong Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Performance

The following table sets forth the relevant information on investment income of China Re for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Investment income	2025	2024
Cash and fixed-income investments	10,319	12,265
Interest income	11,515	11,500
Realised gains and losses	485	(13)
Unrealised gains and losses	(317)	1,745
Impairment losses	(1,364)	(967)
Equity and investment funds	8,732	4,328
Dividend income	2,091	1,867
Realised gains and losses	4,650	(2,784)
Unrealised gains and losses	1,991	5,245
Other investments	325	2,143
Share of profit of associates	1,718	1,978
Loss on dilution of equity in associates	–	–
Other gains and losses ¹	451	165
Impairment losses	(1,844)	–
Interest expenses on financial assets sold under repurchase agreements	(1,127)	(1,347)
Total investment income ²	18,249	17,389
Total investment yield (%) ⁴	4.66	4.83
Net investment income ³	14,452	14,246
Net investment yield (%) ⁴	3.69	3.96

- Notes:
1. Including gains or losses from changes in fair value and realised gains or losses from financial liabilities at fair value through profit or loss, gains or losses from changes in fair value and realised gains or losses from derivative financial instruments related to non-life insurance business, rental income from investment properties.
 2. Total investment income = investment income after deducting non-insurance investment contracts and derivative financial instruments related to life insurance business + interest income + share of profit of associates + impairment loss of associates – interest expenses on financial assets sold under repurchase agreements – net impairment loss on financial assets after deducting other assets – loss on dilution of equity in associates.
 3. Net investment income = interest income + dividend income + rental income + share of profit of associates – interest expenses on financial assets sold under repurchase agreements.
 4. Total/net investment yield = Total/net investment income ÷ (average of total investment assets at the beginning and end of the period – average of financial assets sold under repurchase agreements at the beginning and end of the period).

MANAGEMENT DISCUSSION AND ANALYSIS

In the face of the complex and volatile internal and external environmental challenges, we adhered to the prudent investment concept and insisted on dual-drive strategy of “allocation + trading”, grasping certainty amid uncertainty and seizing structural opportunities to continuously enhance portfolio resilience. In 2025, the total investment income of the Group amounted to RMB18,249 million, representing a year-on-year increase of 4.9%, which was mainly due to the steady improvement of long-term and stable equity asset allocation, effective grasp of structural opportunities of equity assets, and significant outperformance of the secondary equity in the market to obtain excess returns, resulting in a significant year-on-year increase in equity and investment funds income. The net investment income of the Group amounted to RMB14,452 million, representing a year-on-year increase of 1.4%.

MANAGEMENT DISCUSSION AND ANALYSIS

INSURANCE INTERMEDIARY BUSINESS

Insurance intermediary business refers to the insurance intermediary business operated by Huatai Insurance Agency and its subsidiary, Huatai Surveyors & Adjusters Company. In 2025, Huatai Insurance Agency was committed to the medium to long-term strategic goal of “sprinting into the first camp in the field of insurance agency”. Adhering to the general principle of “seeking progress while ensuring stability and striving for innovation and transformation”, Huatai Insurance Agency continued to deepen structural adjustments as well as innovation and transformation, proactively reduced the scale of the Internet platform business and motor insurance business, and focused on developing its international, reinsurance agency, and risk consulting businesses.

In 2025, revenue from insurance intermediary business amounted to RMB375 million, representing a year-on-year decrease of 18.1%. Total profit amounted to RMB4.0137 million, representing a year-on-year decrease of 11.2%.

MANAGEMENT DISCUSSION AND ANALYSIS

SOLVENCY

The following table sets forth the relevant data of the Group, the Group Company and major reinsurance and insurance subsidiaries of the Group as at the dates indicated:

Unit: in RMB millions, except for percentages

	31 December 2025	31 December 2024	Change (%)
The Group			
Core capital	112,664	109,029	3.3
Available capital	138,400	133,079	4.0
Minimum capital	73,591	68,728	7.1
Core solvency adequacy ratio (%) ¹	153	159	Decrease by 6 percentage points
Aggregated solvency adequacy ratio (%) ¹	188	194	Decrease by 6 percentage points
Group Company			
Core capital	98,382	92,379	6.5
Available capital	98,469	92,379	6.6
Minimum capital	30,768	28,122	9.4
Core solvency adequacy ratio (%) ¹	320	328	Decrease by 8 percentage points
Aggregated solvency adequacy ratio (%) ¹	320	328	Decrease by 8 percentage points
China Re P&C			
Core capital	22,323	21,520	3.7
Available capital	34,278	32,535	5.4
Minimum capital	15,029	14,577	3.1
Core solvency adequacy ratio (%) ¹	149	148	Increase by 1 percentage points
Aggregated solvency adequacy ratio (%) ¹	228	223	Increase by 5 percentage points
China Re Life			
Core capital	39,715	37,069	7.1
Available capital	53,478	50,154	6.6
Minimum capital	26,707	24,139	10.6
Core solvency adequacy ratio (%) ¹	149	154	Decrease by 5 percentage points
Aggregated solvency adequacy ratio (%) ¹	200	208	Decrease by 8 percentage points
China Continent Insurance			
Core capital	22,708	22,623	0.4
Available capital	25,361	24,694	2.7
Minimum capital	9,112	8,667	5.1
Core solvency adequacy ratio (%) ¹	249	261	Decrease by 12 percentage points
Aggregated solvency adequacy ratio (%) ¹	278	285	Decrease by 7 percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

- Notes:
1. Core solvency adequacy ratio = core capital ÷ minimum capital;
Aggregated solvency adequacy ratio = available capital ÷ minimum capital.
 2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.
 3. The relevant solvency data as at 31 December 2025 has been audited by the auditors of the Group. If there is any discrepancy between the solvency data disclosed in this annual report and the results announcement, this annual report shall prevail.
 4. According to Articles 5 and 7 of the Regulations on the Solvency Supervision of Insurance Companies No. 1: Actual Capital, the evaluation of actual capital shall be based on the Accounting Standards for Business Enterprises approved by the former China Banking and Insurance Regulatory Commission, and the evaluation standards of assets and liabilities shall be adjusted according to the purpose of solvency supervision; as for the assets and liabilities of insurance contracts, their book value shall be recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts and the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts issued in 2006 by the Ministry of Finance, and the Regulations on Accounting Treatment of Insurance Contracts issued in 2009 by the Ministry of Finance.

Compared with the end of 2024, the consolidated solvency adequacy ratio of the Group remained stable basically. In particular, the solvency adequacy ratio of the Group Company saw a decrease, which was mainly due to changes in internal retrocession reinsurance arrangements within the Group. The solvency adequacy ratio of China Re P&C increased, mainly due to the growth in comprehensive income. The solvency adequacy ratio of China Re Life decreased, mainly due to the expansion in investment business scale. The solvency adequacy ratio of China Continent Insurance decreased, mainly due to the growth in business scale.

According to the requirements of the Solvency Regulatory Rules (II) for Insurance Companies (Yin Bao Jian Fa [2021] No. 51), the respective “Summary of Solvency Report” as of the end of the fourth quarter of 2025 of the Group Company and its subsidiaries, namely China Re P&C, China Re Life and China Continent Insurance, will disclose on their official websites and the website of Insurance Association of China.

MANAGEMENT DISCUSSION AND ANALYSIS

Shareholders and investors of the Company are advised by the Board to pay attention to the following operation indicators extracted from the Summary of Solvency Reports for the fourth quarter of 2025:

Table 1: Key operating indicators

Unit: in RMB millions unless otherwise stated

Indicators	Entities	Group Company	China Re P&C	China Re Life	China Continent Insurance
31 December 2025					
Total assets		98,181	149,043	319,022	100,485
Net assets		63,337	26,752	24,740	26,283
Insurance contract liabilities		18,933	72,719	207,323	50,967
For the year ended 31 December 2025					
Insurance income		8,773	47,804	58,657	53,333
Net profit		2,047	2,463	2,329	1,214
Basic earnings per share (RMB)		0.048	0.215	0.285	0.080
Return on equity (%)		3.22	9.52	9.80	4.67
Return on total assets (%)		2.09	1.68	0.76	1.24
Investment yield (%)		3.36	4.41	3.86	3.66
Combined investment yield (%)		3.04	4.21	4.19	2.97

MANAGEMENT DISCUSSION AND ANALYSIS

Table 2: Other specific operation indicators of the P&C insurance company

Unit: in RMB millions unless otherwise stated

Indicators	Entity	China Continent Insurance
For the year ended 31 December 2025		
Premiums of signed policies (total premiums for policies sold)		53,171
Premiums of signed policies for motor insurance		26,567
Premiums of signed policies for top 5 non-motor insurance		22,303
Average premiums per motor for motor insurance (RMB) (written premiums from new motor insurance policies/ number of new motors underwritten)		1,908
Premiums of signed policies by channels		53,171
Premiums of signed policies of agency channels		27,432
Premiums of signed policies of direct sale channels		18,852
Premiums of signed policies of brokerage channels		6,888
Premiums of signed policies of other channels		0

- Notes: 1. As the consolidated scope is larger than these four companies and affected by offsetting factors when calculating the consolidated net profit of the Group, the consolidated net profit of the Group is not equal to the sum of net profits of these four companies.
2. The solvency related data as at 31 December 2025 has been audited by the auditors of the Group.
3. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

For viewing of the Summary of Solvency Reports for the fourth quarter of 2025, shareholders and potential investors of the Company can visit the official websites of the Company at <http://www.chinare.com.cn>, China Re P&C at <http://www.cpcr.com.cn>, China Re Life at <http://www.chinalifere.cn> and China Continent Insurance at <http://www.ccic-net.com.cn>, or the website of Insurance Association of China at <http://www.iachina.cn> for enquiries.

MANAGEMENT DISCUSSION AND ANALYSIS

EXCHANGE RATE FLUCTUATION RISK

A substantial amount of the Group's assets and liabilities is denominated in Renminbi, but certain assets and liabilities are denominated in Hong Kong dollars, US dollars, British pounds and other foreign currencies. The fluctuations of the value of Renminbi against such currencies expose us to foreign exchange risks. We control the adverse impacts of the fluctuations of exchange rates through enhancing management of the assets and liabilities matching in different currencies, keeping foreign exchange positions under control and making appropriate use of foreign currency derivatives. As at 31 December 2025, the Group held foreign currency derivatives of RMB78 million (31 December 2024: RMB-273 million).

DETAILS OF ASSETS CHARGED AND BANK BORROWINGS

As at 31 December 2025, bonds with a carrying value of RMB18,227 million (as at 31 December 2024: RMB19,207 million) were pledged as collateral for the financial assets sold under repurchase agreements resulting from debt repurchase transactions entered into by the Group in the interbank market.

For debt repurchase transactions through the stock exchange, the Group is required by the stock exchange to deposit certain exchange-traded bonds into a collateral pool and fair value converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balance of the related repurchase transactions during the repurchase period. As at 31 December 2025, the carrying value of bonds deposited in the collateral pool was RMB68,297 million (as at 31 December 2024: RMB71,831 million). The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

CONTINGENCIES

As at 31 December 2025, the Group had issued the following guarantees:

- (1) As at 31 December 2025, the Group Company provided maritime guarantee of RMB1,065 million (31 December 2024: RMB1,393 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.
- (2) As at 31 December 2025, CRIHL provided letter of credit to Lloyd's to support Syndicate 1084's and Syndicate 1176's underwriting business in an aggregate amount of GBP600 million (31 December 2024: GBP600 million).
- (3) As at 31 December 2025, CRIHL entered into tier 1 securities lending arrangements for Funds at Lloyd's with a financial institution (31 December 2024: two financial institutions), and the facilities amounted to GBP120 million (31 December 2024: GBP100 million and USD75 million).

MAJOR EVENTS

Material Connected Transactions

During the Reporting Period, the Group did not enter into any connected transaction that is subject to the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In addition, the related-party transactions set out in Note 48 to the financial statements do not constitute connected transactions under the Hong Kong Listing Rules, and therefore are not subject to all the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

Undertakings of the Company and Controlling Shareholder Given or Effective during the Reporting Period

During the Reporting Period, the Company and Central Huijin, the controlling shareholder, complied with the undertakings made by them as set out in the prospectus. For details of the relevant undertakings, please refer to the sections headed “Substantial Shareholders” and “Share Capital” in the prospectus.

Other Significant Matters

After the implementation of the New Standard for Insurance Contracts, the Company’s interim results announcement, annual results announcement, interim report, and annual report (collectively, the “**Regular Announcements and Reports**”) now includes disclosures related to the contractual service margin, involving insurance contracts issued, reinsurance contracts held, and contracts initially recognised during the year. The embedded value and the value of one-year new business of the Group as disclosed in the “Embedded Value” report within the Regular Announcements and Reports are economically similar to the contents disclosed in the Regular Announcements and Reports, namely the sum of the net assets and the contractual service margin post-taxed, as well as the contractual service margin of contracts initially recognised during the year. For the reasons stated above, the Company proposes to cease disclosing the “Embedded Value” report starting from the 2026 interim results announcement.

The Company published announcements in relation to the Approvals for the Issuance of the Capital Supplementary Bonds by China Re P&C and the Completion of the Issuance of the Capital Supplementary Bonds by China Re P&C on 26 September 2025 and 13 November 2025, respectively. China Re P&C has successfully completed

the public issuance of capital supplementary bonds with an aggregate principal amount of RMB4 billion in the national inter-bank bond market. The capital supplementary bonds issued this time are ten-year fixed-rate bonds, with a nominal annual interest rate of 2.20% for the first five years. China Re P&C has a conditional redemption right at the end of the fifth year. If China Re P&C does not exercise such redemption right, the nominal annual interest rate for the subsequent five years will be 3.20%. The proceeds raised from this issuance of capital supplementary bonds will be used, in accordance with applicable laws and approvals from regulatory authorities, to supplement China Re P&C’s capital, enhance its solvency, and support its sustainable and steady business development.

The Company published announcements in relation to the Approvals for the Issuance of the Capital Supplementary Bonds by China Re P&C and the Completion of the Issuance of the Capital Supplementary Bonds by China Re P&C on 25 November 2020 and 9 December 2020, respectively. China Re P&C successfully completed the public issuance of capital supplementary bonds with an aggregate principal amount of RMB4 billion in the national inter-bank bond market. The capital supplementary bonds issued this time are ten-year fixed-rate bonds, with a nominal annual interest rate of 4.4% for the first five years. China Re P&C has a conditional redemption right at the end of the fifth year. If China Re P&C does not exercise such redemption right, the nominal annual interest rate for the subsequent five years will be 5.4%. On 10 December 2025, after filing with the People’s Bank of China and the National Financial Regulatory Administration, China Re P&C completed the exercise of its redemption right and fully redeemed the capital supplementary bonds in the national inter-bank bond market at a principal amount of RMB4 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Market Environment

Looking ahead to 2026, China's economy has a solid foundation, numerous advantages, strong resilience, and great potential. Such long-term fundamentals supporting its positive improvement trend remain unchanged. The 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee, the Central Financial Work Conference, and the new "Ten National Rules" for the insurance industry have provided fundamental guidance and comprehensive planning for the high-quality development of China's insurance industry in the new era. Insurance, as a market-oriented risk management mechanism, and reinsurance, as insurance for insurance and a mechanism for addressing the "last kilometre" of risk management, will both usher in a significant period of strategic development opportunities. Industrial upgrading, population aging, climate change, and the overseas expansion of Chinese enterprises bring diverse risks and challenges, placing higher demands on the professional capabilities of the insurance industry. The insurance and reinsurance industries are undergoing profound transformation, requiring them to adapt to market changes and cultivate core competitiveness, so as to achieve sustainable and high-quality development.

For the P&C reinsurance market, the international market is entering a new round of complex cycles, characterized by "softening market conditions, diversified risks, innovation-driven development and tighter regulation". Against the backdrop of external factors including diverging global economic trends, escalating geopolitical conflicts and accelerated technological transformation, the market is presented with both opportunities and challenges. The domestic market faces complex and diverse risk challenges such as catastrophe risks, emerging risks and specialty risks. As a result, the safer, more sustainable and high-value reinsurance partnerships will emerge as new features of high-quality reinsurance supply.

For the life and health reinsurance market, client companies have consistent and strong reinsurance demand in the fields of medical insurance, care insurance, and health management. The accelerated development and widespread penetration of artificial intelligence have also placed higher requirements on reinsurance in terms of data empowerment, product development, and service innovation and upgrading. New opportunities are emerging in the industry, including the formulation of innovative drug catalog for commercial health insurance, the R&D of pension security products, and the development of group health insurance, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

For the primary P&C insurance market, the intrinsic driving force for transformation towards high-quality development is continuously strengthening. First, policy guidance encourages economic entities to strengthen their profit-oriented approach, effectively curbing disorderly competition and potentially leading to a steady improvement in the combined ratio. Second, technology is empowering supply towards digitalisation, intelligence, and platformisation. Third, diversified customer demands are creating structural growth opportunities. At the same time, the market competition is becoming increasingly differentiated, with frequent natural disasters, high claims rates for new energy vehicles, and immature profit models in some areas exacerbating upward pressure on compensation costs.

For the primary life and health insurance market, in the context of longevity era coupled with decreasing interest rates, demand for pension savings remains strong, with savings-oriented products such as increasing whole life insurance and participating insurance remaining the primary market drivers. Protection-type businesses represented by health insurance have not yet completely emerged from the transformation period. Medical insurance with higher perceived value enjoys greater market acceptance, and the importance of specialised operations and refined management continues to rise. The top-level design for high-quality development of health insurance clarifies future directions and development priorities, injecting new momentum into the development of commercial medical insurance, long-term care insurance product innovation, and health management services.

In respect of the development of capital market and of insurance funds, global economic divergence is expected to persist, with geopolitical uncertainties continuing to affect capital flows and trade activities. As the “15th Five-Year Plan” begins, the transformation of China’s economy from old to new growth engines is expected to proceed steadily, given its solid foundation, numerous advantages, strong resilience, and great potential. Although such long-term fundamentals supporting its positive improvement trend remain unchanged, China’s economy is also facing overall challenges of insufficient demands domestically. Opportunities and challenges coexist in the capital market, prompting insurance fund management to align with the objectives of patient capital, so as to improve investment capabilities and strike a balance between short-term and long-term returns while managing the trade-off between stable returns and risk control.

Outlook of the Group

China Re will firmly anchor itself on the primary task of high-quality development, deeply implement the action plan for building a world-class enterprise, and adhere to the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”. Focusing on transformation and upgrading, we will deepen product innovation, risk pricing, and service improvement; enhance international management and control to flexibly respond to changes in market conditions; strengthen long-term capability building and ensure compliant operation; promote business model transformation and advance supply-side structural reform; accelerate digital transformation and cultivate new quality productive force. The Group will accurately grasp the strategic opportunity period, scientifically analyse market development trends, continuously improve its core professional capabilities, and constantly enhance its operational resilience to achieve a good start to the “15th Five-Year Plan”.

MANAGEMENT DISCUSSION AND ANALYSIS

In respect of the P&C reinsurance business, we will adhere to the general keynote of seeking progress while maintaining stability, anchor the theme of high-quality development, deepen reform and innovation, and accelerate transformation and breakthrough, striving to achieve a good start to the “15th Five-Year Plan”. We will adhere to the “world-class” strategic deployment, deeply serve the national strategy, enhance innovation and development capabilities, accelerate the transformation of domestic business operation model, enhance international operation management, iteratively improve the digital intelligence transformation mechanism, and promote the continuous upgrading of risk control and compliance system.

In respect of the life and health reinsurance business, we will continue to pay attention to national and industry policies, and strengthen professional research, data application, and operational management capabilities. In terms of insurance risk, we will gain insights into the people’s diverse needs for multi-level healthcare coverage, actively drive supply structure adjustment through innovation, continuously explore the iterative upgrading of inclusive insurance and new citizen insurance, promote the integrated development of health insurance and health management, and expand the base of diversified commercial health insurance coverage. In terms of financial risk management, we will strive to enhance asset-liability matching and risk management, strengthen inforce business management, pay attention to counterparty credit risk, and strengthen multi-market collaboration to deliver distinctive solutions.

In respect of the primary P&C insurance business, we will earnestly implement the business approach of “optimising structure, strengthening execution, increasing vitality, and preventing risks”. We will optimise personnel, cost, and business structures, strengthen the execution of annual budgets and work plans, stimulate the vitality of our organisation, teams, and innovation, build an open, fair, and just development platform, and strengthen proactive planning, proactive action, and proactive supervision. We will promote effective improvement in efficiency and reasonable growth in scale, taking high-quality development to a new level.

In respect of asset management business, we will continue to follow the principle of “making prudent investment”, adhere to a balanced and prudent asset allocation strategy, and continue to deepen our investment capabilities across multiple assets, strategies, and regions. While closely focusing on asset allocation plans and risk preferences, we will deepen the understanding of domestic and foreign economic situations, market environments and policy expectations, strengthen trend judgement and forward-looking analysis, strive to improve investment capabilities, and create investment returns. In our third-party business, we will continue to strengthen the “investment + service” business model, accelerate the incubation of “flagship” products with significant competitive advantages and market recognition, and cultivate distinctive core competencies, so as to achieve sustainable and high-quality development. Guided by comprehensive risk management, we will implement the “four early” principle, improve the risk management system, strengthen investment risk research and risk early warning, and continuously enhance the integrity, systematicness and synergy of risk prevention and control, striving for steady and sustainable investment returns.

CHINA REINSU

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RANCE



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS AND SENIOR MANAGEMENT

Directors

Name	Month and Year of Birth	Position	Date of Appointment
Zhuang Qianzhi	January 1972	Chairman Executive Director	December 2025 August 2021
Zhu Xiaoyun	August 1975	Vice Chairlady Executive Director	December 2025 February 2025
Yang Changsong	May 1966	Non-executive Director	November 2022
Jia Xiangxiang	March 1972	Non-executive Director	April 2024
Zhou Zheng	November 1980	Non-executive Director	April 2024
Dai Deming	October 1962	Independent Non-executive Director	August 2023
Ye Mei	April 1966	Independent Non-executive Director	December 2023
Keung Yui Fai	June 1960	Independent Non-executive Director	September 2025

- Notes:
1. Mr. Zhuang Qianzhi has served as the chairman of the Board since 8 December 2025.
 2. Ms. Zhu Xiaoyun has served as an executive Director since 24 February 2025, and the vice chairlady of the Board since 31 December 2025.
 3. Mr. Keung Yui Fai has served as an independent non-executive Director since 10 September 2025.
 4. Mr. He Chunlei ceased to serve as the chairman of the Board and an executive Director since 18 September 2025.
 5. Ms. Jiang Bo ceased to serve as an independent non-executive Director since 22 July 2025.
 6. Subject to the approval of the first extraordinary shareholders' meeting of 2026, Mr. Lyu Zhi has been appointed as a non-executive Director on 26 March 2026, and shall formally assume office upon his qualification as a director being approved by the National Financial Regulatory Administration.
 7. For details of Directors' positions in the special committees of the Board, please refer to the section headed "Corporate Governance Report" in this annual report.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Senior Management

Name	Month and Year of Birth	Position	Date of Appointment
Zhu Xiaoyun	August 1975	President	March 2026
Lei Jianming	June 1979	Vice President	March 2023
Tian Meipan	October 1974	Vice President Chief Actuary Financial Controller	March 2026 December 2012 October 2023
Cao Shunming	August 1974	Assistant President Chief Compliance Officer Chief Risk Officer Joint Company Secretary	July 2023 February 2026 July 2023 March 2026

- Notes:
1. Mr. Zhuang Qianzhi ceased to serve as the president since 18 September 2025; acted as the interim person-in-charge to perform the duties of the President since 18 September 2025 until 31 December 2025.
 2. Ms. Zhu Xiaoyun has served as the President since 16 March 2026; acted as the interim person-in-charge to perform the duties of the President since 31 December 2025 until 16 March 2026.
 3. Mr. Tian Meipan has served as the vice President since 9 March 2026.
 4. Mr. Cao Shunming has been the Chief Compliance Officer since 28 February 2026 and the Joint Company Secretary since 12 March 2026; as approved by the 29th meeting of the fifth session of the Board of Directors, Mr. Cao Shunming was appointed as the Board Secretary on 28 February 2026, and shall formally assume office upon his qualification being approved by the National Financial Regulatory Administration.
 5. Mr. Liu Yuanzhang ceased to serve as an Assistant President, the Board Secretary and a Joint Company Secretary since 31 October 2025.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND JOINT COMPANY SECRETARIES

DIRECTORS

Executive Directors

Mr. Zhuang Qianzhi (莊乾志), is the Chairman and an executive Director of the Company. He holds a doctoral degree in economics, and is a senior economist. Before joining the Company, Mr. Zhuang served as a deputy general manager of the investment banking department, the head of strategy development department, the head of the general office (party committee office), the head of the office of the board of directors, the head of office of the board of supervisors, the general manager of risk management department of China Jianyin Investment Ltd., an executive director and vice president of the Southwest Securities Co., Ltd., the chairman of the board of directors of JIC Technology Investment Co., Ltd., and the assistant to the president of China Jianyin Investment Ltd. Mr. Zhuang had served as the Vice Chairman, President, Vice President, Compliance Chief and Chief Risk Officer of the Company, the chairman of China Re Life, and the chairman of China Re AMC. Mr. Zhuang has been an executive Director of the Company since August 2021, and the Chairman of the Company since December 2025.

Ms. Zhu Xiaoyun (朱曉雲), is the Vice Chairlady, an executive Director and the President of the Company. She holds a master's degree in economics, and is an economist. Ms. Zhu joined the Company in July 1998 and had served as the deputy head of the Board office, the head of the general office (party committee office), the general manager of Human Resources Department of the Company, as well as the Vice President, the Board Secretary and the Joint Company Secretary of the Company. She has also served as the chairlady of the board of directors of China Re P&C, a director of Huatai Agency and a director of China Insurance Media Company Ltd. (currently known as China Financial Media Company Limited). Ms. Zhu has served as an executive Director of the Company since February 2025, the Vice Chairlady of the Company since December 2025 and the President of the Company since March 2026.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Non-executive Directors

Mr. Yang Changsong (楊長松), is a non-executive Director of the Company, and holds a bachelor's degree. Mr. Yang served as a staff member, deputy senior staff member and senior staff member of the first division of the Tianjin Commissioner Office under the Ministry of Finance, a deputy director and director of the fourth division of the Tianjin Commissioner Office under the Ministry of Finance, the director of the first division of the Tianjin Commissioner Office under the Ministry of Finance, the director of the second business division of the Tianjin Commissioner Office under the Ministry of Finance, and a deputy inspector of the Tianjin Commissioner Office under the Ministry of Finance, and a second-level inspector of Tianjin Regulatory Bureau of the Ministry of Finance. Mr. Yang has been a non-executive Director of the Company since November 2022.

Ms. Jia Xiangxiang (賈祥翔), is a non-executive Director of the Company, and holds a master's degree in business administration. Ms. Jia served as a foreign currency cashier at the operating department of Shaanxi provincial branch of Bank of China Limited, an accountant of SanHe American International Inc., an audit manager of Sy, Lee, Sipe & Watt, LLP, the chief financial officer of Honnotex Corporation, an audit manager of Deloitte Touche Tohmatsu Certified Public Accountants LLP Beijing Branch, an audit partner of the audit department of Zhongrui Yuehua Certified Public Accountants LLP, and the leader and a senior manager of the expense management group of the finance department of China Investment Corporation. She currently serves as a designated director (managing director) of Central Huijin Investment Ltd. Ms. Jia has been a non-executive Director of the Company since April 2024.

Mr. Zhou Zheng (周鄭), is a non-executive Director of the Company, and holds a doctoral degree in economics. Mr. Zhou served as an employee and a manager of the general department, a manager of the equity management department for Everbright, an employee, a second-level employee, a second-level manager, a first-level manager and a senior deputy manager of the general department, a senior deputy manager (during which he concurrently served as the deputy president of Beijing Xicheng branch of China Everbright Bank Company Limited) and a senior manager of the general management department/the second department of banking institutional management, the director and a senior manager of the equity management department for China Development Bank of the general management department/the second department of banking institutional management, and the director and a senior manager of the equity management department for CDB/Sinosure of the first department of equity management of Central Huijin Investment Ltd., and a supervisor assigned to China Export & Credit Insurance Corporation by Central Huijin Investment Ltd. He currently serves as a designated director (managing director) of Central Huijin Investment Ltd. Mr. Zhou has been a non-executive Director of the Company since April 2024, and a director of China Continent Insurance since December 2024.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Independent Non-executive Directors

Mr. Dai Deming (戴德明), is an independent non-executive Director of the Company and holds a doctoral degree in economics. He served as the dean of the Accounting Department of the School of Business of Renmin University of China and the vice chairman of Accounting Society of China. He successively served as an external supervisor of China Construction Bank Corporation, an independent non-executive director of various companies including CRRC Corporation Limited (formerly known as CSR Corporation Limited), China Zheshang Bank Co., Ltd., Haier Smart Home Co., Ltd., and CSC Financial Co., Ltd., and an external director of Angang Group Company Limited, China Iron & Steel Research Institute Group, State Power Investment Corporation Limited, Power Construction Corporation of China, Ltd., Poly Developments and Holdings Group Co., Ltd., and China Great Wall Securities Co., Ltd. Mr. Dai currently serves as an independent non-executive director of BOC Aviation Limited. Mr. Dai has been an independent non-executive Director of the Company since August 2023.

Ms. Ye Mei (葉梅), is an independent non-executive Director of the Company and holds a master's degree in public management. Ms. Ye served as the manager of the strategy department of E*TRADE Financial Corporation (currently known as E*TRADE from Morgan Stanley), a consultant and an external senior consultant of McKinsey & Company, a senior consultant of Eurazeo, an independent director of Shenyin & Wanguo Securities Co., Ltd., an independent non-executive director of Shenwan Hongyuan Group Co., Ltd., and an independent director of Bekaert SA. Ms. Ye is currently an independent director of Jamieson. Ms. Ye has been an independent non-executive Director of the Company since December 2023.

Mr. Keung Yui Fai (姜耀輝), is an independent non-executive Director of the Company and holds a bachelor's degree in commerce and law. Mr. Keung was admitted as a solicitor of the Supreme Court of New South Wales, Australia as well as the Supreme Court of Singapore. Mr. Keung was once the principal partner of So Keung Yip & Sin, and between 1999 and 2002, he was an independent non-executive director of I-China Holdings Limited. Mr. Keung is a practicing solicitor in Hong Kong, a Notary Public, a China-Appointed Attesting Officer, and a partner of Guantao & Chow Solicitors and Notaries (Hong Kong). Mr. Keung has been an independent non-executive Director of the Company since September 2025.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Senior Management

For the biography of **Ms. Zhu Xiaoyun** (朱曉雲), please refer to the paragraphs headed “Executive Directors” above.

Mr. Lei Jianming (雷建明), is the Vice President of the Company, and holds a master’s degree in agricultural extension. Mr. Lei served as the chief marketing officer and the general manager of the sales and marketing department of the Guangdong Branch, the assistant to the general manager and the deputy general manager of the Guangxi Branch, the deputy general manager (in charge of daily operation) and the general manager of the Guizhou Branch, the general manager of the Hunan Branch of New China Life Insurance Company Ltd., the vice chairman and president of China Continent Insurance, and the Assistant President of the Company. He is concurrently the chairman of China Continent Insurance. He has been the Vice President of the Company since March 2023.

Mr. Tian Meipan (田美攀), is the Vice President, the Chief Actuary and the Financial Controller of the Company, and holds a master’s degree in economics. Prior to joining the Company, Mr. Tian served as a lecturer at the insurance department of Nankai University. Mr. Tian served at the commercial business division of the life insurance business department of the Company and the head of the risk management department of China Re Life. Mr. Tian served as the chief actuary, deputy general manager, general manager and an executive director of China Re Life, the chairman of China Re HK and the Assistant President of the Company. Mr. Tian is concurrently serving as the chairman of China Re Life. Mr. Tian has been the Chief Actuary of the Company since December 2012, the Financial Controller of the Company since October 2023 and the Vice President of the Company since March 2026. Mr. Tian has obtained the qualification of actuary in North America and the PRC.

Mr. Cao Shunming (曹順明), is the Assistant President, Chief Compliance Officer, Chief Risk Officer and Joint Company Secretary of the Company. He holds a doctoral degree in law, and is an associate researcher. Prior to joining the Company, Mr. Cao served in People’s Insurance Company of China, PICC Asset Management Company Limited and PICC Property and Casualty Company Limited. Mr. Cao served as the deputy general manager of risk management and legal and compliance department, the deputy general manager and the general manager of the internal control, compliance and legal affairs department, the employee representative supervisor, the legal controller, the general manager of the risk management department of the Company, Compliance Chief, the chairman of the supervisory committee of Huatai Insurance Agency, and the chairman of China Re CRM. Mr. Cao has been the Assistant President and Chief Risk Officer of the Company since July 2023, the Chief Compliance Officer since February 2026 and Joint Company Secretary since March 2026. Mr. Cao holds a lawyer qualification in the PRC.

Joint Company Secretaries

For the biography of **Mr. Cao Shunming** (曹順明), please refer to the paragraphs headed “Senior Management” above.

Ms. Chung Man Nar Mona (鍾曼娜) has been appointed as a Joint Company Secretary of the Company since February 2026. Ms. Chung is a director of company secretarial services department of TMF Hong Kong Limited, and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, responsible for providing company secretarial and compliance services to clients. Ms. Chung has over 25 years of experience in company secretarial industry, and possesses extensive knowledge and experience in corporate governance and compliance matters.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THEIR INFORMATION

Changes of Directors and Their Information

Name	Original Position	Present Position	Changes of Biographies
Zhuang Qianzhi	Vice Chairman Executive Director	Chairman Executive Director	Has served as the Chairman since 8 December 2025.
Zhu Xiaoyun	Nil	Vice Chairlady Executive Director	Has served as the Vice Chairlady since 31 December 2025. Has served as the Executive Director since 24 February 2025.
Keung Yui Fai	Nil	Independent Non-executive Director	Has served as an Independent Non-executive Director since 10 September 2025.
He Chunlei	Chairman Executive Director	Nil	Ceased to serve as the Chairman and an Executive Director since 18 September 2025.
Jiang Bo	Independent Non-executive Director	Nil	Ceased to serve as an Independent Non-executive Director since 22 July 2025.

For details of the appointment of Mr. Zhuang Qianzhi, please refer to the announcements of the Company dated 18 September 2025 and 9 December 2025. For details of the appointment of Ms. Zhu Xiaoyun, please refer to the announcements of the Company dated 26 February 2025 and 31 December 2025. For details of the appointment of Mr. Keung Yui Fai, please refer to the announcements of the Company dated 13 September 2024, 8 October 2024, 26 December 2024 and 12 September 2025. For details of the resignation of Mr. He Chunlei, please refer to the announcement of the Company dated 18 September 2025. For details of the resignation of Ms. Jiang Bo, please refer to the announcement of the Company dated 22 July 2025.

Save as disclosed above and in “Biographies of Directors, Senior Management and Joint Company Secretaries” under this section, as of the Latest Practicable Date, there was no other change of the Directors or their information required to be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Changes of Supervisors and Their Information

Since 23 January 2026, the date on which the National Financial Regulatory Administration approved the amended Articles of Association, the Company has abolished the Board of Supervisors, the functions and powers of the Board of Supervisors as prescribed by the Company Law and other laws and regulations have been exercised by the Audit Committee under the Board of Directors, and the special committees under the Board of Supervisors have been abolished simultaneously. Mr. Zhu Hailin, Mr. Zeng Cheng, Mr. Qin Yueguang and Mr. Li Jingye, being members of the Board of Supervisors, no longer serve as Supervisors or perform related duties of the Board of Supervisors.

For details on Mr. Zhu Hailin, Mr. Zeng Cheng, Mr. Qin Yueguang and Mr. Li Jingye no longer serving as Supervisors or performing related duties of the Board of Supervisors, please refer to the announcement of the Company dated 26 January 2026.

Changes of Senior Management and Their Information

Name	Original Position	Present Position	Changes of Biographies
Zhuang Qianzhi	President	Nil	Ceased to serve as the President since 18 September 2025.
Zhu Xiaoyun	Vice President	President	Has served as the President since 16 March 2026.
Tian Meipan	Assistant President Chief Actuary Financial Controller	Vice President Chief Actuary Financial Controller	Has served as the vice President since 9 March 2026.
Cao Shunming	Assistant President Compliance Chief Chief Risk Officer	Assistant President Chief Compliance Officer Chief Risk Officer Joint Company Secretary	Has served as Chief Compliance Officer since 28 February 2026. Has served as the Joint Company Secretary since 12 March 2026.
Liu Yuanzhang	Assistant President Board Secretary Joint Company Secretary	Nil	Ceased to serve as an Assistant President, the Board Secretary, and a Joint Company Secretary since 31 October 2025.

- Notes: 1. Mr. Zhuang Qianzhi acted as the interim person-in-charge to perform the duties of the President since 18 September 2025 until 31 December 2025. Ms. Zhu Xiaoyun has acted as the interim person-in-charge to perform the duties of the President since 31 December 2025 until the date when her qualification as the president is approved by the National Financial Regulatory Administration.
2. As approved by the 29th meeting of the 5th session of the Board of Directors, Mr. Cao Shunming was appointed as the Board Secretary on 28 February 2026, and shall formally assume office upon his qualification being approval by the National Financial Regulatory Administration.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

For details of Mr. Zhuang Qianzhi ceasing to serve as the president and the appointment of Ms. Zhu Xiaoyun as the president, please refer to the announcements of the Company dated 31 December 2025 and 17 March 2026. For details of Mr. Liu Yuanzhang ceasing to serve as an Assistant President, the Board Secretary and the Joint Company Secretary, please refer to the announcement of the Company dated 31 October 2025. For details of the appointment of Mr. Cao Shunming as the Joint Company Secretary, please refer to the announcements of the Company dated 2 March 2026 and 13 March 2026.

Save as disclosed above and in “Biographies of Directors, Senior Management and Joint Company Secretaries” under this section, as of the Latest Practicable Date, there was no other change of the senior management of the Company or their information required to be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

EMPLOYEES

As of 31 December 2025, the Group had a total of 47,912 employees. The Group’s staff remuneration comprises three components, namely basic salary, performance bonus and benefits and subsidies. We always uphold the guidance of “combining the market practice with the real situation of China Re”, follow the distribution concept of “giving priority to the value-creators”, and have established a fair, competitive and motivating remuneration system. We have established an enterprise annuity plan and a supplementary medical insurance plan to provide employees with more comprehensive benefits, which plays an important role in attracting, motivating and retaining talents.

The Group is devoted to realising a win-win situation between corporate development and employee improvement, and has fully implemented talent protection, in which we have increased investment in talent cultivation, strengthened employee career planning management, cleared the obstacles on the career growth channels, and established a talent training system with China Re’s characteristics through multi-level training, internal rotation and exchange, and overseas training to create a high-quality, professional and international team of employees.

CORPORATE GOVERNANCE REPORT

OVERVIEW

The Company has always been in compliance with relevant laws and regulations and regulatory requirements such as the PRC Company Law, the PRC Insurance Law, the Hong Kong Listing Rules, earnestly performed the requirements of the Articles of Association, adhered to the principles of good corporate governance, and strove for continuously enhancing the corporate governance standard to ensure the stable development of the Company and to enhance shareholders' value.

The Company has adopted the Corporate Governance Code as its corporate governance code since the Listing Date. During the Reporting Period, save as disclosed in the section headed "Board of Directors" below that the number of independent non-executive Directors of the Company for certain periods failed to meet the requirement that the number of independent non-executive Directors on the Board of Directors shall be at least three and no less than one-third of the Board of Directors as set out in Rules 3.10(1) and 3.10A of the Hong Kong Listing Rules, and the composition of the Nomination and Remuneration Committee under the Board of Directors also failed to meet the requirements of being chaired by an independent non-executive Director and comprising a majority of independent non-executive Directors as set out in Rules 3.25 and 3.27A of the Hong Kong Listing Rules, the Company has complied with all applicable code provisions set out in the Corporate Governance Code and adopted the recommended best practices when applicable.

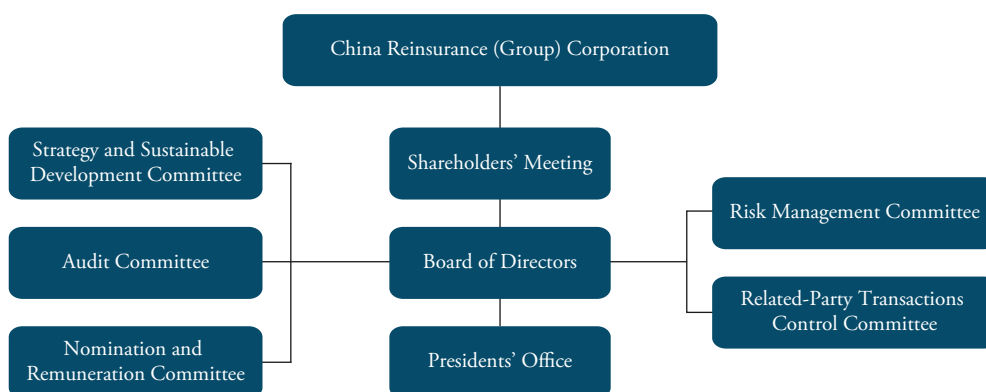
During the Reporting Period, the Company continued to strengthen the implementation of the Company's corporate culture through a number of measures. Details of the Company's corporate culture are set out as follows: As the founder of the national reinsurance industry and a leader in China's reinsurance sector, China Re has always shouldered its mission, firmly fulfilled its role as the national reinsurance team, and fully leveraged its role in reinsurance risk management, capital financing, and technology transmission to serve the stability of the society and economy. It has always remained true to its original aspiration, actively aligned itself with national strategies, fulfilled its social responsibilities, and safeguarded the well-being of the people.

INTEGRITY	PROFESSIONALISM	COOPERATION	PROACTIVENESS
The principle of utmost integrity is the foundation of insurance and reinsurance companies. Integrity is the basis for the Company's sustainable operation. We adhere to operating in accordance with the law, honouring contracts, keeping our promises, and fulfilling our commitments to the country, society, customers, and investors. Integrity is a personal quality that individuals must uphold. Employees should treat others with sincerity, be consistent in word and deed, speak the truth, do practical things, and be true to their word and resolute in their actions.	Professionalism is the foundation of our business, the core advantage of insurance and reinsurance companies, and the basis for actively serving national strategies. From its inception, the Company has adhered to professional operations, winning customer trust and achieving market dominance through outstanding professional capabilities. Employees must strive to improve their professional skills and abilities to become professionals driving the Company's high-quality development.	Cooperation is a crucial guarantee for leveraging the Company's collective strength and achieving resource synergy and integration. Cooperation requires us to strengthen the Company's collaborative management, the construction of business platforms, and the integration of domestic and international layouts, so as to promote the Company's sustainable development with concerted efforts from all levels. Cooperation also requires us to join hands with customers, the industry, and the society, fully leverage the Company's social attributes, jointly build industry development, share social responsibility, and work together for the well-being of the people.	Proactiveness is a powerful engine for the Company's high-quality development and continuous innovation. Only through proactiveness can we advance and develop. We must pursue high goals, proactively participate in market competition, actively respond to challenges, and gain the initiative and proactiveness through relentless pursuit. We must promote innovation through proactiveness and seek development through innovation. The Company's development requires a strong sense of crisis, responsibility, and commitment. We must be enterprising, enhance our abilities through practice, and continuously surpass ourselves.

CORPORATE GOVERNANCE REPORT

China Re actively carried out a series of activities to build a corporate culture under the theme of “Uniting Hearts and Minds, Strengthening the Foundation and Cultivating Vitality”. Focusing on the main goals of “building a soul through political culture, strengthening the foundation through financial culture, rectifying the nature of integrity through culture, and uniting strength through integrated culture”, the Company guided its employees to further enhance their understanding of China’s unique financial culture through cultural exchange seminars, themed essay competitions, and commendations of outstanding individuals. Upholding its original mission of serving the country and the people through finance, and deeply promoting the construction of a “clean and honest China Re”, the Company used the soft power of corporate culture to boost the Group’s high-quality development. We continuously leverage the exemplary role of advanced models. A work style of “simplicity, efficiency, pragmatism, and compliance” was promoted, stimulating the enthusiasm, initiative, and creativity of its employees.

The corporate governance structure chart of the Company is set out as below:



CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' MEETING¹

In accordance with the Articles of Association effective from January 2026, the shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws: (1) to elect or replace the Directors who are not representatives of the employees, and to decide on matters relevant to remuneration of Directors; (2) to consider and approve the reports of the Board of Directors; (3) to consider and approve annual financial budgets and final accounts of the Company; (4) to consider and approve proposals for profit distribution and recovery of losses of the Company; (5) to decide on increase or reduction of the registered capital of the Company; (6) to decide on the issuance of bonds, shares, warrants or other marketable securities and their listing of the Company; (7) to decide on merger, division, dissolution or liquidation of the Company and changes in the form of the Company; (8) to amend the Articles of Association and to formulate and amend the rules of procedure of the shareholders' meetings and the Board of Directors; (9) to decide on the acquisition of shares of the Company; (10) to decide on the appointment, reappointment, dismissal or non-reappointment of accounting firms which provide regular statutory audit for financial and accounting statements of the Company; (11) to consider and approve matters related to the Company's establishment of legal entities, significant external investment, major acquisition of assets, major disposal and write-off of assets, major external donation and major asset mortgage (other than those authorised to be determined by the Board); (12) to consider and approve related-party transactions required to be considered and approved by the shareholders' meetings under laws, administrative regulations, regulatory requirements and requirements of the securities regulatory authorities or stock exchange at the place where the Company's shares are listed; (13) to consider and approve matters related to the change of use of the raised fund; (14) to consider and approve any proposal raised by shareholders, individually or in aggregate, holding above 1% of the issued shares of the Company with voting rights; (15) to consider and approve plan on authorisation to the Board granted by the shareholders' meetings; and (16) to consider and approve other matters that are to be determined at the shareholders' meetings as required by the laws, administrative regulations, regulatory requirements and the Articles of Association.

During the Reporting Period, the Company convened three shareholders' meetings and the resolutions considered and approved at the meetings included:

1. To consider and approve the Report of the Board of Directors for the Year 2024
2. To consider and approve the Report of the Board of Supervisors for the Year 2024
3. To consider and approve the Final Financial Accounts Report for the Year 2024
4. To consider and approve the Profit Distribution Plan for the Year 2024

1 The amended Articles of Association of China Re was approved and came into effect on 23 January 2026. According to the amended Articles of Association, the shareholders' general meeting (股東大會) has been renamed the shareholders' meeting (股東會). For consistency, the term "shareholders' meeting (股東會)" is used throughout this report, and all content related to the Articles of Association in this report refers to the amended Articles of Association.

CORPORATE GOVERNANCE REPORT

5. To consider and approve the Investment Budget for Fixed Assets for the Year 2025
6. To consider and approve the 2025-2027 Three-Year Rolling Capital Plan
7. To consider and approve the Engagement of Statutory Financial Reporting Auditors and Related Fees for the Year 2025
8. To consider and approve the External Donations Arrangements for the Year 2025
9. To consider and approve the amendments to the Articles of Association
10. To consider and approve the amendments to the Rules of Procedure of the General Meetings
11. To consider and approve the amendments to the Rules of Procedure of the Board of Directors
12. To consider and approve the Resolution on the Abolishment of the Board of Supervisors
13. To consider and approve the Resolution on Matters Regarding the Remuneration of Directors and Supervisors of the Company for the Year 2023
14. To consider and approve the Resolution on Donation of Special Funds to Fully Support the Follow-Up Work in Response to and Handling of the Tai Po Fire Disaster in Hong Kong

The following reports were listened:

1. To listen to the Performance Report of the Directors for the Year 2024
2. To listen to the Performance Report of the Independent Directors for the Year 2024
3. To listen to the Evaluation Report of the Performance of the Board of Supervisors for the Year 2024
4. To listen to the Report on the Overall Related-Party Transactions and the Evaluation of Internal Transactions for the Year 2024
5. To listen to the Review and Analysis of Solvency for the Year 2024
6. To listen to the 2025-2026 Renewal Arrangements for Liability Insurance for Directors, Supervisors and Senior Management

CORPORATE GOVERNANCE REPORT

Methods of Convening Extraordinary Shareholders' Meetings and Proposing Resolutions by Shareholders

According to the Articles of Association, any shareholder(s), whether individually or in aggregate, holding more than 10% of the outstanding shares of the Company with voting rights may request in writing to convene an extraordinary shareholders' meeting and such shareholders' meeting shall be convened by the Company within two months after the occurrence of the fact. If the Board holds the view that the proposal(s) complies with the requirements under the PRC laws, administrative regulations, regulatory requirements and the Articles of Association, it shall issue a notice of shareholders' meeting within five days after the resolution of the Board.

For details of the procedures for nominating candidates of Directors by shareholders, please refer to the website of the Company. Specific enquiries or suggestions by shareholders can be sent in writing to the Board at the Company's registered address or by e-mail to the Company. In addition, if the shareholders have any enquiries about their shareholdings and entitlement to dividend, they can contact Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, the contact details of which are set out in the section headed "Corporate Information" of this annual report.

When shareholders' meetings are held by the Company, shareholders individually or in aggregate holding more than 1% of the issued shares of the Company with voting rights have the right to make proposals in writing. The proposing shareholders may raise interim proposals and submit to the convenor of the shareholders' meeting 10 days prior to the date of the meeting, and matters in the interim proposals within the scope of functions and powers of the shareholders' meeting shall be included in such meeting's agenda. The convenor of the shareholders' meeting shall give supplemental notice to the shareholders within two days upon receiving such interim proposals. The content of such interim proposals shall be within the scope of functions and powers of the shareholders' meetings, and shall contain specific subjects and concrete matters for approval.

BOARD OF DIRECTORS

The Board shall be responsible for the shareholders' meeting. It shall hold at least four regular Board meetings every year, and hold extraordinary Board meetings as required. Notice of regular Board meetings shall be given to all Directors at least 15 days before the date of the meeting (excluding the date of the meeting). Notice of extraordinary Board meetings shall be given to all Directors at least seven days before the date of the meeting (excluding the date of the meeting). In the event of an emergency matter, the convening of an extraordinary Board meeting is not subject to the aforementioned time limit of notification for the meeting, but reasonable notice shall be given.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders during their terms of office.

CORPORATE GOVERNANCE REPORT

Composition

As at the end of the Reporting Period, the Board comprised eight Directors, consisting of two executive Directors, three non-executive Directors and three independent non-executive Directors.

Directors serve a term of three years and may serve consecutive terms if re-elected. Details are as follows:

Name	Position
Zhuang Qianzhi	Chairman, Executive Director
Zhu Xiaoyun	Vice Chairlady, Executive Director
Yang Changsong	Non-executive Director
Jia Xiangxiang	Non-executive Director
Zhou Zheng	Non-executive Director
Dai Deming	Independent Non-executive Director
Ye Mei	Independent Non-executive Director
Keung Yui Fai	Independent Non-executive Director

- Notes:
1. Ms. Zhu Xiaoyun has served as an executive Director of the Company since 24 February 2025.
 2. Ms. Jiang Bo ceased to serve as an independent non-executive Director of the Company since 22 July 2025.
 3. Mr. Keung Yui Fai has served as an independent non-executive Director of the Company since 10 September 2025.
 4. Mr. He Chunlei ceased to serve as an executive Director and the Chairman of the Company since 18 September 2025.
 5. Mr. Zhuang Qianzhi has served as the Chairman of the Company since 8 December 2025.
 6. Ms. Zhu Xiaoyun has served as the vice Chairlady of the Company since 31 December 2025.

Ms. Zhu Xiaoyun was appointed as an executive Director of the Company on 24 February 2025 and Mr. Keung Yui Fai was appointed as an independent non-executive Director of the Company on 10 September 2025, and they obtained the legal advice mentioned in Rule 3.09D of the Hong Kong Listing Rules on 25 November 2024 and 23 April 2025, respectively. Ms. Zhu Xiaoyun and Mr. Keung Yui Fai have confirmed that they understand their responsibilities as Directors of the Company.

During the Reporting Period, save as disclosed below, the Board of Directors complied with Rules 3.10(1) and 3.10A of the Hong Kong Listing Rules in relation to the number and proportion of independent non-executive Directors in the Board of Directors, and Rules 3.21, 3.25 and 3.27A of the Hong Kong Listing Rules in relation to the requirement of a majority of independent non-executive Directors in the Audit Committee under the Board of Directors and the Nomination and Remuneration Committee under the Board of Directors.

CORPORATE GOVERNANCE REPORT

References are made to the announcements of the Company dated 8 October 2024, 22 July 2025 and 12 September 2025, respectively. From 22 July 2025 to 10 September 2025, as Ms. Jiang Bo resigned as an independent non-executive Director on 22 July 2025 and the qualification of Mr. Keung Yui Fai as an independent non-executive Director was yet to be approved by the National Financial Regulatory Administration, the number of independent non-executive Directors of the Company failed to meet the requirement that the number of independent non-executive Directors on the Board of Directors shall be at least three and no less than one-third of the Board of Directors as set out in Rules 3.10(1) and 3.10A of the Hong Kong Listing Rules, and also failed to meet the requirement of having at least one independent non-executive Director ordinarily resident in Hong Kong as set out in Rule 19A.18(1) of the Hong Kong Listing Rules. Since 22 July 2025, the composition of the Nomination and Remuneration Committee under the Board also failed to meet the requirements of being chaired by an independent non-executive Director and comprising a majority of independent non-executive Directors as set out in Rules 3.25 and 3.27A of the Hong Kong Listing Rules.

After Mr. Keung Yui Fai officially performed his duties as an independent non-executive Director of the Company on 10 September 2025, the composition of the independent non-executive Directors of the Company has complied with the relevant requirements under Rules 3.10(1) and 3.10A of the Hong Kong Listing Rules, and meets the requirement of having at least one independent non-executive Director ordinarily resident in Hong Kong under Rule 19A.18(1) of the Hong Kong Listing Rules. The Company will convene a Board meeting in due course to adjust the composition of the Nomination and Remuneration Committee of the Board so as to re-comply with the relevant requirements under Rules 3.25 and 3.27A of the Hong Kong Listing Rules as soon as practicable.

All Directors (including independent non-executive Directors) have brought a variety of valuable working experience and expertise to the Board, enabling the Board to effectively perform its functions. All Directors have agreed to disclose to the Company in a timely manner the number, nature, position, and duration of office at other listed companies or institutions and other major appointments in accordance with the requirements of the Corporate Governance Code.

Corporate Governance Functions

The Company is committed to maintaining the highest level of corporate governance and the Board plays an important role to maintain sound corporate governance. The corporate governance functions of the Board and its specialised committees include developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company; and reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Duties and Responsibilities

The Board shall be responsible for the shareholders' meeting, and its main responsibilities include, but not limited to: (1) convening shareholders' meetings and reporting its work to the shareholders' meeting; (2) implementing the resolutions of the shareholders' meetings; (3) determining the operation plans and investment plans of the Company; (4) formulating the development strategies of the Company and supervising the implementation of the strategies; (5) formulating the annual financial budget and final accounts of the Company; (6) formulating the profit distribution plan and loss recovery plan of the Company; (7) formulating proposals for increases or reductions of our registered capital and the issue of corporate bonds, shares, warrants or other securities by the Company or the listing of the Company; (8) formulating plans for significant acquisition of the Company, the repurchase of shares of the Company or merger, division, dissolution and changes of the form of the Company; (9) formulating proposals for any amendment to the Articles of Association; (10) formulating the procedural rules of the shareholders' meetings and Board meetings and the working rules for specialised committees under the Board; (11) formulating the basic management system of the Company, such as the employee remuneration management system; (12) deciding on the establishment of internal management departments, and branches of the Company; (13) regularly evaluating and improving the corporate governance of the Company; (14) appointing or removing senior management of the Company, and implementing reviews as well as determining remuneration and relevant rewards and punishment arrangements with respect to such personnel; supervising the performance of duties of management; appointing or removing members of each specialised committees under the Board; (15) reviewing and deciding on evaluation plans for the results of operation of our major subsidiaries, as well as other matters concerning subsidiaries that shall be submitted to the Board of Directors for approval as stipulated in the authorisation management system of the Company; (16) reviewing annual financial and accounting reports and major disclosure of information of the Company, bearing ultimate responsibility for the truthfulness, accuracy, completeness and timeliness of the accounting and financial reports; (17) submitting to the shareholders' meeting on the appointment, reappointment or removal of an accounting firm which shall conduct regular statutory audit on the financial and accounting reports of the Company; (18) considering and approving, or authorising the related-party transactions control committee under the Board to approve related-party transactions, except for those which shall be considered and approved by the shareholders' meeting as required by laws; (19) considering and approving the Company's matters such as the external investment, purchases of assets, disposal and write-off of assets, external donations and asset mortgage, except for the functions and powers attributable to the shareholders' meeting as stipulated in the Articles of Association; (20) considering and approving matters related to the Company's data governance in accordance with laws, regulations and regulatory requirements; (21) formulating the Company's capital plan and undertaking the ultimate responsibility for capital or solvency management; (22) undertaking the ultimate responsibility for the integrity and effectiveness of the comprehensive risk management system, including but not limited to formulating the overall objectives of risk management, risk appetite, risk tolerance, risk management and internal control policies; (23) listening to the report from the Company's president on the operation and management, and inspecting the work of the president; (24) recruiting an external auditor to carry out the audit of the directors and senior management of the Company; (25) safeguarding the legitimate rights and interests of financial consumers and other stakeholders of the Company; (26) establishing a mechanism for the identification, review and management of conflicts of interest between the Company and its shareholders, in particular the substantial shareholders; (27) assuming the responsibility for the management of the affairs of the shareholders; and (28) exercising such other functions and powers as granted by the laws, regulations, regulatory requirements or the Articles of Association and as empowered by the shareholders' meeting.

CORPORATE GOVERNANCE REPORT

Summary of the Work Undertaken

During the Reporting Period, the Directors' attendance records of the shareholders' meetings were as follows:

Name	Attended in person/ eligible to attend	Percentage of attendance in person (%)
He Chunlei	1/1	100
Zhuang Qianzhi	3/3	100
Zhu Xiaoyun	3/3	100
Yang Changsong	3/3	100
Jia Xiangxiang	3/3	100
Zhou Zheng	3/3	100
Dai Deming	3/3	100
Ye Mei	3/3	100
Keung Yui Fai	2/2	100
Jiang Bo	1/1	100

During the Reporting Period, the Directors' attendance records of Board meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
He Chunlei	8/9	88.89	1/9	11.11
Zhuang Qianzhi	12/13	92.31	1/13	7.69
Zhu Xiaoyun	12/12	100	0/12	0
Yang Changsong	13/13	100	0/13	0
Jia Xiangxiang	13/13	100	0/13	0
Zhou Zheng	13/13	100	0/13	0
Dai Deming	13/13	100	0/13	0
Ye Mei	13/13	100	0/13	0
Keung Yui Fai	5/5	100	0/5	0
Jiang Bo	6/6	100	0/6	0

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Board held a total of 13 meetings, at which 69 resolutions were considered and approved and 17 reports were received. The Directors have exercised their voting rights prudently and independently and put forward constructive opinions and suggestions which have effectively facilitated the efficient operation of corporate governance compliance and supported the orderly implementation of the “14th Five-Year” strategy of the Company while driving the improvement of operation and management of the Company.

Directors

Responsibility with Respect to Financial Statements

The management of the Company has provided the Board with necessary explanations and information enabling all Directors to consider the Company’s consolidated financial statements which are submitted to the Board for approval. The Directors are responsible for the preparation of financial statements for every financial year and the interim period thereof which shall reflect a true and fair view of the business operations of the Company by implementing proper accounting policies in accordance with the International Financial Reporting Accounting Standards issued by the International Accounting Standards Board, and implementing the accounting regulations issued by the Ministry of Finance and the National Financial Regulatory Administration subject to compliance with the International Financial Reporting Accounting Standards.

The Board has confirmed its responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2025. The Company is not subject to any material uncertainties or circumstances which might cast significant doubt on the Company’s ability to continue as a going concern.

Securities Transactions

During the Reporting Period, in respect of dealings in securities by Directors and Supervisors, the Company had adopted the Model Code for Securities Transactions. Having been made enquiries by the Company, all the Directors and Supervisors confirmed that they had complied with the standards set out in the Model Code for Securities Transactions during the Reporting Period.

CORPORATE GOVERNANCE REPORT

Training of Directors

During the Reporting Period, all Directors (Mr. Zhuang Qianzhi, Ms. Zhu Xiaoyun, Mr. Yang Changsong, Ms. Jia Xiangxiang, Mr. Zhou Zheng, Mr. Dai Deming, Ms. Ye Mei and Mr. Keung Yui Fai) were actively involved in the continuous professional development as required under Rules 3.09F and 3.09G of the Hong Kong Listing Rules, so as to develop and update their knowledge and skills and improve their performance ability, with the aim of making contributions to the Board with comprehensive information under appropriate circumstances. Mr. Keung Yui Fai has officially served as an independent non-executive Director of the Company since 10 September 2025, and has not yet completed no less than 24 hours of continuous professional development training as required under Rule 3.09H of the Hong Kong Listing Rules during the Reporting Period. The remaining 1.55 hours of professional development training will be completed within the next reporting period. Details of the Directors' training are as follows:

Director	Total training hours	Form of training	Training topic	Training provider
Mr. Zhuang Qianzhi	75.5	On-site and online	The spirit of the eightpoint frugality code of the CPC Central Committee, operation and management of corporate, relevant laws and regulations, cybersecurity, etc.	Organisation Department of the CPC Central Committee, China Re, etc.
Ms. Zhu Xiaoyun	93.5	On-site and online	The spirit of the eightpoint frugality code of the CPC Central Committee, operation and management of corporate, relevant laws and regulations, cybersecurity, etc.	Organisation Department of the CPC Central Committee, Central Financial Work Committee, China Re, etc.
Mr. Yang Changsong	159	On-site and online	Performance of duties by directors, taxation policies, macro policies, financial statement analysis, financial risks, economic situation, relevant laws and regulations, etc.	Ministry of Finance, Central Huijin, KPMG Huazhen LLP, etc.

CORPORATE GOVERNANCE REPORT

Director	Total training hours	Form of training	Training topic	Training provider
Ms. Jia Xiangxiang	95	On-site and online	Taxation policies, macro policies, financial statement analysis, financial risks, economic situation, relevant laws and regulations, etc.	Central Huijin, KPMG Huazhen LLP, etc.
Mr. Zhou Zheng	87	On-site and online	Taxation policies, macro policies, financial statement analysis, financial risks, economic situation, relevant laws and regulations, etc.	Central Huijin, KPMG Huazhen LLP, etc.
Mr. Dai Deming	85.5	On-site and online	Taxation policies, corporate governance, etc.	KPMG Huazhen LLP, etc.
Ms. Ye Mei	40	On-site and online	Taxation policies, corporate governance; development opportunities of generative AI in the insurance industry, etc.	KPMG Huazhen LLP, McKinsey & Company online seminar, etc.
Mr. Keung Yui Fai	22.45	Online	Relevant laws and judicial practices in Hong Kong, director responsibilities and information disclosure of Hong Kong listed companies, the new Company Law of the PRC, artificial intelligence and intellectual property, anti-money laundering, related laws and regulations, etc.	Association of China-Appointed Attesting Officers Limited, Hong Kong Companies Registry, China Re's overseas legal advisor, etc.

CORPORATE GOVERNANCE REPORT

Chairman/President

During the Reporting Period, the Chairman and the President of the Company were performed by different persons. Prior to 18 September 2025, Mr. He Chunlei was the Chairman of the Company, and Mr. Zhuang Qianzhi was the President of the Company. From 18 September 2025 to 8 December 2025, the positions of the Chairman and the President of the Company were vacant, and Mr. Zhuang Qianzhi acted as the interim person-in-charge to perform the duties of the President of the Company. From 8 December 2025 to 30 December 2025, Mr. Zhuang Qianzhi was the Chairman of the Company, the position of the President of the Company was vacant, and Mr. Zhuang Qianzhi acted as the interim person-in-charge to perform the duties of the President of the Company. On 31 December 2025, Mr. Zhuang Qianzhi was the Chairman of the Company, the position of the President of the Company was vacant, and Ms. Zhu Xiaoyun acted as the interim person-in-charge to perform the duties of the President of the Company.

On 18 September 2025, Mr. He Chunlei ceased to serve as the Chairman of the Company, and Mr. Zhuang Qianzhi has been appointed as the Chairman of the Company, and his formal performance of duties is subject to the approval of his qualification as the Chairman by the National Financial Regulatory Administration. From 8 December 2025, Mr. Zhuang Qianzhi has officially performed the duties of the Chairman.

On 18 September 2025, Mr. Zhuang Qianzhi ceased to serve as the President of the Company and acted as the interim person-in-charge to perform the duties of the President of the Company. On 31 December 2025, Ms. Zhu Xiaoyun has been appointed as the President of the Company, and acted as the interim person-in-charge to perform the duties of the President of the Company. Mr. Zhuang Qianzhi ceased to act as the interim person-in-charge to perform the duties of the President of the Company. On 16 March 2026, Ms. Zhu Xiaoyun officially took office as the President of the Company and no longer held the position of interim person-in-charge.

The Chairman is responsible for providing leadership to the Board, ensuring that the Company has good corporate governance practices and procedures, and maintaining the effective operation of the functions of the Board. If the Chairman is unable to perform his duties or does not perform his duties, the Vice Chairman shall perform the duties of the Chairman.

The President is responsible for leading the operation and management of the Company, organising the implementation of Board resolutions, annual operation plans and investment proposals, formulating the internal management organisation plan and basic management system, and making recommendations to the Board regarding the appointment or dismissal of the Vice President and other senior management of the Company (other than the Audit Controller and the Board Secretary). Details of the duties and responsibilities of the Chairman and the President are set out in the Articles of Association.

Term of Office of Non-executive Directors

The term of office of non-executive Directors (including independent non-executive Directors) is three years.

CORPORATE GOVERNANCE REPORT

Independence of Independent Non-executive Directors

All independent non-executive Directors have complied with the independence guidance requirements set out in Rule 3.13 of the Hong Kong Listing Rules, and have submitted their letters of confirmation regarding their independence to the Company. As such, the Company considers that all independent non-executive Directors are still independent.

Nomination of Directors

The Nomination and Remuneration Committee under the Board first reviews the candidates of Directors in accordance with the requirements of laws, regulations, regulatory documents, regulatory requirements and the Articles of Association and then makes recommendations to the Board.

Remuneration of Directors

The Board has established the Nomination and Remuneration Committee with written working rules. As at the end of the Reporting Period, the Nomination and Remuneration Committee consisted of two non-executive Directors, being Mr. Yang Changsong (vice chairman) and Ms. Jia Xiangxiang, and two independent non-executive Directors, being Mr. Dai Deming and Mr. Keung Yui Fai.

The Articles of Association provide that the remuneration of the Directors shall be determined by the shareholders' meetings of the Company from time to time. The remuneration of the independent non-executive Directors shall be proposed by the Board and reviewed and approved at the shareholders' meeting. The Articles of Association provide that the Company shall enter into written contracts with the Directors in respect of remuneration matters with prior approval at the shareholders' meeting. In 2025, except for independent non-executive Directors who received Directors' fees from the Company, all other Directors did not receive any remuneration from the Company in the capacity of Directors. Executive Directors received remuneration in the capacity of head of Central Financial Enterprise. The remuneration packages of independent non-executive Directors are determined based on the Company's actual situations with reference to market benchmarks.

Mechanisms for Directors to Obtain Independent Views and Opinions

At Board meetings, the Directors can freely express their opinions, and major decisions can only be made after detailed discussion. If the Directors consider it necessary to seek advice from independent professional institutions, they may engage independent professional institutions according to procedures at the Company's expense. If a Director is interested in a matter to be considered by the Board, the relevant Director shall abstain from discussion and voting on the relevant resolution, and such Director shall not be counted in the quorum for voting on such resolution. In addition, the independent non-executive Directors shall also express objective, impartial and independent opinions on matters discussed by the Company. The independent non-executive Directors do not hold any positions in the Company other than that of Directors, do not have any relationships with the Company and its substantial shareholders that may affect their independent and objective judgments, and do not have any business or financial interests in the Company and its subsidiaries. As such, the participation of independent non-executive Directors also ensures a strong and adequate independent element on the Board. The Board will review the implementation and effectiveness of the aforesaid mechanism on an annual basis.

CORPORATE GOVERNANCE REPORT

Board Skill Matrix

Skill area	Description	Importance ¹	Adequacy	Plans for adding new skills
Strategy	Ability to identify strategic opportunities and threats, while being able to formulate and implement plans to achieve corporate goals	E	Adequate	Nil
Leadership	Ability to lead corporate teams and implement plans and policies	E	Adequate	Nil
Industry Know-how and Experience	Familiarity with the Company's daily business operations, market developments, competitors, technology and innovation	E	Adequate	Nil
Financial Literacy/ Business Acumen	Ability to read and understand the Company's accounts, financial information and financial reporting requirements	E	Adequate	Nil
Risk Management and Compliance	Ability and experience to implement, manage or supervise risk management and internal control systems involving legal and regulatory compliance	E	Adequate	Nil
Personnel Management Experience	Senior management experience responsible for personnel management and successful implementation of change	E	Adequate	Nil
Diversity	Contribution to Board diversity in terms of age, gender, cultural background, etc.	E	Adequate	Nil
Qualifications	Formal qualifications in relevant fields such as accounting/finance, economics/business, law, etc. that can assist the Board in decision-making	E	Adequate	Nil

Note:

1. "E" = skills currently required by the Board; "F" = new skills to be added in the future/in response to anticipated circumstances; A/D = advantageous/desirable skills, but not essential.

CORPORATE GOVERNANCE REPORT

Evaluation of Board Performance

During the Reporting Period, the Company has not yet conducted an evaluation of the performance of the Board. The Company expects to complete the evaluation of the Board's performance within 2026.

Specialised Committees of the Board

There are five specialised committees under the Board, namely the Strategy and Sustainable Development Committee, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Related-Party Transactions Control Committee. Each committee provides opinions and suggestions to the Board with respect to matters within the scope of its responsibilities. The duties and operation process of each specialised committee are explicitly stipulated in their respective working rules.

Strategy and Sustainable Development Committee

Composition

As at the end of the Reporting Period, the Strategy and Sustainable Development Committee comprised three Directors, including one executive Director and two non-executive Directors.

Chairman: Vacant

Members: Zhuang Qianzhi (executive Director), Yang Changsong (non-executive Director) and Zhou Zheng (non-executive Director)

Note: Mr. He Chunlei ceased to serve as the Chairman and a member of the Strategy and Sustainable Development Committee since 18 September 2025.

CORPORATE GOVERNANCE REPORT

Duties and Responsibilities

The Strategy and Sustainable Development Committee is primarily responsible for studying the mid- to long-term development strategies and significant investment decisions of the Company and making recommendations.

The primary duties include (but not limited to): (1) reviewing the Company's development strategies; (2) reviewing the Company's operation plans, annual financial budget and final accounts; (3) reviewing the goals of the Company's assets and liabilities management, asset allocation plans, and other investment asset management matters within the scope of authorisation by the Board; (4) reviewing the Company's major investment and fund raising plans, and matters such as investment, asset acquisition, asset disposal and write-off, external guarantee and external donation within the scope of mandates granted by the shareholders' meeting (except for those performed by the senior management as authorised by the Board); (5) reviewing the basic systems of strategy management and asset management; (6) reviewing the establishment of our internal management departments and branches, and assessing the establishment plan of legal person institution; (7) reviewing the Company's green financial development strategy, green financial objectives and green financial reports; supervising and assessing the implementation of the Company's green financial development strategy; (8) reviewing the Company's social responsibility report for the year, the climate change strategy associated with the Company's business operation, the environmental, social and governance ("ESG") work objectives and their work progress, as well as other matters in the ESG aspect that the Company shall actually submit to the Board of Directors in accordance with the laws, regulations and regulatory requirements; and (9) other matters as stipulated by regulatory requirements and authorised by the Board.

Summary of the Work Undertaken

During the Reporting Period, the Strategy and Sustainable Development Committee held a total of eight meetings and considered and approved 19 resolutions.

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Zhuang Qianzhi	8/8	100	0/8	0
Yang Changsong	8/8	100	0/8	0
Zhou Zheng	8/8	100	0/8	0
He Chunlei	6/6	100	0/6	0

During the Reporting Period, the Strategy and Sustainable Development Committee thoroughly studied and discussed matters including the operation plans, budgets, report on the final accounts, asset allocation plans, profit distribution plan, sustainability report, three-year rolling capital plan and issuance of supplementary capital bonds by China Re P&C; proposed constructive opinions and suggestions; and played an important role in areas including the asset allocation, formulation and implementation of significant strategies of the Company.

CORPORATE GOVERNANCE REPORT

Audit Committee

Composition

As at the end of the Reporting Period, the Audit Committee comprised three Directors, including two independent non-executive Directors and one non-executive Director, with an independent non-executive Director serving as the chairman.

Chairman: Dai Deming (independent non-executive Director)

Vice chairlady: Jia Xiangxiang (non-executive Director)

Members: Dai Deming (independent non-executive Director), Jia Xiangxiang (non-executive Director) and Ye Mei (independent non-executive Director)

Note: Ms. Jiang Bo ceased to serve as a member of the Audit Committee since 22 July 2025.

Duties and Responsibilities

During the Reporting Period, the Audit Committee examined the basic internal audit system and monitored its implementation, monitored and evaluated the internal audit and internal control of the Company, and made recommendations on the appointment or change of external auditors and monitored their work. The primary duties include (but not limited to): (1) examining the basic internal audit system of the Company and monitoring its implementation, and inspecting, monitoring and evaluating the internal audit of the Company; (2) monitoring the implementation of the internal control and management system of the Company, inspecting and evaluating the compliance and effectiveness of material operating activities of the Company; reviewing the Corporate Governance Report and Compliance Report of the Company on a regular basis, and providing opinions and recommendations for improvement to the Board; (3) examining the Company's financial information and its disclosure, examining the Company's key financial system and its implementation, monitoring the financial status; monitoring the truthfulness of financial reports and the effectiveness of financial reporting procedures implemented by the management; (4) making recommendations on the appointment, re-appointment, replacement or removal of external auditors, monitoring the independence and objectivity, audit process and works of external auditors, coordinating the communication between the internal audit department and external auditors, examining reports issued by external auditors, and ensuring external auditors' accountability to the Board and the Audit Committee; and (5) other matters as authorised by the Board.

CORPORATE GOVERNANCE REPORT

Summary of the Work Undertaken

During the Reporting Period, the Audit Committee held a total of eight meetings, considered and approved 12 resolutions, and received six reports.

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Dai Deming	8/8	100	0/8	0
Jia Xiangxiang	8/8	100	0/8	0
Ye Mei	7/8	87.5	1/8	12.5
Jiang Bo	3/3	100	0/3	0

During the Reporting Period, the Audit Committee carefully performed its duties, considered and studied matters including the appointment of domestic and overseas annual auditors and related fees, the annual and interim results announcements and reports, work plan of internal audit, as well as the compliance and internal control assessment report, and provided the Board and the management with opinions and advice relating to finance, internal control and compliance in a timely manner, which kept enhancing the corporate governance level of the Company.

Nomination and Remuneration Committee

Composition

As at the end of the Reporting Period, the Nomination and Remuneration Committee comprised four Directors, including two independent non-executive Directors and two non-executive Directors.

Chairman: Vacant

Vice chairman: Yang Changsong (non-executive Director)

Members: Yang Changsong (non-executive Director), Jia Xiangxiang (non-executive Director), Dai Deming (independent non-executive Director) and Keung Yui Fai (independent non-executive Director)

- Notes: 1. Ms. Jiang Bo ceased to serve as the chairlady and a member of the Nomination and Remuneration Committee since 22 July 2025.
2. Mr. Keung Yui Fai has served as a member of the Nomination and Remuneration Committee and Ms. Ye Mei ceased to serve as a member of the Nomination and Remuneration Committee since 10 September 2025.

CORPORATE GOVERNANCE REPORT

Duties and Responsibilities

The Nomination and Remuneration Committee reports to the Board, reviews the human resources strategy and remuneration strategy of the Company, studies and makes recommendations to the Board on the selection procedures and criteria, candidates and remuneration packages for Directors and senior management.

The primary duties include (but not limited to): (1) making recommendations to the Board regarding the selection procedures and criteria for Directors and senior management and the structure and composition of the Board; (2) reviewing the qualifications of Directors and senior management in accordance with the selection procedures and criteria, and making recommendations to the Board; (3) regularly (at least annually) evaluating the reasonableness of the Company's (including but not limited to the Board's) structure, size and composition (including the skills, knowledge and experience), and making recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; (4) making preliminary reviews on the candidates of Directors and senior management (including the Board Secretary) of the Company, and making recommendations to the Board; (5) nominating candidates for members of specialised committees (excluding the Nomination and Remuneration Committee) of the Board; (6) proposing the remuneration policy and proposals of Directors, Supervisors and senior management, and making recommendations to the Board; (7) considering salaries paid by comparable companies, time commitment and responsibilities required and terms of employment elsewhere in the Group; (8) examining and approving compensation payable to executive Directors and senior management due to their loss or termination of office or appointment; (9) examining and approving compensation arrangements relating to dismissal or removal of Directors due to misconduct; (10) ensuring that no Directors or any of his/her associates are involved in deciding his/her own remuneration; (11) considering the evaluation plans and remuneration packages of senior management of the Company, evaluating their performance and work, and submitting to the Board for approval; (12) examining the primary remuneration system, the appraisal method for the results of operation of the Company and major subsidiaries, and making recommendations to the Board; and (13) other matters authorised by the Board.

CORPORATE GOVERNANCE REPORT

Summary of the Work Undertaken

During the Reporting Period, the Nomination and Remuneration Committee held a total of seven meetings and considered and approved 13 resolutions.

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Yang Changsong	7/7	100	0/7	0
Jia Xiangxiang	7/7	100	0/7	0
Dai Deming	7/7	100	0/7	0
Keung Yui Fai	2/2	100	0/2	0
Ye Mei	5/5	100	0/5	0
Jiang Bo	4/4	100	0/4	0

During the Reporting Period, the Nomination and Remuneration Committee discussed and studied matters including the budget and settlement for gross salaries of China Re System, the nomination and remuneration for Directors, Supervisors and senior management, renewal of liability insurance for Directors, Supervisors and senior management and relevant personnel adjustments, which strengthened and optimised the composition of the Board and its specialised committees, improved the incentive and disciplinary system of the Company and continued to improve the effectiveness of the incentive system.

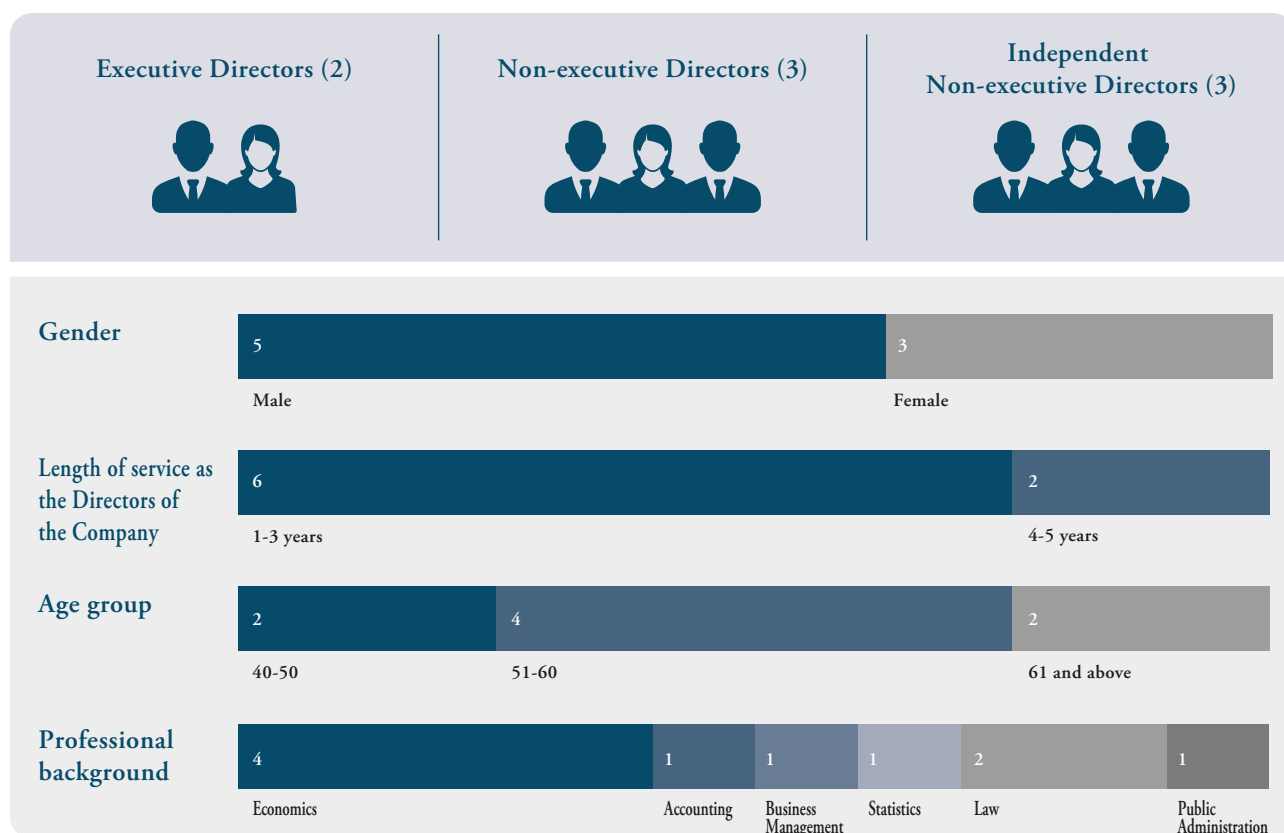
According to the provisions of laws and regulations, normative documents, regulatory requirements and the Articles of Association, the election of Director candidates shall first go through preliminary review by the Nomination and Remuneration Committee who shall then make nomination to the Board, and the Board shall propose the candidates to the shareholders' meeting of the Company for election by way of resolutions. Members of the Board shall finally be elected by the shareholders' meeting of the Company. The Nomination and Remuneration Committee mainly considers the education background, professional experience of the candidates and their capability to contribute to the Company as the selection and recommendation criteria, comprehensively taking into account of the Board diversity policy.

Pursuant to the Corporate Governance Code, the Board continued to implement the Board diversity policy. The Company is committed to maintaining the highest level of corporate governance and the diversity of Board members is an essential component of maintaining good corporate governance. The Company does not discriminate on the grounds of race, gender, disability, nationality, religious or philosophical belief, age, sexual orientation, family status or any other factors.

CORPORATE GOVERNANCE REPORT

The Board considers that the diversity in opinions and perspectives is beneficial to the Company and can be achieved through the consideration of factors in various aspects such as a diversity of skills, professional and industry experience, cultural and educational background, ethnicity, length of service, gender and age. Notwithstanding the above, the appointments of the members of the Board will always adhere to the principle of meritocracy, taking into account objective factors and considering the Company's business model and specific needs from time to time as well as the benefits of Board diversity. The members of the Board are from diverse educational and professional backgrounds and have extensive experience and expertise in the insurance and finance industry, risk management, financial state-owned assets regulation, financial auditing and legal fields. In addition, the Board comprises members of different genders. The Nomination and Remuneration Committee is of the opinion that the composition of the Board during the Reporting Period had been in compliance with the Board diversity policy and the requirements of the Hong Kong Listing Rules in relation to the diversity of the Board. Therefore, no measurable targets have been set for the implementation of the Board diversity policy.

As the Board currently comprises three female members, the composition of the Board complies with the requirements of the Hong Kong Listing Rules in relation to gender diversity of Board members, and is in line with the Board diversity policy of the Company. The Company recognizes the importance and benefits of gender diversity in the composition of the Board. The Company's Board diversity policy can ensure that there will be potential successors on the Board to extend the existing gender diversity of the Board. During the Reporting Period, the Board reviewed its Board diversity policy and concluded that the policy had been implemented and remained effective throughout the year. The following graph shows an overall view of the Board diversity as at the Latest Practicable Date:



CORPORATE GOVERNANCE REPORT

China Re actively builds a dynamic and warm staff team, strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other national laws and regulations and adheres to the principle of fair and just employment. China Re signs labour contracts with employees, protects the legitimate rights and interests of employees, prohibits the employment of child labour and forced labour, and integrates the concept of equal employment into employee recruitment, employment, promotion, resignation and other links. At the same time, China Re opposes any form of employment discrimination and provides equal opportunities for development and promotion for employees with different gender, ages, races, nationalities, religious belief and disabilities. As of 31 December 2025, the ratio of male employees to female employees (not including senior management) among the formal contracted employees of the Company was 52.1% and 47.9% respectively; the ratio of male senior management to female senior management among the senior management of the Company was 75% and 25% respectively. The Company fully respects the individual differences of talents, creates a professional, inclusive and diverse working environment in the workplace, and is committed to providing equal opportunities for employees. The Company believes that the current gender ratio of employees (including senior management) is relatively balanced, and therefore no measurable targets have been set for gender diversity among employees, and the Company expects to continue to maintain a reasonable level of gender diversity at the employee (including senior management) level.

The Nomination and Remuneration Committee has also assessed the time commitment and contributions of all Directors. Following the preparation of the Performance Report of the Directors for the Year 2025 of China Reinsurance (Group) Corporation and the Performance Report of the Independent Directors for the Year 2025 of China Reinsurance (Group) Corporation, the Company will submit them to the Nomination and Remuneration Committee under the Board for review and approval. Having considered the above factors, the Nomination and Remuneration Committee believes that the Directors' time commitment and contributions to the Board are, on the whole, sufficient and enable them to perform their duties effectively.

Risk Management Committee

Composition

As at the end of the Reporting Period, the Risk Management Committee comprised four Directors, including two executive Directors, one non-executive Director and one independent non-executive Director.

Chairman: Vacant

Members: Zhuang Qianzhi (executive Director), Zhu Xiaoyun (executive Director), Jia Xiangxiang (non-executive Director) and Ye Mei (independent non-executive Director)

- Notes: 1. Ms. Zhu Xiaoyun has served as a member of the Risk Management Committee since 24 February 2025.
2. Ms. Jiang Bo ceased to serve as the chairlady and a member of the Risk Management Committee since 22 July 2025.

CORPORATE GOVERNANCE REPORT

Duties and Responsibilities

The Risk Management Committee is responsible for having a comprehensive understanding of various major risks and their management and supervising the effectiveness of the risk management system.

The primary duties include (but not limited to): (1) reviewing the Company's risk management procedures, and monitoring and evaluating their implementation and effectiveness; (2) reviewing the Company's risk management policies and internal control systems, and monitoring and evaluating their implementation and effectiveness; monitoring and evaluating the subsidiaries' risk management policies and internal control systems and their implementation and effectiveness. The reviewing matters of the committee include but are not limited to: (i) the changes, since the last annual review, in the nature and extent of significant risks, and the Company's overall ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and the internal control systems; (iii) the extent and frequency of communication of monitoring results to the Board (or the committees under the Board) which enables it to assess the overall control of the Company and the effectiveness of its risk management; and (iv) significant control failures or weaknesses that have been identified during the period as well as the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's overall financial performance or condition; (3) reviewing, monitoring and evaluating the organisational method and structure, department-setting and duties, working procedures and effectiveness of risk management, and making recommendations as to improving the Company's risk management and control; (4) considering the overall objectives, risk appetite, risk tolerance and risk management policies in respect of the solvency risk management of the Company; (5) addressing major differences or issues regarding risk management system operation or risk management matters; (6) monitoring and evaluating the senior management's efforts on risk control in respect of market and operation; (7) monitoring and assessing the effectiveness of the risk management system (including but not limited to ensuring the adequacy of resources, staff qualifications and experience, training programmes for employees and budget in respect of the Company's accounting, internal audit and financial reporting); (8) comprehensively understanding and continuously paying attention to various major risks the Company and its principal member companies face and their management, considering risk assessment report and other special risk reports on a regular basis, assessing the risks in respect of major business management matters, considering the solutions for major risk events and material matters relating to solvency management, assessing the Company's overall risk profile and risk management on a regular basis, and ensuring the Company's disclosure in a statement about how it complies with the code provisions for risk management and internal control in its corporate governance report during the Reporting Period in accordance with the requirements of the Hong Kong Listing Rules; (9) reviewing the Group's solvency report and submitting it to the Board of Directors for approval; (10) reviewing the climate change risks relating to the Company's business operations and their assessment; and (11) other matters as authorised by the Board.

CORPORATE GOVERNANCE REPORT

Summary of the Work Undertaken

During the Reporting Period, the Risk Management Committee held a total of ten meetings, considered and approved 13 resolutions, and received five reports.

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Zhuang Qianzhi	9/10	90	1/10	10
Zhu Xiaoyun	8/8	100	0/8	0
Jia Xiangxiang	10/10	100	0/10	0
Ye Mei	10/10	100	0/10	0
Jiang Bo	5/5	100	0/5	0

During the Reporting Period, the Risk Management Committee studied the risk appetite, the regular solvency report and solvency stress testing report, the internal control assessment report, the risk assessment report, the internal control and compliance assessment report and other matters of the Group, which facilitated the development of the Group's risk management system and continuously improved the Group's risk management capabilities.

Related-Party Transactions Control Committee

Composition

As at the end of the Reporting Period, the Related-Party Transactions Control Committee comprised four Directors, including one non-executive Director and three independent non-executive Directors.

Chairlady: Ye Mei (independent non-executive Director)

Vice chairman: Zhou Zheng (non-executive Director)

Members: Ye Mei (independent non-executive Director), Zhou Zheng (non-executive Director), Dai Deming (independent non-executive Director) and Keung Yui Fai (independent non-executive Director)

Note: Mr. Keung Yui Fai has served as a member of the Related-Party Transactions Control Committee since 10 September 2025.

CORPORATE GOVERNANCE REPORT

Duties and Responsibilities

The primary duties of the Related-Party Transactions Control Committee include: (1) identifying the related parties of the Company, and the updates and maintenance of the informative archives of related parties which shall be updated at least once every half year; (2) performing a preliminary review of significant related-party transactions that shall be approved by the shareholders' meeting and the Board, and expressing written opinions on the compliance, fairness, necessity of significant related-party transactions and implementation of internal approval procedures; (3) accepting filings of general related-party transactions; (4) considering and submitting a special report on the Company's overall related-party transactions for the year to the Board; (5) coordinating and managing the information disclosure work for related-party transactions; and (6) other matters as required by the laws, regulations and regulatory requirements or authorised by the Board.

Summary of the Work Undertaken

During the Reporting Period, the Related-Party Transactions Control Committee held a total of five meetings, and considered and approved six resolutions.

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Ye Mei	5/5	100	0/5	0
Zhou Zheng	5/5	100	0/5	0
Dai Deming	5/5	100	0/5	0
Keung Yui Fai	1/1	100	0/1	0

During the Reporting Period, the Related-Party Transactions Control Committee considered significant related-party transactions, the report on the overall related-party transactions and the report on the evaluation of internal transactions of the Company, and updated the list of related parties and other matters, which ensured that the management of the related-party transactions of the Group was in compliance with laws and regulations.

CORPORATE GOVERNANCE REPORT

Risk Management and Internal Control

The Company believes that good risk management and internal control play an important role in the operation of the Company. The Board is ultimately responsible for the risk management, internal control and compliance management of the Company and is committed to the establishment and constant improvement of effective risk management and internal control systems.

Main Features of Risk Management and Internal Control System

The Board is responsible for the guidance over the establishment of the overall risk management and internal control management system of the Company, conducting regular research and assessment on the soundness, reasonableness and effectiveness of risk management and internal control, considering and approving the organisational structure of risk management and internal control, and basic management systems of the Company, as well as considering and approving the annual risk assessment report and internal control assessment report of the Company.

The Risk Management Committee is established under the Board to assist the Board in reviewing, monitoring and assessing material risk management matters of the Company such as risk management procedures, risk management policies and internal control system, risk management organisation methods and risk control performances. The Audit Committee is established under the Board to monitor the implementation of the Company's internal control and management system, and examine and assess the compliance and effectiveness of significant operational activities of the Company. The functional departments, including business, finance and investment departments of the Company are primarily responsible for the risk management and internal control system. The specialised departments, such as risk management and internal control and compliance departments, are responsible for the coordinated planning, organisation and implementation of risk management, internal control and compliance before and during the process. Risk assessment and internal control and compliance assessment work were carried out by the specialised departments on an annual basis. The internal audit department is responsible for monitoring and auditing the performance in risk management and internal control and compliance.

CORPORATE GOVERNANCE REPORT

Technologies and Implementation of Risk Management

During the Reporting Period, the Company implemented the following measures to identify, evaluate and manage material risks: (1) The Company operated and managed the risk appetite system. The Company's risk appetite system comprises risk appetite, risk tolerance and risk limits, which has been closely integrated with the business plan to play a role in guidance and constraint to business operations. Through the implementation of risk control plans and related indicators monitoring, reporting and dynamic management processes, the continuous functioning of risk appetite is assured. (2) The Company continued deepening the construction of the solvency system. The Company has carried out a number of works to deepen the construction of the solvency system, including but not limited to the following: (i) solvency was regularly analysed and specific management measures were accordingly adopted, and the impact of major business activities over its solvency was assessed before conducting such business activities to ensure adequate solvency; (ii) the Company improved its risk management capability through promoting the sound establishment and effective implementation of the Company's various risk management policies, while establishing and optimising the risk management information system to protect the Company's business development; (iii) the Company continued to advance the implementation of solvency regulatory rules to ensure their solid and effective enforcement. (3) The Company regularly identified, monitored and analysed all types of major risks. The Company used various risk indicators and risk quantification models together with stress testing and scenario analysis and other tools, and adopted a combination of qualitative and quantitative methods to analyse risk profile, monitor and assess risks, and prepare reports and analysis for major risk events. The Company also managed the retained risks through risk control plan. When risk exposure broke through relevant requirements, internal procedures were triggered, and the Company managed risks beyond its risk tolerance through retrocession or reinsurance arrangement, etc. (4) The Company maintained its rating management system. The Company received ratings from S&P Global Ratings and A.M. Best, and applied rating methods and models in its daily operation and management. The Company sought to meet the requirements of such ratings while improving its operation management and risk management. Before conducting major business activities, the Company also fully assessed the impact of such activities over its ratings, so as to prevent and mitigate significant potential risks in a timely manner.

CORPORATE GOVERNANCE REPORT

Establishment and Sound Operation of Internal Control System

During the Reporting Period, the Company implemented the following measures to continuously enhance internal control management effectiveness: (1) The Company carried out internal control management activities in accordance with systems such as the management rules for internal control and by using internal control matrix, internal control management information system and other tools to perform routine follow-up evaluation in respect of major regulatory requirements, changes in internal policies as well as major decisions in operation or management to dynamically identify the changes of risk factors in internal control, and took responsive measures in a timely manner. (2) The Company carried out internal control evaluation on a regular basis and arranged subsidiaries to carry out self-examination of internal control and compliance on key areas. For internal control weak areas identified, the Company facilitated timely rectification. (3) The Company dynamically adjusted and optimised the authorisation system, and promoted and improved the important authorisation documents. (4) The Company continuously strengthened the establishment of rules and regulations to further administer the systematic management of rules and regulations of the Group, and to enhance the scientific basis and implementation of rules and regulations. (5) The Company improved the assessment system for its subsidiaries' internal control and compliance, and further strengthened the management of internal control and compliance. (6) The Company promoted the philosophy and knowledge of internal control through various methods such as internal and external trainings, advocacy of rules and daily face-to-face communication which enhanced the awareness of internal control among the employees. (7) The Company organised financial personnel, internal control management personnel and internal audit personnel to receive relevant professional trainings and provided sufficient training budget, so as to continuously improve the professional skills and comprehensive capability of these personnel.

Procedures for Handling and Disclosing Inside Information and Internal Control Measures

The procedures and internal control measures for the identifying, handling, and disclosing inside information and any other information necessary to prevent a false market in the Company's securities by the Company include: (1) formulating and implementing relevant supporting systems, including the Provisional Measures Governing Information Disclosure of China Reinsurance (Group) Corporation, by the Board of the Company, and gradually establishing comprehensive process of reporting, identifying, and disclosing inside information to ensure that the disclosure of inside information is on a timely basis and in compliance, (2) by means of training and advocating, fully informing relevant staff, including members of the Board, the Board of Supervisors, and the management, of the obligations on information disclosure as stipulated under the Hong Kong Securities and Futures Commission's Guidelines on Disclosure of Inside Information and the Hong Kong Listing Rules, and (3) disclosing data to specific personnel on a "need-to-know" basis, putting emphasis on the prohibition of unauthorised use of confidential or inside information, and conducting the confidential work preceding the disclosure of insider information if necessary.

CORPORATE GOVERNANCE REPORT

Evaluation of Effectiveness of Risk Management and Internal Control System

According to the Guidelines on Risk Management of Insurance Companies (Bao Jian Fa [2007] No. 23) and the Measures for the Consolidated Supervision and Administration of Insurance Groups (Jin Gui [2025] No. 11), the Company conducted two comprehensive analyses and evaluations of the Group's risk management system in 2025. The semi-annual risk assessment report was reported to the Risk Management Committee under the Board of Directors, while the annual risk assessment report was reported to the Board of Directors. The evaluation involved various types of risks faced by the Group. The emphasis was on the evaluation of the implementation of risk management framework, management mechanisms of various types of risk and risk management process in all types of risk management. The evaluation found that the risk management system of the Group is well operated, with no significant control failures or weaknesses identified. The Board of Directors and the management confirmed the effectiveness of the risk management system.

In accordance with the Basic Standard for Enterprise Internal Control (Cai Kuai [2008] No. 7) and its related guidelines, Basic Rules for the Internal Control of Insurance Companies (Bao Jian Fa [2010] No. 69) and the requirements of the Hong Kong Listing Rules, in light of the actual situations of the Group's internal control system, the Company carried out 1 internal control evaluation for 2025, and reviewed the design and operational effectiveness of the internal control systems of the Company and its subsidiaries, covering all important aspects including financial control, operational control and compliance control. The Company focused on major business matters, high-risk areas and the Group's capabilities in response to changes of internal and external environments through comprehensive use of individual interviews, walk-through tests, material reviews and special seminars, etc. The evaluation found that the internal control system of the Group is well operated, with no significant control failures or weaknesses identified. The Board of Directors and the management confirmed the effectiveness of the internal control system.

During the Reporting Period, the Board and the management have confirmed that risk management and internal control systems are sufficient and effective in addressing the identified risks, safeguarding the Company's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Company's financial reports and complying with applicable laws and regulations. Due to the limitations of the internal control and the technical means for internal control assessment, there might still be risks and deficiencies. The risk management framework of the Company does not seek to eliminate all risks but rather to identify, understand and manage them within acceptable limits, so as to support the sustainability of the business and creation of long-term value, and can only provide reasonable and not absolute assurance that there are no material misrepresentation or loss. The Company will continue to optimise its internal control system and strive to assure legal compliance of operation, asset security as well as authenticity and completeness of the financial reports and related information to ensure the fulfilment of its strategic objectives.

CORPORATE GOVERNANCE REPORT

BOARD OF SUPERVISORS

On 23 January 2026, the National Financial Regulatory Administration approved the amendments to the Articles of Association of the Company. From that date, the Company has abolished the Board of Supervisors, the functions and powers of the Board of Supervisors as prescribed by the Company Law and other laws and regulations have been exercised by the Audit Committee under the Board of Directors, and the special committees under the Board of Supervisors have been abolished simultaneously. The corporate governance systems related to the Board of Supervisors have been abolished accordingly. Mr. Zhu Hailin, Mr. Zeng Cheng, Mr. Qin Yueguang and Mr. Li Jingye, being members of the Board of Supervisors, no longer serve as Supervisors or perform related duties of the Board of Supervisors. For details, please refer to the announcement of the Company dated 26 January 2026. This section and the “Report of the Board of Supervisors” highlighted the relevant circumstances during the Reporting Period.

During the Reporting Period, the Board of Supervisors earnestly performed its duties of supervision in accordance with the requirements of the PRC Company Law and the Articles of Association while focusing on the centre and serving the overall situation. In addition to insisting on promoting high-quality development of the Company, preventing and resolving financial risks, and facilitating the realisation of the world-class strategic goals, the Board of Supervisors conscientiously carried out tasks related to the reform of the Board of Supervisors, actively safeguarded the rights and interests of shareholders and the Company, and gave full play to the supervisory role of the Board of Supervisors.

Composition

During the Reporting Period, the Board of Supervisors comprised four members, including:

Supervisors: Zhu Hailin (chairman), Zeng Cheng (shareholder representative Supervisor), Qin Yueguang (employee representative Supervisor) and Li Jingye (employee representative Supervisor)

Employee representative Supervisors are elected through elections at staff representative assembly, and non-employee representative Supervisors are elected through elections at the shareholders’ meetings. The term of office of Supervisors is three years and Supervisors may serve consecutive terms if re-elected.

CORPORATE GOVERNANCE REPORT

Duties and Responsibilities

The Board of Supervisors shall be responsible to the shareholders' meeting, supervise the Company's financial position and compliance, as well as supervise performance of duties and responsibilities by the Directors and senior management and other relevant circumstances.

The primary duties include (but not limited to): (1) reporting its work to the shareholders' meeting; (2) monitoring and examining the Company's financials; (3) supervising the conduct of the Directors and senior management in their performance of duties and proposing the removal of Directors and senior management who have contravened any of the PRC laws, administrative regulations, regulatory requirements, the Articles of Association or resolutions of the shareholders' meeting; (4) demanding rectification from Directors or any senior management when the acts of such persons are harmful to the Company's interest; (5) proposing to convene an extraordinary shareholders' meeting and convening and presiding over the shareholders' meeting when the Board fails to perform its duty of convening and presiding over the shareholders' meeting; (6) proposing resolutions at the shareholders' meeting; (7) representing the Company in negotiations with a Director and bringing an action against a Director or senior management pursuant to the PRC Company Law and the Articles of Association; (8) formulating the rules of procedure of the Board of Supervisors and the working rules of specialised committees under the Board of Supervisors; (9) reviewing financial information such as the financial reports, operation reports and profit distribution plans to be submitted by the Board to the shareholders' meeting; if there is any doubt, engaging certified public accountants and practicing auditors in the name of the Company to review such financial information; (10) nominating independent Directors; and (11) exercising other duties specified under the PRC laws, administrative regulations, regulatory requirements or the requirements of Articles of Association and authorised by shareholders' meetings.

CORPORATE GOVERNANCE REPORT

Summary of the Work Undertaken

During the Reporting Period, the Board of Supervisors held six meetings in total, considered and studied 13 resolutions and received 17 reports; the Performance Supervision and Inspection Committee under the Board of Supervisors held three meetings; the Financial Supervision and Inspection Committee held one meeting.

Attendance records of the meetings of the Board of Supervisors are as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Zhu Hailin	4/6	66.67	2/6	33.33
Zeng Cheng	5/6	83.33	0/6	0
Qin Yueguang	5/6	83.33	1/6	16.67
Li Jingye	6/6	100	0/6	0

Please refer to the section “Report of the Board of Supervisors” in this annual report for the work of the Board of Supervisors for the year 2025.

DUTIES AND RESPONSIBILITIES OF THE SENIOR MANAGEMENT

According to the Articles of Association, senior management refers to the Company’s President, Vice President, Chief Financial Officer, Board Secretary and other management staff confirmed by the Board. Senior management is responsible for the Company’s operation and management, organisation and implementation of the Board resolutions, implementation of the operation and investment plan approved by the Board, preparation of plans for the establishment of the internal management structure and basic management system as well as formulation of special rules and regulations. The daily management, administration and operation of the Company are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to entering into any significant transactions by the management. During the Reporting Period, based on the development strategies of the Company, the senior management actively conducted various operation and management work and effectively implemented the operation plan and financial budget approved by the Board, leading to stable and healthy development of all business segments.

CORPORATE GOVERNANCE REPORT

JOINT COMPANY SECRETARIES

From 24 September 2024 to 31 October 2025, Mr. Liu Yuanzhang served as a Joint Company Secretary of the Company, was responsible for advising the Board on corporate governance matters and ensuring that the Board's policy and procedures, and the applicable laws, rules and regulations are followed. In order to uphold good corporate governance and ensure compliance with the Hong Kong Listing Rules and applicable Hong Kong laws, the Company also engaged Ms. Ng Sau Mei, the director of the listing services department of TMF Hong Kong Limited, as a Joint Company Secretary of the Company to assist Mr. Liu Yuanzhang to perform his duties as Joint Company Secretaries of the Company. The primary contact person of Ms. Ng Sau Mei in the Company is Mr. Liu Yuanzhang (serves as an Assistant President and Joint Company Secretary of the Company). On 31 October 2025, Mr. Liu Yuanzhang ceased to serve as a Joint Company Secretary of the Company and Ms. Ng Sau Mei continued to serve as a Company Secretary of the Company.

On 28 February 2026, Ms. Ng Sau Mei ceased to serve as the Company Secretary of the Company. Mr. Cao Shunming and Ms. Chung Man Nar Mona were appointed as the Joint Company Secretaries of the Company. The appointment of Ms. Chung Man Nar Mona came into effect on 28 February 2026, and the appointment of Mr. Cao Shunming came into effect on 12 March 2026. For details, please refer to the announcements of the Company dated 2 March 2026 and 13 March 2026. The primary contact person for Ms. Chung Man Nar Mona at the Company is Mr. Cao Shunming, who serves as the Assistant to the President, Chief Compliance Officer, Chief Risk Officer, and Joint Company Secretary of the Company.

During the Reporting Period, Ms. Ng Sau Mei had undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules.

AUDITORS' FEES

During the Reporting Period, the Company appointed KPMG Huazhen LLP and KPMG and their organisational members to provide audit and non-audit services. The Company shall pay RMB5.83 million as the service fee for audit and review of financial statements. The Company did not make any separate payment for non-audit services.

ARTICLES OF ASSOCIATION

In order to implement the laws, regulations, and regulatory requirements, and in light of the Company's actual situation, the Company amended the Articles of Association. On 28 November 2025, the amended Articles of Association were approved by the Company's shareholders' meeting through a special resolution. On 23 January 2026, the amended Articles of Association were approved by the National Financial Regulatory Administration and came into effect. For details, please refer to the announcements dated 31 October 2025, 28 November 2025 and 26 January 2026 respectively and the circular dated 13 November 2025 of the Company.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

On 21 July 2016, the Board considered and approved the Resolution on the Dividend Policy of China Reinsurance (Group) Corporation, agreeing that the Company will formulate the profit distribution plan of the Company in accordance with the statutory and regulatory requirements for insurance companies in the PRC imposed by regulatory authorities (including the statutory solvency requirements of the insurance regulatory authority in the PRC and statutory and regulatory restrictions on payment of dividends of the Company), interests and desires of the shareholders of the Company, the financial position (including operating results and cash flows) of the Group, the business development needs and plans of the Group for future development and other factors that the Company deems relevant. In consideration of the above factors and subject to the laws, regulations and regulatory requirements in effect at that time, the Company shall distribute dividends once a year and the profits distributed in form of cash shall be no less than 30% of the consolidated net profit attributable to the equity shareholders of the Company realised for the year. For details of the dividend policy of the Company, please refer to the Company's announcement dated 21 July 2016.

All dividend decisions made by the Board during the Reporting Period were in accordance with the Company's dividend policy.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

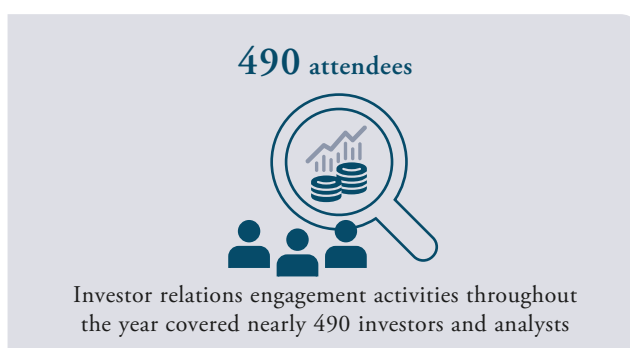
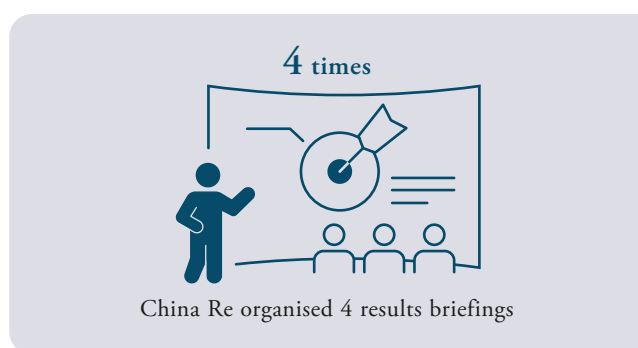
The Company considers that effective communication with shareholders is essential for enhancing investors' understanding of the Company's business and corporate governance. The Company has formulated the Interim Measures for Investor Relations Management to set out the Company's shareholders communication policy to ensure fair, timely, accurate and effective communication with shareholders.

Information shall be communicated to the shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars), annual shareholders' meetings and other shareholders' meetings, as well as disclosure on the Company's website. Interim reports, annual reports and circulars are published on the websites of the Company (www.chinare.com.cn) and the Hong Kong Stock Exchange in due course, and printed copies are sent to shareholders upon request. Directors (or their representatives) shall make an effort to attend annual shareholders' meetings to meet shareholders and answer their enquiries. Please refer to the "Investor Relations" section of the Company's website (www.chinare.com.cn) for details of the arrangements for the publication of corporate communications and obtaining of printed copies of the corporate communications.

The Company provides shareholders with the contact details of the Company, such as the hotline, email address and postal address, which are listed in the "Investor Relations" section of the Company's website, so as to enable shareholders to make any enquiries about the Company. In addition, registered shareholders can contact Computershare Hong Kong Investor Services Limited, the Company's H share registrar if they have any enquiries about their shares and dividends.

CORPORATE GOVERNANCE REPORT

The Company places high importance on communication with investors and shareholders and has designated the Board office as the investor relations department. In 2025, the Company intensified communication with the capital market in respect of principal business development, international strategy progress, asset allocation strategy and other concerns of the investors through field presentation conference, video and telephone conferences, investor investigations and other channels, to improve communication effectiveness through active and efficient services, promote value recognition and deepen the understanding of the capital market on the Company.



The Company shall maintain an on-going dialogue with shareholders and investors and shall review the shareholders communication policy annually to ensure its effectiveness in implementation. Having reviewed the different communication channels with the shareholders, the Board considers that the above-mentioned shareholder communication policy has been properly implemented and is effective during the year.

COMPLIANCE WITH SANCTIONS RELATED UNDERTAKINGS

We undertook to the Hong Kong Stock Exchange that we would not use the proceeds from the global offering, as well as any other funds raised through the Hong Kong Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any sanctions targets. In addition, we have no present intention to undertake any future business that would cause the Group, the Hong Kong Stock Exchange, Hong Kong Securities Clearing Company Limited, HKSCC Nominees Limited or the shareholders to violate or become a target of sanctions laws of the PRC, the United States, the European Union, the United Nations or Hong Kong. If we believe that the transactions the Group enters into in the sanctioned countries would expose the Group or shareholders and investors to risks of being sanctioned, the Company will publish such announcements as appropriate and in accordance with the Hong Kong Listing Rules and the SFO (the “Sanctions Related Undertakings”). During the Reporting Period, we were in strict compliance with its sanctions risk management policy to prohibit the conducting of any business that may cause the Group and relevant stakeholders to be subject to sanctions, and arranged trainings on the sanctions risk management. The Directors have confirmed that we have complied with the Sanctions Related Undertakings and will continue to do so in future daily operation. In the view that the sanction policies may keep adjusting, we will adjust the scale of business in due course subject to the sanction laws in the PRC, the United States, the European Union, the United Nations or Hong Kong and the sanction risks of the Group and the stakeholders for better returns for the shareholders and investors.

REPORT OF THE BOARD OF DIRECTORS

The Board presents the Report of the Board of Directors of the Company for the year ended 31 December 2025, together with the audited financial statements of the Group for the year ended 31 December 2025.

BUSINESS REVIEW

Principal Business

We are currently the only domestic reinsurance group in the PRC and mainly conduct P&C reinsurance, life and health reinsurance, primary P&C insurance and asset management businesses through our subsidiaries.

Business Review and Analysis of Key Financial Indicators

Please refer to the section headed “Management Discussion and Analysis” in this annual report.

Environmental Policies and Performance of the Company

China Re respects and values the legitimate interests of all employees, and strives to create a workplace with equity for employees. We advocate the concept of going green and environmental protection and attach great importance to enhancing employees’ awareness of energy-saving and environmental protection, and are committed to providing our employees with a safe and comfortable working environment. The Group accelerates the transformation to low-carbon operation and provides quantitative tools for climate risk and environmental risk with the help of catastrophe risk management technology. We have also made significant progress in aspects of business development promoted by new technologies such as cloud computing, blockchain, artificial intelligence, big data and green office as well as enhancement of client information security. We stick to the principles of openness, fairness, justness, integrity and effective procurement, and prefer to purchase energy-saving and environmentally-friendly products. In response to climate change, the consumption of water, electricity, coal, gas and other energy is reduced by strengthening the management of energy-saving and consumption reduction in office areas. The Group encourages the use of videoconferences and teleconferences and the reduction of the usage of company vehicles and business trips in order to lower carbon emission and energy consumption arising from business travel. In addition, the Group has established a sound safety management system and organised safety supervision, inspection, promotion and training activities to enhance employees’ awareness of safety. We prohibit smoking at all workplaces and emphasise waste sorting and disposal to create a healthy and safe working environment. Please refer to the 2025 Sustainability Report of China Re prepared by the Company in accordance with the requirements of Appendix C2 to the Hong Kong Listing Rules and published on the websites of the Hong Kong Stock Exchange and the Company.

Consumer Rights Protection Work

For details, please refer to the “China Re 2025 Annual Information Disclosure Report” disclosed on the Company’s website.

REPORT OF THE BOARD OF DIRECTORS

Compliance with Relevant Laws and Regulations

As a joint-stock limited company incorporated in the PRC whose H shares are listed on the Main Board of the Hong Kong Stock Exchange, the Company is subject to the regulation of the PRC Company Law, the PRC Insurance Law, as well as the Hong Kong Listing Rules, the SFO and other relevant domestic and overseas laws and regulations.

The Company is subject to the following main regulatory requirements:

The insurance regulatory authority and other government departments in the PRC may conduct on-site or off-site inspections or investigations on compliance with the PRC laws and regulations in respect of our state-owned asset management, financial condition and business operation, solvency margin, tax payment, foreign exchange management, and labour and social welfare from time to time.

Under the Measures for the Supervision and Administration of Insurance Group Companies (《保險集團公司監督管理辦法》) and the Administrative Regulations for Insurance Companies (《保險公司管理規定》), the insurance regulatory authority in China conducts both on-site and off-site inspections on insurance institutions for supervision and management. The on-site inspections on insurance institutions by the insurance regulatory authority in China may focus on the corporate management level, administrative examination and approval, filing and reporting, reserves, solvency, use of funds, business operations and financial condition, transactions with insurance intermediaries, information system construction, appointments of directors, supervisors and senior management and other matters which the insurance regulatory authority in China considers material.

Meanwhile, as a company listed on the Main Board of the Hong Kong Stock Exchange, the Company is therefore subject to the Hong Kong Listing Rules and shall comply with relevant rules under the SFO, including but not limited to the following obligations: maintaining a register of interests and short positions in shares and a register of interests and short positions in shares held by Directors, Supervisors and chief executive, disclosing inside information, etc.

The Group has implemented internal controls to ensure compliance with such laws and regulations. As of the end of the Reporting Period, as far as we were aware, there was no legal and/or regulatory procedure or dispute which, in the opinion of the Directors, may have a material adverse effect on our business, financial condition, and operating results or prospects.

REPORT OF THE BOARD OF DIRECTORS

Principal Risks and Uncertainties

Our business involves P&C reinsurance, life and health reinsurance, primary P&C insurance and asset management businesses, etc. Although we have good risk management and control capabilities and all along uphold the concept of sustainable and stable operation, there are still a number of risks and uncertainties involved in our business that are beyond our control. We believe the principal risks we may face in future include: insurance risk, market risk, credit risk, operational risk (including compliance risk), strategic risk, reputation risk and liquidity risk. The future uncertainties include:

1. As the global economic outlook faces challenges with a complicated international environment and considerable capital market fluctuations, the uncertainties in underwriting and investment businesses have increased;
2. The increased insurance losses from natural disasters resulting from increased frequency and intensity of extreme weather events all over the world has increased the uncertainty of business operation.

Non-adjusting Post Balance Sheet Date Events

Details are set out in Note 52 to the financial statements.

REPORT OF THE BOARD OF DIRECTORS

Future Business Development of the Group

Facing new opportunities and challenges, China Re will adhere to its vision of becoming a world-class enterprise, uphold the overall business requirements of “expanding business scale, increasing underwriting profits and making prudent investment”, continuously strengthen the role of industry leader as a state-owned reinsurance group and the role of backbone in the building of the global risk governance system, and improve the new development pattern of “One Body with Two Wings”. Through the “15th Five-Year Plan” and “16th Five-Year Plan”, by 2035, the Company shall become a world-class comprehensive reinsurance group with “distinct Chinese characteristics, prominent strategic role, well-defined professional advantages and outstanding position”. The Group will comprehensively improve corporate value, customer value and social value.

Firstly, the Group will anchor the world-class goal, and each business segment will base itself on its own functional positioning and work together to provide support for the common goal, to ensure breakthroughs in building a world-class comprehensive reinsurance group by the end of the “15th Five-Year Plan” period.

Secondly, the Group will take root in China, seize the strategic growth opportunities of China’s insurance market, consolidate its position as the main channel for reinsurance, and accelerate the cultivation of differentiated advantages and core competitiveness in primary insurance, investment, brokerage and science and technology segments. The Group will further highlight the unique functional role of reinsurance, participate in top-level design, and demonstrate its responsibilities as a central financial enterprise.

Thirdly, the Group will adopt a global perspective, steadily advance globalisation, deepen global operation capabilities and further enhance the depth and breadth of our service network coverage across major global markets to better protect the security of China’s overseas interests. The Group will promote the synergy between domestic and overseas markets and better disperse major domestic emerging risks globally through retrocession and catastrophe bonds to become a global risk management expert in China’s cutting-edge industrial areas and lead global product innovation.

Fourthly, the Group will achieve a higher level of value creation. We will comprehensively promote the improvement of existing business efficiency, structural optimisation and model transformation, build a comprehensive business model of “reinsurance + insurance + technology + service” to provide clients with one-stop comprehensive risk solutions. The Group will implement the corresponding optimisation of control mechanism, comprehensively enhance the ability of global operation control and digital operation, and build a solid mechanism guarantee and ability foundation for strategic landing.

REPORT OF THE BOARD OF DIRECTORS

RESULTS AND PROFIT DISTRIBUTION

The Group's profit for the year ended 31 December 2025 and the financial performance of the Group as at that date are set out on pages 151 to 155 in this annual report.

Final Dividend

The Board recommends the payment of a final dividend for the year ended 31 December 2025 of RMB0.0691 per share (tax inclusive)¹, totalling approximately RMB2,935 million (the "2025 Final Dividend"). The undistributed profit available for distribution to shareholders of the parent company as of 31 December 2025 determined in accordance with the China Accounting Standards and International Financial Reporting Accounting Standards amounted to RMB5,689 million and RMB5,699 million, respectively. The 2025 Final Dividend is subject to the approval of shareholders of the Company at the 2025 annual shareholders' meeting, and is expected to be paid on Friday, 21 August 2026 to the shareholders whose names appear on the register of members of the Company on Wednesday, 8 July 2026 and will be denominated and declared in Renminbi, while the dividend for H shares will be paid in Hong Kong dollars, which shall be calculated at the average central parity rate of Hong Kong dollars against Renminbi in the interbank foreign exchange market for the last five business days up to and including the date of the 2025 annual shareholders' meeting published by China Foreign Exchange Trade System as authorised by the People's Bank of China.

The above profit distribution plan will not result in a lower indicator of the Company's relevant solvency adequacy ratio than the regulatory requirements.

Withholding and Payment of Income Tax on the Dividends Paid to Shareholders

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation on the Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws, regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H shares in respect of the 2025 Final Dividend to be distributed to them. However, the individual holders of H shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H shares are domiciled and the tax arrangements between mainland China and Hong Kong (Macau). In this regard, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on the dividends for the individual holders of H shares:

¹ In the financial statements prepared in accordance with the China Accounting Standards and International Financial Reporting Accounting Standards, the consolidated net profit attributable to the equity shareholders of the parent company of China Re for the year 2025 was RMB9,722 million and RMB9,771 million, respectively. According to Article 171 of the Articles of Association, the Company shall distribute dividends based on the lower of the two aforementioned amounts. The proposed final dividend distribution for the year 2025 accounted for 30.19% of the consolidated net profit attributable to the equity shareholders of the parent company under the China Accounting Standards, and was in line with the dividend policy requirements of the Company.

REPORT OF THE BOARD OF DIRECTORS

- For individual holders of H shares who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H shares in the distribution of the dividend.
- For individual holders of H shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H shares in the distribution of the dividend.
- For individual holders of H shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of the dividend.
- For individual holders of H shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual holders of H shares in the distribution of the dividend.

If individual holders of H shares consider that the tax rate adopted by the Company for the withholding and payment of individual income tax on their behalf is not the same as the tax rate stipulated in any tax treaties between the PRC and the countries (regions) in which they are domiciled, please submit to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, a letter of entrustment and all application and relevant proving materials showing that they are residents of a country (region) which has entered into a tax treaty with the PRC. The Company will then submit the above documents to competent tax authorities which will proceed with the subsequent tax-related treatments. If individual holders of H shares do not provide the Company with the relevant proving materials, they could go through the relevant procedures on their own or by attorney in accordance with the relevant provisions stipulated in the tax treaties. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H shares or any disputes over the withholding mechanism or arrangements.

REPORT OF THE BOARD OF DIRECTORS

For non-resident enterprise holders of H shares, the Company will withhold and pay enterprise income tax at the tax rate of 10% for such holders of H shares pursuant to the Notice of the State Administration of Taxation on the Issues Concerning the Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)).

The cash dividends for the investors of H shares of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be paid in RMB. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the H share companies shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as individual investors. The H share companies will not withhold and pay the income tax of dividends received by domestic enterprise investors from investing in H share companies through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and those domestic enterprise investors shall declare and pay the relevant tax themselves.

The record date and the date of distribution of cash dividends and other time arrangements for the investors of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be the same as those for the holders of H shares.

Should the holders of H shares have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for the relevant tax impact in mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H shares.

REPORT OF THE BOARD OF DIRECTORS

SHARE CAPITAL

During the Reporting Period, there was no change in the total share capital of the Company. As at the end of the Reporting Period, the total share capital of the Company was 42,479,808,085 shares. Details are as follows:

No.	Name of shareholder	Class of shares	Number of shares	Percentage of total share capital (%)
1	Central Huijin Investment Ltd.	Domestic shares	30,397,852,350	71.56
2	HKSCC Nominees Limited	H shares	6,669,987,130	15.70
3	Ministry of Finance of the PRC	Domestic shares	4,862,285,131	11.45
4	National Council for Social Security Fund	Domestic shares	540,253,904	1.27
5	Other H shareholders	H shares	9,429,570	0.02
Total			42,479,808,085	100

Note: The information disclosed above was the information shown on the website of the Hong Kong Stock Exchange at www.hkexnews.hk. The shares of the Company held by HKSCC Nominees Limited are on behalf of its clients and do not include the shares held by other H shareholders.

PUBLIC FLOAT

The Company applied for and has been granted by the Hong Kong Stock Exchange a waiver at the time of listing regarding the lower percentage of public float, with the minimum public float of the Company set at 15.72%. Reference is made to the Company's 2024 annual report dated 24 April 2025 (the "2024 Annual Report"), which stated, among other things, that as at the Latest Practicable Date of the 2024 Annual Report, the Company's public float was approximately 14.70%. According to the newly revised Hong Kong Listing Rules and after careful consideration of all relevant factors (including, without limitation, the shareholding structure of China Great Wall Asset Management Co., Ltd. and its relationship with Central Huijin), the Company is of the view that the 436,089,000 H shares of the Company held by China Great Wall Asset Management Co., Ltd. should continue to be treated as shares held by the public. Based on the public information available to the Company as at the Latest Practicable Date and to the best of the Directors' knowledge, as of the Latest Practicable Date, the Company's public float is 15.72%, thereby fulfilling the applicable public float requirements.

REPORT OF THE BOARD OF DIRECTORS

DISTRIBUTABLE RESERVES

As of the end of the Reporting Period, the retained profit of the Company available for distribution to its shareholders was RMB5,699 million. Details are set out in Note 51 to the financial statements.

BUILDINGS, EQUIPMENT AND INVESTMENT PROPERTIES

During the Reporting Period, changes in the buildings, equipment and investment properties of the Group are set out in Note 32 and Note 31 to the financial statements, respectively.

On 15 December 2018, China Continent Insurance acquired a property. For details, please refer to the section headed “Management Discussion and Analysis”.

Save as disclosed above, as at the end of the Reporting Period, the Group had no any other properties for investment purposes or held for development and/or sale where one or more percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) exceed 5%.

RETIREMENT BENEFITS

The Group provides retirement benefits to employees, including enterprise annuity and defined benefit retirement plan. In 2025, the enterprise annuity contribution amounted to approximately RMB108.38 million (not including Chaucer) and its defined benefit retirement plan contribution was approximately RMB6.39 million (not including Chaucer). Total annual enterprise annuity contribution shall be provided at a certain percentage of the total annual employee salaries, and defined benefit retirement plan contribution will be paid from the accrued liabilities of the Group. Provided that employees are dismissed or break laws or regulations, unvested enterprise annuity contributions will be transferred back to the Company’s enterprise annuity. The amount of forfeited contributions used to reduce the existing level of contributions is not material. During the Reporting Period, the Group (excluding its overseas subsidiaries) has appointed Beijing Branch of Towers Watson Management Consulting (Shenzhen) Co., Ltd., a member of the China Association of Actuaries, as its domestic actuarial organisation, the undersigned actuary is Wu Haichuan, a fellow member of the Society of Actuaries and a fellow member of the China Association of Actuaries; Chaucer has appointed Barnett Waddingham LLP as its actuarial organisation, the undersigned actuary is Paul Houghton, a FIA. No plan assets have been created under the defined benefit plan by the Group (excluding its overseas subsidiaries). Therefore, there is no relevant information on the market value, level of funding, or material surplus or deficiency of the plan assets available for disclosure. According to the actuarial valuation report, the fair value of the assets under Chaucer defined benefit plan as at 31 December 2025 is RMB620,197 thousand (as at 31 December 2024: RMB590,803 thousand). The fair value of those assets accounts for 108.01% of the benefits provided to eligible employees (as at 31 December 2024: 100.41%). Details are set out in Note 2(23)(b), Note 3(10) and Note 40 to the financial statements.

REPORT OF THE BOARD OF DIRECTORS

REMUNERATION OF SENIOR MANAGEMENT

During the Reporting Period, details of the remuneration of Directors and Supervisors are set out in Note 14 to the financial statements. The range of remuneration of non-Director senior management in the Group is set out as follows:

Range of remuneration	Number of individuals
RMB0-RMB500,000	0
RMB500,001-RMB1,000,000	1
RMB1,000,001-RMB1,500,000	3
RMB1,500,001-RMB2,000,000	0
RMB2,000,001-RMB2,500,000	0
RMB2,500,001-RMB3,000,000	0
RMB3,000,001-RMB3,500,000	0
RMB3,500,001-RMB4,000,000	0

Note: The remuneration standards for the Chairman, executive Directors, Chairman of the Board of Supervisors and senior management of the Company are determined in accordance with the relevant requirements of the Ministry of Finance and the Group Company. As of the Latest Practicable Date, the remuneration standards for the above personnel for 2025 had not been finally determined, and such remuneration data was estimated figures.

HIGHEST PAID INDIVIDUALS

Details of the remuneration of the five highest-paid individuals of the Group during the Reporting Period are set out in Note 15 to the financial statements. The amount of remuneration of the five highest paid individuals for 2025 is on a pre-tax basis. The five individuals are all employees of an overseas insurance agency Chaucer, which was acquired by the Group in 2018. Their remunerations have been determined in accordance with local market practices and governed by related internal systems.

REPORT OF THE BOARD OF DIRECTORS

MAJOR CLIENTS

The information on the proportion from major clients of the insurance business of the Group during the Reporting Period is set out below:

	Percentage of insurance income of the Group (%)
Largest insurance client	7.66
Top five insurance clients in total	21.02

Since the top five clients of the Group are financial and insurance institutions, shareholders of the Company, namely the Ministry of Finance and Central Huijin, hold interests in certain institutions. None of the Directors, their close associates or any other shareholder who, as far as the Directors are aware, holds 5% or more of share capital of the Company has any interest in any of the above clients.

RELATIONSHIP WITH CLIENTS

The Group is of the view that a sound relationship with clients is very important. During the Reporting Period, there was no material dispute between the Group and clients.

RELATIONSHIP WITH EMPLOYEES

The Group has built a comprehensive training system as well as a scientific and reasonable remuneration incentive system. The Group has set up multiple channels for employees to develop themselves, and attaches great importance to physical and mental health of employees and harmony of their families, so as to improve their happiness index.

MAJOR SUBSIDIARIES

As at the end of the Reporting Period, the Company directly controlled 10 major subsidiaries, namely China Re P&C, China Re Life, China Continent Insurance, China Re AMC, Huatai Insurance Agency, China Re CRM, China Re DT, China Re UK, China Re Underwriting Agency Limited and China Re Hong Kong Company Limited. Details of the primary subsidiaries under the scope of consolidation are set out in Note 29(a) to the financial statements.

PRE-EMPTIVE RIGHT

During the Reporting Period, the shareholders of the Company had no pre-emptive right pursuant to the relevant laws of the PRC and the Articles of Association.

REPORT OF THE BOARD OF DIRECTORS

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 8 December 2020, China Re P&C successfully issued the supplementary capital bonds with a total principal amount of RMB4.0 billion publicly in the National Interbank Bond Market. These supplementary capital bonds are ten-year fixed-rate bonds, with an annual coupon rate of 4.40% for the first five years, and China Re P&C has conditional redemption rights at the end of the fifth year. In the event that China Re P&C does not exercise the redemption rights, the annual coupon rate of the supplementary capital bonds will be 5.40% for the subsequent five years. On 10 December 2025, after filing with the People's Bank of China and the National Financial Regulatory Administration, China Re P&C completed the exercise of its redemption right to redeem the bonds in full.

Save as disclosed above, during the Reporting Period, the Company or any of its subsidiaries did not purchase, sell or redeem any listed securities of the Company or its subsidiaries (including sale of treasury shares). As of the end of the Reporting Period, the Company or any of its subsidiaries did not hold any treasury shares.

ISSUANCE OF DEBENTURES

Reference is made to the announcement of the Company dated on 2 May 2023. China Re P&C successfully issued the supplementary capital bonds with a total principal amount of RMB4.0 billion publicly in the National Interbank Bond Market. These supplementary capital bonds are ten-year fixed-rate bonds, with an annual coupon rate of 3.45% for the first five years, and China Re P&C has conditional redemption rights at the end of the fifth year. In the event that China Re P&C does not exercise the redemption rights, the annual coupon rate of the supplementary capital bonds will be 4.45% for the subsequent five years.

Reference is made to the announcement of the Company dated on 4 September 2023. China Re Life successfully issued the supplementary capital bonds with a total principal amount of RMB5.0 billion publicly in the National Interbank Bond Market. These supplementary capital bonds are ten-year fixed-rate bonds, with an annual coupon rate of 3.24% for the first five years, and China Re Life has conditional redemption rights at the end of the fifth year. In the event that China Re Life does not exercise the redemption rights, the annual coupon rate of the supplementary capital bonds will be 4.24% for the subsequent five years.

Reference is made to the announcement of the Company dated on 13 November 2025. China Re P&C successfully issued the supplementary capital bonds with a total principal amount of RMB4.0 billion publicly in the National Interbank Bond Market. These supplementary capital bonds are ten-year fixed-rate bonds, with an annual coupon rate of 2.20% for the first five years, and China Re P&C has conditional redemption rights at the end of the fifth year. In the event that China Re P&C does not exercise the redemption rights, the annual coupon rate of the supplementary capital bonds will be 3.20% for the subsequent five years.

The funds raised from the issuance of the above supplementary capital bonds will be used to replenish the capital of China Re P&C and China Re Life respectively, in accordance with applicable laws and approval of regulatory authorities, to improve their solvency and support the continued steady development of their businesses.

REPORT OF THE BOARD OF DIRECTORS

CHARITABLE AND OTHER DONATIONS

During the Reporting Period, the Group made charitable and other donations of approximately RMB9.9262 million in aggregate.

DIRECTORS

During the Reporting Period and as at the Latest Practicable Date, the Directors were as follows:

Executive Directors

Mr. Zhuang Qianzhi (Chairman) (has served as the Chairman since 8 December 2025)

Ms. Zhu Xiaoyun (Vice Chairlady) (has served as an executive Director since 24 February 2025 and the vice Chairlady since 31 December 2025)

Mr. He Chunlei (former Chairman) (ceased to serve as an executive Director and the Chairman since 18 September 2025)

Non-executive Directors

Mr. Yang Changsong

Ms. Jia Xiangxiang

Mr. Zhou Zheng

Independent Non-executive Directors

Mr. Dai Deming

Ms. Ye Mei

Mr. Keung Yui Fai (has served as an independent non-executive Director since 10 September 2025)

Ms. Jiang Bo (ceased to serve as an independent non-executive Director since 22 July 2025)

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with the Directors and Supervisors. During the Reporting Period, none of the Directors or Supervisors entered into any service contract with the Company or its subsidiaries which could not be terminated within one year without payment of compensation other than statutory compensation.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

During the Reporting Period, none of the Directors, Supervisors or their connected entities had any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Company, to which the Company or any of its subsidiaries was a party.

PERMITTED INDEMNITY

Subject to the relevant statutes, every Director shall be indemnified by the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the performance of his/her office or which may attach thereto. The Company has purchased insurance against the liabilities and costs associated with proceedings which may be against the Directors.

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

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 for Securities Transactions, or are required to be recorded in the register required to be kept under Section 352 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, none of the Company or its subsidiaries had entered into any arrangements which enable the Directors to obtain benefits by means of the acquisition of shares in, or debentures of, the Company or any other legal entities.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS

During the Reporting Period, there were no relationships in respect of finance, business, or family among the Directors, Supervisors and senior management of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors had engaged in or had any interest in any business which competes or is likely to compete with the businesses of the Group and which is required to be disclosed pursuant to the Hong Kong Listing Rules.

SHARE INCENTIVE SCHEME FOR THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, the Company had not formulated or implemented any share incentive scheme for the Directors, Supervisors and senior management.

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.

REPORT OF THE BOARD OF DIRECTORS

Name of shareholders	Nature of interest and capacity	Class	Number of shares	Approximate percentage of interests of the Company (%)	Approximate percentage of relevant class of shares of the Company (%)
Central Huijin	Beneficial owner	Domestic share	30,397,852,350 (Long position)	71.56	84.91
	Interest of controlled corporation	H share	436,089,000 (Long position)	1.03	6.53
Ministry of Finance	Beneficial owner	Domestic share	4,862,285,131 (Long position)	11.45	13.58
China Great Wall AMC (International) Holdings Company Limited	Beneficial owner	H share	436,089,000 (Long position)	1.03	6.53

- Notes: 1. The information disclosed above was the information shown on the website of the Hong Kong Stock Exchange at www.hkexnews.hk.
2. 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.
3. Central Huijin is deemed to be interested in a total of 30,833,941,350 shares, of which 30,397,852,350 domestic shares are directly held by it and 436,089,000 H shares are indirectly held through China Great Wall AMC (International) Holdings Company Limited., China Great Wall AMC (International) Holdings Company Limited (formerly known as “Great Wall Pan Asia International Investment Co., Ltd.”) is the wholly-owned subsidiary of China Great Wall Asset Management Co., Ltd., in Hong Kong and China Great Wall Asset Management Co., Ltd., is 73.53% owned by Central Huijin.

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.

REPORT OF THE BOARD OF DIRECTORS

ADMINISTRATION AND MANAGEMENT CONTRACTS

During the Reporting Period, the Company did not enter into any administration and management contracts with respect to the entire or principal business of the Company.

AUDIT COMMITTEE

The Audit Committee of the Board has reviewed the audited financial statements of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out in the section headed “Corporate Governance Report” in this annual report.

AUDITORS

The appointment of KPMG Huazhen LLP and KPMG as the domestic and overseas auditors of the Company for the year 2025 has been approved at the 2024 annual general meeting of the Company, the service term of which commenced from the date of the approval at the 2024 annual general meeting of the Company until the date of the conclusion of the 2025 annual shareholders’ meeting of the Company. Moreover, KPMG Huazhen LLP is also the domestic statutory financial statement auditor of China Re P&C, China Re Life and China Re AMC for the year 2025, and BDO China Shu Lun Pan Certified Public Accountants LLP is the domestic statutory financial statement auditor of China Continent Insurance, Huatai Insurance Agency, China Re CRM and China Re DT for the year 2025.

Save as the change of auditors of the Company from PWC¹ to KPMG Huazhen LLP and KPMG in 2024, the Company did not change auditors over the past three years.

The consolidated financial statements of the Group for the year ended 31 December 2025 disclosed in this annual report have been audited by KPMG.

By order of the Board
China Reinsurance (Group) Corporation
Zhuang Qianzhi
Chairman

Beijing, the PRC
30 March 2026

1 The former domestic and overseas auditors of the Company were PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers respectively, collectively named “PwC”.

REPORT OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors conscientiously implemented the spirit of the central government's policies in accordance with the laws and regulations such as the Company Law, the regulatory requirements, the Articles of Association and other internal rules and regulations while centring around the annual key tasks of the Company. In addition to insisting on promoting high-quality development, and preventing and resolving financial risks, the Board of Supervisors conscientiously performed its supervisory duties, carried out the reform of the Board of Supervisors, actively safeguarded the rights and interests of shareholders and the Company, and gave full play to the supervisory role of the Board of Supervisors.

MEETINGS OF THE BOARD OF SUPERVISORS AND ITS SPECIALISED COMMITTEES

During the Reporting Period, the Board of Supervisors held six meetings, considered 13 proposals and received 17 reports; the Performance Supervision and Inspection Committee under the Board of Supervisors held three meetings and considered four proposals; the Financial Supervision and Inspection Committee under the Board of Supervisors held one meeting and considered two proposals. All Supervisors and members of the specialised committees attended all the meetings above.

On 28 March 2025, the thirty-seventh meeting of the fourth session of the Board of Supervisors was convened, during which 10 proposals, including the Resolution on the Report of the Board of Supervisors of China Reinsurance (Group) Corporation for the Year 2024, were considered and unanimously approved, and four reports, including the Report on the Operating Conditions of China Reinsurance (Group) Corporation for the Year 2024, were received.

On 25 April 2025, the thirty-eighth meeting of the fourth session of the Board of Supervisors was convened, during which two proposals, including Resolution on the Report on the Supervision of Performance Remuneration and Business Expenses of the Board of Supervisors of China Reinsurance (Group) Corporation for the Year 2024, were considered and unanimously approved, and five reports, including the Report on Consolidated Management of China Reinsurance (Group) Corporation for the Year 2024, were received.

On 29 August 2025, the thirty-ninth meeting of the fourth session of the Board of Supervisors was convened, during which four reports, including the Report on the Strategic Risk Assessment and Management of China Reinsurance (Group) Corporation for the First Half of 2025, were received.

On 13 November 2025, the fortieth meeting of the fourth session of the Board of Supervisors was convened, during which the Resolution on the Abolishment of the Board of Supervisors of China Reinsurance (Group) Corporation was considered and unanimously approved, and the Report on the Amendments to the Articles of Association of China Reinsurance (Group) Corporation was received.

On 9 December 2025, the forty-first meeting (extraordinary) of the fourth session of the Board of Supervisors was convened, during which the Report on Protecting the Consumer Rights and Interests of China Reinsurance (Group) Corporation was received.

On 31 December 2025, the forty-second meeting of the fourth session of the Board of Supervisors was convened, during which two reports, including the Report on the Reputational Risk Management Work of China Reinsurance (Group) Corporation for the Year 2025, were received.

REPORT OF THE BOARD OF SUPERVISORS

REFORM OF THE BOARD OF SUPERVISORS

During the Reporting Period, the shareholders entities demanded the reform of the Board of Supervisors be effectively carried out across the Group system. Firstly, in light of the actual circumstances of the Group system, the implementation plan for the reform of the Board of Supervisors of the China Re system was formulated, and a leading group cum office for the reform of the Board of Supervisors was established so as to actively organise and promote the reform of the Board of Supervisors. Secondly, the Notice on the Implementation of the Reform Implementation Plan was issued to subsidiaries to organise and coordinate the reform of the board of supervisors of seven first-level subsidiaries and four second-level subsidiaries. Thirdly, the completion of the corporate governance procedures for the reform of the board of supervisors by all relevant companies within the Group system was promoted.

PERFORMANCE MONITORING

During the Reporting Period, through attending three shareholders' meetings and 12 Board meetings of the Board, members of the Board of Supervisors continuously paid attention to the progress of the implementation of the Company's strategies, the progress of key tasks, the overall operation and management, the selection and appointment of Directors, etc., while supervising the performance of duties by the Directors and senior management. In accordance with the requirements of the Articles of Association and in conjunction with the requirements of the superior units, the Board of Supervisors organised the assessment of performance for the year 2024, issued an assessment opinion report and reported to the regulatory institutions, the superior units and the shareholders' meetings. In accordance with the relevant working system requirements, the Board of Supervisors organised and completed the supervision and inspection on performance remuneration and business expenses for the year 2024 and issued the related work report. The Board of Supervisors was in the view that the Directors and the senior management of the Company were able to carry out their duties conscientiously and diligently in accordance with the Articles of Association.

REPORT OF THE BOARD OF SUPERVISORS

FINANCIAL MONITORING

During the Reporting Period, the Board of Supervisors emphasised and put more efforts into financial supervision. The Board of Supervisors continued to carry out monitoring work on the consolidated and segment financial conditions of the Group, paid attention to and analysed the changes in financial position, carefully reviewed the annual final accounts report and proposals for profit distribution, communicated with external auditors in respect of annual financial report audit and interim review by successively organising several special communication meetings and putting forward specified recommendation.

RISK AND INTERNAL CONTROL MONITORING

During the Reporting Period, the Board of Supervisors paid close attention to key risk areas of the Group such as credit risk, reputation risk, liquidity risk, concentration risk and geopolitical risk, as well as the disposal of major risk projects, received the relevant work reports and put forward opinions and suggestions on the Annual Risk Assessment Report of China Reinsurance (Group) Corporation for the Year 2024 and the Report on Reputation Risk Management of China Reinsurance (Group) Corporation for the Year 2025. The Board of Supervisors strengthened internal control and compliance monitoring, related-party transaction monitoring and internal audit monitoring, and regularly received the work reports of relevant departments.

SUPERVISION WORK ON STRATEGY AND OTHER AREAS

During the Reporting Period, the Board of Supervisors strengthened strategy monitoring work, received reports on the execution and evaluation of the strategic planning of the Group and the operation report, continued to pay attention to the progress of the Company's work in serving the national strategies, serving the real economy, preventing and resolving risks and implementing inspection and audit rectification, promoting the deployment of central decisions, inspecting the audit rectification work, supervising and reporting opinions, and implementing the Company's strategies successfully. The Board of Supervisors carried out other supervision work such as remuneration and incentive restraint mechanisms, and received reports such as the settlement of gross salaries of the Group, paying attention to its rationality.

REPORT OF THE BOARD OF SUPERVISORS

SELF-CONSTRUCTION OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors continued to strengthen its own construction and improved the effectiveness of supervision. Firstly, the Board of Supervisors regularly tracked and understood the implementation of opinions and suggestions put forward at various meetings of the Board of Supervisors to create closed-loop management of supervision. Secondly, the Board of Supervisors strengthened the work connection and daily guidance with the boards of supervisors of subsidiaries to form a joint force of supervision. Thirdly, the Board of Supervisors strengthened the construction of the supervisory team, and actively participated in internal and external training to improve the supervisory performance capabilities.

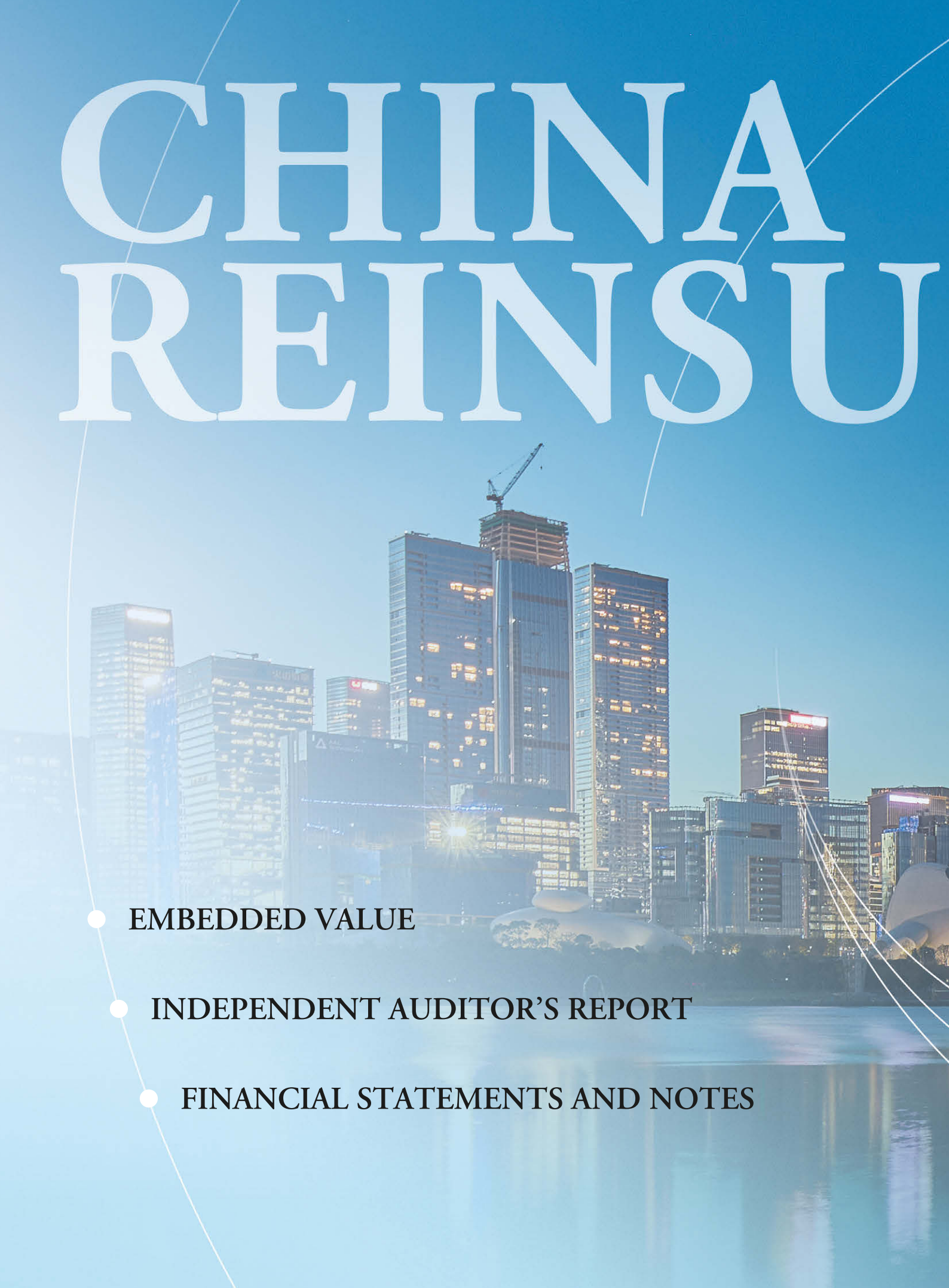
PERFORMANCE OF DUTIES BY THE SUPERVISORS

During the Reporting Period, all Supervisors actively performed their supervisory duties, attended all meetings of the Board of Supervisors and its specialised committees, and prudently expressed their opinions and participated in the voting. Through attending the shareholders' meetings and the Board meetings, the Supervisors carried out their supervisory duties. The Supervisors actively participated in the supervision and inspection work organised by the Board of Supervisors; actively participated in and promoted the reform of the Board of Supervisors; emphasised self-development and actively implemented the policy requirements of the superior units and regulatory institutions and the annual work meetings of China Re; and actively participated in the internal and external training activities of the Company to continuously improve their ability to perform duties and their business proficiency. The Board of Supervisors believes that all Supervisors performed their duties in accordance with the Company Law, the Articles of Association and other laws and regulations, regulatory requirements, internal rules and regulations of the Company and achieved satisfactory results in all supervision work.

By order of the Board of Supervisors
China Reinsurance (Group) Corporation

Beijing, the PRC
31 December 2025

CHINA REINSU

A nighttime photograph of a city skyline, likely Shanghai, featuring several illuminated skyscrapers and a construction crane. The scene is reflected in water in the foreground. The image has a blue tint and is overlaid with white curved lines.

- EMBEDDED VALUE
- INDEPENDENT AUDITOR'S REPORT
- FINANCIAL STATEMENTS AND NOTES

RANCE



EMBEDDED VALUE



To the Directors of China Reinsurance (Group) Corporation

Dear Sirs,

Independent Actuarial Consultants' Report on China Reinsurance (Group) Corporation Embedded Value Disclosures

Introduction

Ernst & Young (China) Advisory Limited ("EY", "we") has been engaged by China Reinsurance (Group) Corporation (the "Group Company", the "Company") to provide actuarial advisory services and expert opinions for certain matters relating to the Group Company and its subsidiaries' (the "Group") life and health reinsurance business, covering the life and health reinsurance business of the Group Company and all business of China Life Reinsurance Company Limited ("China Re Life") and China Reinsurance (Hong Kong) Company Limited ("China Re HK") ("the Covered Business").

As one of the core parts of this engagement, we have been asked to quantify and report on embedded value ("EV") and value of one year's new business ("1-year VNB") of the Covered Business. This report has been prepared for inclusion in the Group 2025 Annual Report. The report summarizes the scope of work carried out by EY, valuation methodology, valuation results as well as valuation assumptions used for the above mentioned work.

Scope of Work

The scope of our work is as follows:

- Quantifying embedded value of the Group as at 31 December 2025.
- Quantifying value of one year's new business underwritten by the Group during the 12 months prior to 31 December 2025;
- Reviewing the assumptions used for value of in-force business ("VIF") and value of one year's new business valuation of the Group;
- Performing sensitivity tests under alternative assumptions;
- Performing movement analysis of embedded value from 31 December 2024 to 31 December 2025.

EMBEDDED VALUE

Valuation Methodology

We prepared EV results and the report based on the EV standards issued by CAA in November 2016 and industry practice for publicly listed companies in Hong Kong.

In this report, embedded value of the Group is defined as the sum of adjusted net worth (“ANW”) of the Group and VIF of the Covered Business.

Since the Group does not hold 100% of all companies within it, ANW has excluded minority interests. As China Re Life and China Re HK are 100% owned by the Group, all of those VIF are included in the reported EV valuation results.

The adjusted net worth at the valuation date is defined as the sum of below two items:

- Net asset value of the Group on a consolidated basis with allowance for the reserve difference between PRC GAAP basis and EV standards for the Covered Business;
- The asset value adjustments, which reflect the after-tax difference between market value and book value for certain relevant assets, together with the relevant adjustments to liabilities.

VIF is the present value of the projected after-tax profits arising from the Covered Business less the cost of capital (“CoC”) required to support the in-force business. The CoC is the present value of the difference between the investment return implied by the risk discount rate (“RDR”) and the after-tax investment return earned on assets backing the required capital.

1-year VNB is defined as the present value, at the inception, of the projected after-tax profits arising from the policies accepted during the 12 months prior to the valuation date less CoC required to support the 1-year new business. For short-term reinsurance business of primary insurance with a policy term of one year or less, the renewal business is not considered as new business.

EMBEDDED VALUE

Valuation Results

The embedded value and value of one year's new business results as at 31 December 2025 and the corresponding results as at prior valuation date are summarised as below.

Table 1: EV and 1-year VNB as at 31 December 2025 and 31 December 2024

(in RMB millions)

Valuation Date	31 Dec 2025	31 Dec 2024
Embedded value		
Adjusted net worth ("ANW")	126,805	113,150
Value of in-force business before CoC	9,952	13,080
Cost of Capital ("CoC")	(5,763)	(5,785)
Value of in-force business after CoC	4,189	7,295
Embedded value	130,995	120,445
including:		
adjusted net worth of life and health reinsurance business	38,628	28,720
value of in-force business after CoC of life and health reinsurance business	4,163	7,208
embedded value of life and health reinsurance business	42,791	35,928
Value of new business of life and health reinsurance business		
Value of one year's new business before CoC	2,451	2,309
Cost of Capital	(1,104)	(664)
Value of one year's new business after CoC	1,346	1,645

Note 1: Figures may not add up due to rounding, and the same applies in the tables below.

Note 2: Figures related to life and health reinsurance business only include business of China Re Life and China Re HK, which are the main part of whole life and health reinsurance business. The same applies in the tables below.

Note 3: Opening EV is derived from 2024 Independent Actuarial Consultants' Report on Embedded Value of China Reinsurance (Group) Corporation. Since model enhancements have been implemented during the current period, there may be certain discrepancies in the changes of individual line items.

EMBEDDED VALUE

Valuation Assumptions

The assumptions below are used for the valuation of embedded value and value of one year's new business as at 31 December 2025.

Risk Discount Rate

A 8.35% risk discount rate has been used to calculate the value of in-force business and value of one year's new business.

Investment Return Rates

The assumptions of investment return rates of main business lines used for the value of in-force business and value of one year's new business as at 31 December 2025 is 4.35%. These assumptions are determined with reference to the circumstances of current capital market, current and expected future asset allocations, and the investment returns of major asset classes.

Policyholder Dividend

Policyholder dividend has been derived in accordance with the terms related to dividend accepted by the reinsurer as stipulated in the reinsurance contracts. The surplus of the participating business accepted is the sum of interest surplus and mortality surplus, and 70% of the corresponding surplus is assumed to be distributed to policyholders. The reinsurer is responsible for paying the amount of dividend according to the terms in the reinsurance contracts. Moreover, interest surplus is determined either based on the terms in the reinsurance contracts or the Group's assumptions for investment return rates.

Mortality and Morbidity

The assumptions of mortality and morbidity rates are based on the recent experience of the Group and the overall experience of China life and health insurance market. Mortality and morbidity assumptions vary by product categories.

EMBEDDED VALUE

Claim Ratio

The claim ratio assumptions are only relevant to short-term reinsurance business and YRT reinsurance business and are determined on a contract-by-contract basis according to the claim experience of recent years.

Discontinuance Rates

The assumptions of discontinuance rates are determined based on the actual experience in recent years, current and future expectations, and the understanding of the overall China life and health insurance market. Discontinuance rate assumptions vary by product categories and premium payment types.

Expenses

The assumptions of expenses are determined based on recent experience, expense management and the expected future expense level of life and health reinsurance business. For per policy expense assumptions, the assumed annual inflation rate is 2%.

The commission rates, sliding scale commission rates and profit commission rates for short-term reinsurance business and YRT reinsurance business are determined according to recent experience on a contract-by-contract basis.

Tax

Currently, corporate income tax rates in the Chinese mainland market and the Hong Kong market are assumed to be 25% and 8.25% of taxable profit respectively. And some percentage of investment return is assumed to be tax free based on current experience and future expectation.

EMBEDDED VALUE

Sensitivity

We have performed a series of sensitivity tests on alternative assumptions for value of in-force business and value of one year's new business of the life and health reinsurance business of the Group as at 31 December 2025. For each test, only the referred assumption is changed, while the other assumptions are kept unchanged. Results of the sensitivity tests are shown as below:

Table 2: Sensitivity Test Results of VIF and 1-year VNB of the Group as at 31 December 2025

(in RMB millions)

Scenarios	Value of in-force business after Cost of Capital	Value of one year's new business after Cost of Capital
Base scenario	4,163	1,346
Risk discount rate increased by 100 basis points	2,960	1,101
Risk discount rate decreased by 100 basis points	5,554	1,573
Annual investment return rates increased by 50 basis points	6,403	1,853
Annual investment return rates decreased by 50 basis points	1,893	842
Mortality and morbidity rates increased by 10%	4,142	1,345
Mortality and morbidity rates decreased by 10%	4,197	1,348
Discontinuance rates increased by 10%	4,155	1,339
Discontinuance rates decreased by 10%	4,172	1,354
Management expenses increased by 10%	4,025	1,320
Management expenses decreased by 10%	4,300	1,372
Combined ratio of short-term reinsurance contracts increased by 1% on absolute basis	3,964	1,244
Combined ratio of short-term reinsurance contracts decreased by 1% on absolute basis	4,466	1,444

EMBEDDED VALUE

Movement Analysis

The table below shows the movement analysis of the EV of the Group for the period from 31 December 2024 to 31 December 2025.

Table 3: Movement analysis of EV from 31 December 2024 to 31 December 2025

(in RMB millions)

No.	Item	Amount	Details
1	EV of life and health reinsurance business as at 31 December 2024	35,928	EV as at 2024 year end before model change
2	Model change	894	EV model improvement
3	Modified EV of life and health reinsurance business as at 31 December 2024	36,822	EV as at 2024 year end after model change
4	Expected return on EV	2,974	Expected return on EV in the year of 2025
5	Impact of new business	1,551	Impact of new business in the year of 2025
6	Impact of market value adjustments and other adjustments	(196)	Changes from asset market value adjustments and other adjustments
7	Economic experience variances	1,538	Difference between actual investment income and expected investment income in the year of 2025
8	Operating experience variances	1,611	Difference between actual operational experience and expected operational results in the year of 2025
9	Change in assumptions	(880)	Adjustments to assumptions at 31 December 2025
10	Others	(67)	
11	Capital injection and shareholder dividend payment	(561)	Capital injection to China Re Life and dividend paid to the Group Company by China Re Life
12	EV of life and health reinsurance business as at 31 December 2025	42,791	

EMBEDDED VALUE

No.	Item	Amount	Details
13	EV of other business of the Group as at 31 December 2025	84,452	
14	Profit from other business in the year of 2025	5,756	
15	Impact of market value adjustments and other adjustments	(387)	Changes from asset market value adjustments and other adjustments
16	Others	(55)	
17	Capital injection and shareholder dividend payment	(1,563)	Capital injection to subsidiaries, dividend paid to the Group Company by subsidiaries and dividend paid to shareholders by the Group
18	EV of other business of the Group as at 31 December 2025	88,204	
19	EV of the Group as at 31 December 2025	130,995	

EMBEDDED VALUE

Reliance and Limitations

In performing our work, we have relied on the information provided verbally and in writing by, or on behalf of, the Group for periods up to 31 December 2025.

In particular, we have relied on:

- Information regarding the in-force reinsurance contracts and retrocession reinsurance contracts of the Group Company, China Re Life and China Re HK;
- Policy data covering the in-force long-term reinsurance contracts of the Group Company, China Re Life and China Re HK;
- Model points of the in-force yearly renewable term reinsurance contracts of the Group Company, China Re Life and China Re HK;
- Information regarding the accumulated amount of the in-force survival benefit and policy dividend of the Group Company, China Re Life and China Re HK;
- Information regarding the C-ROSS reserve and accounting reserve of the Group Company, China Re Life and China Re HK;
- Information regarding the gross written premium from short-term reinsurance contracts of the Group Company, China Re Life and China Re HK;
- Information regarding the ceded gross premium for short-term retrocession reinsurance contracts of the Group Company, China Re Life and China Re HK;
- Information relevant to adjusted net worth and historical financial information of the Group Company, China Re Life and China Re HK;
- Information regarding the experience statistics and experience analysis results of the Group Company, China Re Life and China Re HK;
- Information regarding the future investment strategy and tax exempted proportion of investment income of the Group Company, China Re Life and China Re HK; and
- Information regarding the foreign currency policies and foreign exchange rate of the Group Company, China Re Life and China Re HK.

EMBEDDED VALUE

We have reviewed the reasonableness of the limited information obtained and checked its consistency with our understanding of China life and health insurance market and international reinsurance industry. It should be noted that the scope of our work did not include independent verification or audit of the accuracy or completeness of the policy data and other information provided to us. We did not review the adequacy of various reserves in the balance sheet.

Embedded value and value of one year's new business highly depend on the results of financial projection. In performing the projection, numerous assumptions have been made, including but not limited to macroeconomic environment and investment strategy, operational costs, taxation policy, discontinuance rate, mortality rate, morbidity rate and regulations. Changes in the internal or external environment may affect the stability of the parameters used in the projection and could change the projection results materially.

This report is based on the information obtained by EY as at 31 December 2025, and any future development and changes of such information after that date will not be accounted for.

Disclosure

EY has been engaged by the Group Company in providing opinions and assistance regarding to actuarial matters of embedded value of life and health reinsurance business of the Group. Readers should consider all contents of this report in their entirety, as a section or several sections in isolation may not provide the right context or sufficient information for drawing proper conclusion. EY will take no responsibility for contents other than those contained in this actuarial consultants' report.

On behalf of
Ernst & Young (China) Advisory Limited

Bonny Fu
FSA, FCAA

Julia Zhang
FSA, FCAA

INDEPENDENT AUDITOR'S REPORT

To the shareholders of China Reinsurance (Group) Corporation
(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of China Reinsurance (Group) Corporation (“the Company”) and its subsidiaries (“the Group”) set out on pages 151 to 361, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

Valuation of liabilities for remaining coverage ("LRC") of insurance contracts not measured under the premium allocation approach ("PAA")

Refer to Notes 2(21), 3(2) and 26 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the Group's LRC within insurance contract liabilities not measured under the PAA amounted to RMB112.4 billion, representing 27.5% of the Group's total liabilities. The valuation of the LRC of insurance contracts not measured under the PAA involved a high degree of management judgement and estimation in setting assumptions used in the models. The key actuarial assumptions adopted in the valuation models include discount rates, mortality and morbidity rates, lapse rates, and expected loss ratios. We identified the valuation of LRC of insurance contracts not measured under the PAA as a key audit matter because of the inherent uncertainties and the degree of management judgements involved, and because the valuation of LRC of insurance contracts not measured under the PAA is significant to the consolidated financial statements.	Our audit procedures to assess the valuation of the LRC of insurance contracts not measured under the PAA with the assistance of our internal actuarial specialists included the following: • evaluating and testing the design, implementation and operating effectiveness of key internal controls over the valuation of the LRC of insurance contracts not measured under the PAA, including controls over data analysis and the determination and approval of actuarial assumptions; • assessing, on a sample basis, the appropriateness of the actuarial models adopted with reference to the requirements of the prevailing accounting standard and the reasonableness of the key assumptions used (including discount rates, mortality and morbidity rates, lapse rates and expected loss ratios) and management's rationale for the judgements applied, with reference to the Group's historical data and applicable industry experience; • performing independent actuarial modelling on selected groups of insurance contracts, recalculating the estimates of the LRC and comparing the results to the Group's estimates on a sample basis; and • evaluating the reasonableness of the disclosures on the LRC of insurance contracts not measured under the PAA with reference to the requirements of the prevailing accounting standard.

INDEPENDENT AUDITOR'S REPORT

Valuation of liabilities for incurred claims ("LIC") of insurance contracts measured under PAA

Refer to Notes 2(21), 3(2) and 26 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the Group's LIC within insurance contract liabilities measured under the PAA amounted to RMB53.5 billion, representing 13.1% of the Group's total liabilities. The valuation of the LIC of insurance contracts measured under the PAA involved a high degree of management judgement and estimation in setting assumptions used in the actuarial models. These included expected loss ratios and future claim development patterns. Management analysed the paid claims, the reported claim losses, the average claim amount per case and the number of claims based on the development of claims from the previous years; these are then used to determine the expected loss ratio for evaluating the LIC of insurance contracts measured under the PAA. We identified the valuation of LIC of insurance contracts measured under the PAA as a key audit matter because of the inherent uncertainties and the degree of management judgments involved.	Our audit procedures to assess the valuation of LIC of insurance contracts measured under the PAA with the assistance of our internal actuarial specialists included the following: - evaluating and testing the design, implementation and operating effectiveness of key internal controls over the valuation of the LIC of insurance contracts measured under the PAA, including controls over data analysis and the determination and approval of actuarial assumptions; - assessing, on a sample basis, the appropriateness of the actuarial models with reference to the requirements of the prevailing accounting standard; and the reasonableness of expected loss ratios and future claim development patterns adopted by Group with reference to the Group's historical data and applicable industry experience; - performing independent actuarial modelling, recalculating the LIC of insurance contracts measured under the PAA and comparing the results to the Group's estimates, on a sample basis; and - evaluating the reasonableness of the disclosures on the LIC of insurance contracts measured under the PAA with reference to the requirements of the prevailing accounting standard.

INDEPENDENT AUDITOR'S REPORT

Valuation of Level 3 financial instruments

Refer to Notes 3(7) and 46 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
Fair value measurements of financial instruments were categorised as Level 3 of the fair value hierarchy if they were determined using significant unobservable inputs. The Group's financial instruments whose fair value measurements were categorised as Level 3 had a total carrying amount of RMB7.1 billion, representing 1.4% of the Group's total assets as at 31 December 2025. The valuation of Level 3 financial assets requires significant judgements and estimates to be made in the selection of valuation models and the determination of significant unobservable inputs. The significant unobservable inputs include discount rates for credit risk, the discounts for lack of marketability and valuation multiples of comparable companies. We identified the valuation of level 3 financial instruments as a key audit matter because of the degree of complexity involved in valuing such financial instruments and because of the degree of judgment exercised by management in determining the inputs used in the valuation models.	Our audit procedures to assess the valuation of level 3 financial instruments included the following: - evaluating and testing the design, implementation and operating effectiveness of key internal controls over the valuation of Level 3 financial instruments, including controls in place to review the valuation methodologies and assumptions adopted over the valuation; - involving our internal valuation specialist to assess the valuation of the Level 3 financial instruments, on a sample basis, by evaluating the appropriateness of the methods with reference to the requirements of the prevailing accounting standard and the reasonableness of the unobservable inputs, or performing independent valuations and comparing these valuations with the valuations of the Group; and - evaluating the reasonableness of the disclosures relating to the valuation of Level 3 financial instruments with reference to the requirements of the prevailing accounting standard.

INDEPENDENT AUDITOR'S REPORT

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Lok Man.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 March 2026

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2025	2024
Operating income			
Insurance revenue	5	103,087,051	101,363,282
Interest income	6	9,291,913	9,234,723
Investment income	7	12,084,972	6,831,989
Exchange gains and losses, net		(714,928)	(341,763)
Other income	8	1,178,586	1,044,685
Total income		124,927,594	118,132,916
Operating expense			
Insurance service expenses	26	(97,444,144)	(94,751,279)
Allocation of reinsurance premiums	9	(9,438,291)	(8,970,439)
Amounts recoverable from reinsurers		7,131,759	8,945,012
Finance expenses from insurance contracts issued	10	(5,758,624)	(5,897,724)
Finance income from reinsurance contracts held	10	683,455	1,026,578
Net impairment loss on financial assets	11	(1,365,473)	(971,872)
Other finance cost	12	(1,663,072)	(2,008,325)
Other operating and administrative expenses	13	(4,314,792)	(3,685,055)
Total insurance service expenses and others		(112,169,182)	(106,313,104)
Share of profit of associates		1,717,594	1,978,154
Impairment losses of associates		(1,844,000)	–
Profit before tax		12,632,006	13,797,966
Income tax	16	(2,414,735)	(2,717,526)
Net profit		10,217,271	11,080,440
Attributable to:			
Equity shareholders of the parent		9,771,143	10,556,993
Non-controlling interests		446,128	523,447
Earnings per share (RMB)	18		
– Basic		0.23	0.25
– Dilution		0.23	0.25

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2025	2024
Net profit		10,217,271	11,080,440
Other comprehensive income for the year after tax	19		
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation		37,316	16,077
Equity investments designated at fair value through other comprehensive income		885,588	1,287,999
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates		(174,715)	251,985
Fair value changes on debt instruments measured at fair value through other comprehensive income		(1,136,290)	1,739,633
Provision for credit losses on debt instruments measured at fair value through other comprehensive income		(31,893)	(7,392)
Exchange differences on translation of financial statements of foreign operations		(407,166)	281,258
Finance income/(expenses) from insurance contracts issued		83,321	(5,250,454)
Finance (expenses)/income on reinsurance contracts held		(562,977)	3,072,797
Total other comprehensive income after tax		(1,306,816)	1,391,903
Total comprehensive income for the year		8,910,455	12,472,343
Attributable to:			
Equity shareholders of the parent		8,579,546	11,786,287
Non-controlling interests		330,909	686,056
Total comprehensive income for the year		8,910,455	12,472,343

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	31 December 2025	31 December 2024
Assets			
Cash and short-term time deposits	20	16,623,145	13,005,875
Derivative financial assets		244,174	164,341
Financial assets held under resale agreements	21	13,024,865	6,828,588
Financial investments:			
Financial assets measured at fair value through profit or loss	22	112,372,666	118,123,741
Financial assets measured at amortized cost	23	62,337,442	74,377,733
Debt instruments measured at fair value through other comprehensive income	24	165,431,644	139,232,691
Equity investments designated at fair value through other comprehensive income	25	19,002,555	11,784,459
Insurance contract assets	26	622,915	510,360
Reinsurance contract assets	26	32,706,481	31,006,218
Investment contract assets		8,382,466	10,120,665
Time deposits	28	22,497,495	27,391,847
Statutory deposits for insurance operations	30	21,426,657	23,072,127
Investment properties	31	6,639,293	5,599,061
Property and equipment	32	2,069,732	3,492,038
Right-of-use assets	33	693,379	861,543
Intangible assets	34	2,146,537	2,270,611
Investments in associates	35	23,242,901	25,285,234
Goodwill	36	1,639,067	1,649,297
Deferred tax assets	41	9,159,255	7,203,926
Other assets	37	7,500,762	6,366,750
Total assets		527,763,431	508,347,105

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	31 December 2025	31 December 2024
Liabilities and equity			
Liabilities			
Financial liabilities measured at fair value through profit or loss		613,395	543,263
Derivative financial liabilities		166,506	437,099
Financial assets sold under repurchase agreements	38	53,940,898	69,589,907
Income tax payable		2,258,904	2,530,753
Investment contract liabilities		48,912,949	41,804,950
Insurance contract liabilities	26	271,096,723	252,362,582
Reinsurance contract liabilities	26	45,962	103,658
Notes and bonds payable	39	13,153,551	13,153,508
Lease liabilities	33	649,575	815,856
Deferred tax liabilities	41	1,069,226	1,015,166
Other liabilities	40	16,541,048	13,325,566
Total liabilities		408,448,737	395,682,308

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	31 December 2025	31 December 2024
Equity			
Share capital	42	42,479,808	42,479,808
Reserves		24,038,290	24,333,222
Retained earnings		43,126,489	36,442,631
Total equity attributable to equity shareholders of the parent		109,644,587	103,255,661
Non-controlling interests		9,670,107	9,409,136
Total equity		119,314,694	112,664,797
Total liabilities and equity		527,763,431	508,347,105

Approved and authorised for issue by the board of directors on 30 March 2026.

Zhuang Qianzhi
Director

Zhu Xiaoyun
Director

Tian Meipan
Chief Financial Officer
Chief Actuary

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Attributable to equity shareholders of the parent												
		Reserves											Non-controlling interests	Total equity
		Share capital	Capital reserve	Surplus reserve	General risk reserve	Catastrophic loss reserve	Defined benefit obligation remeasurement reserve	Fair value reserve	Insurance finance reserve	Exchange reserve	Retained earnings	Subtotal		
As at 1 January 2025		42,479,808	10,671,448	3,550,700	8,165,601	381,361	(19,537)	3,091,661	(1,571,940)	63,928	36,442,631	103,255,661	9,409,136	112,664,797
Net Profit		-	-	-	-	-	-	-	-	-	9,771,143	9,771,143	446,128	10,217,271
Other comprehensive income	19	-	-	-	-	-	37,316	(324,815)	(498,830)	(405,268)	-	(1,191,597)	(115,219)	(1,306,816)
Total comprehensive income		-	-	-	-	-	37,316	(324,815)	(498,830)	(405,268)	9,771,143	8,579,546	330,909	8,910,455
Appropriations to surplus reserve		-	-	204,691	-	-	-	-	-	-	(204,691)	-	-	-
Appropriations to general risk reserve		-	-	-	774,243	-	-	-	-	-	(774,243)	-	-	-
Appropriations to catastrophic loss reserve		-	-	-	-	277,349	-	-	-	-	(277,349)	-	-	-
Distributions to shareholders of the parent	17	-	-	-	-	-	-	-	-	-	(2,123,990)	(2,123,990)	-	(2,123,990)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(106,856)	(106,856)
Disposal of equity investments designated at fair value through other comprehensive income		-	-	-	-	-	-	(292,988)	-	-	292,988	-	-	-
Transaction with non-controlling interests		-	(2,418)	-	-	-	-	-	-	-	-	(2,418)	36,918	34,500
Others		-	(64,212)	-	-	-	-	-	-	-	-	(64,212)	-	(64,212)
As at 31 December 2025		42,479,808	10,604,818	3,755,391	8,939,844	658,710	17,779	2,473,858	(2,070,770)	(341,340)	43,126,489	109,644,587	9,670,107	119,314,694

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

		Attributable to equity shareholders of the parent												
		Reserves												
		Share capital	Capital reserve	Surplus reserve	General risk reserve	Catastrophic loss reserve	Defined benefit obligation	Fair value reserve	Insurance finance	Exchange reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
Note							remeasurement reserve		reserve					
As at 1 January 2024		42,479,808	10,670,969	3,256,447	7,627,689	308,416	(35,614)	(250,172)	563,541	(184,421)	28,816,384	93,253,047	8,925,870	102,178,917
Net Profit		-	-	-	-	-	-	-	-	-	10,556,993	10,556,993	523,447	11,080,440
Other comprehensive income	19	-	-	-	-	-	16,077	3,100,349	(2,135,481)	248,349	-	1,229,294	162,609	1,391,903
Total comprehensive income		-	-	-	-	-	16,077	3,100,349	(2,135,481)	248,349	10,556,993	11,786,287	686,056	12,472,343
Appropriations to surplus reserve		-	-	294,253	-	-	-	-	-	-	(294,253)	-	-	-
Appropriations to general risk reserve		-	-	-	537,912	-	-	-	-	-	(537,912)	-	-	-
Appropriations to catastrophic loss reserve		-	-	-	-	72,945	-	-	-	-	(72,945)	-	-	-
Distributions to shareholders of the parent	17	-	-	-	-	-	-	-	-	-	(1,784,152)	(1,784,152)	-	(1,784,152)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(202,790)	(202,790)
Disposal of equity investments designated at fair value through other comprehensive income		-	-	-	-	-	-	241,484	-	-	(241,484)	-	-	-
Others		-	479	-	-	-	-	-	-	-	-	479	-	479
As at 31 December 2024		42,479,808	10,671,448	3,550,700	8,165,601	381,361	(19,537)	3,091,661	(1,571,940)	63,928	36,442,631	103,255,661	9,409,136	112,664,797

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2025	2024
Operating activities			
Cash generated from operations	44(a)	22,629,103	11,930,645
Income tax paid		(4,054,857)	(1,583,172)
Net cash flows generated from operating activities		18,574,246	10,347,473
Investing activities			
Interest received		9,880,205	9,245,786
Dividends received		2,440,409	2,374,681
Purchases of property and equipment, investment properties and intangible assets		(414,939)	(433,869)
Proceeds from disposal of property and equipment, investment properties and intangible assets		63,087	72,485
Purchases of investments		(359,275,505)	(312,616,090)
Proceeds from disposal of investments		357,697,859	282,799,112
Net cash flows generated from/(used in) investing activities		10,391,116	(18,557,895)

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2025	2024
Financing activities			
Net changes in third party investors' interests of consolidated structured entities		851,473	1,170,253
Net proceeds from bonds issued	39	4,000,000	—
Redemption of bonds and notes	39	(4,000,000)	—
Net payment of bank loans		—	(1,427,110)
Interest paid		(1,576,404)	(2,006,262)
Payments for lease liabilities		(350,034)	(368,247)
Dividends paid to shareholders of the parent		(2,123,990)	(1,784,152)
Dividends paid to non-controlling interests		(106,856)	(202,790)
Net proceeds from financial assets sold under repurchase agreements		(15,292,657)	9,234,073
Net cash flows (used in)/generated from financing activities		(18,598,468)	4,615,765
Net increase/(decrease) in cash and cash equivalents		10,366,894	(3,594,657)
Cash and cash equivalents at the beginning of the year		14,118,645	17,803,419
Effect of foreign exchange rate changes		(89,973)	(90,117)
Cash and cash equivalents at the end of the year	44(b)	24,395,566	14,118,645

The accompanying notes on pages 160 to 361 form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

1 CORPORATE INFORMATION

The predecessor of China Reinsurance (Group) Corporation (the “Company”), PICC Reinsurance Company Limited, was originated from The People’s Insurance Company of China, which was established in October 1949. On 23 March 1999, pursuant to the approval of the State Council of the PRC and the former China Insurance Regulatory Commission (the “former CIRC”), PICC Reinsurance Company Limited was renamed to China Reinsurance Company. On 20 June 2003, with the approval of the former CIRC, China Reinsurance Company was renamed to China Reinsurance (Group) Company. On 9 October 2007, pursuant to the approval from relevant authorities, China Reinsurance (Group) Company was converted into a joint stock limited company and changed the company name to China Reinsurance (Group) Corporation.

The Company completed its initial public offering of overseas-listed foreign shares (“H shares”) and was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 26 October 2015.

The Company’s registered office is located at No. 11 Jinrong Avenue, Xicheng District, Beijing 100033, the PRC.

The Company and its subsidiaries (the “Group”) are mainly engaged in property and casualty reinsurance, life and health reinsurance, primary property and casualty insurance, asset management and other businesses.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(1) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards which collective term includes International Accounting Standards and related interpretations, promulgated by the International Accounting Standards Board (“IASB”). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the material accounting policies information adopted by the Group is set out below.

For the purpose of preparing the consolidated financial statements, the Group has adopted all applicable new and revised IFRS Accounting Standards in issue which are relevant to the Group for the current year’s financial statements, except for any new standards or interpretations that are not yet effective for the year ended 31 December 2025.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(2) Basis of measurement

The financial statements are presented in Renminbi (RMB), rounded to the nearest thousand, which is the functional currency of the Company, except when otherwise indicated.

It has been prepared on the historical cost basis except for the following assets and liabilities as explained in the accounting policies set out below:

- financial instruments measured at fair value (see Note 2(12) and Note 2(13)).
- insurance contracts issued and reinsurance contracts held measured on a current value basis as explained in Note 2(21) and Note 3(2).

(3) New accounting standards and amendments adopted by the Group for the first time for the financial year beginning on 1 January 2025

Amendments to IAS 21

Lack of Exchangeability

The above amendments to the standards did not have any material impact on the consolidated financial statements of the Group for the year ended 31 December 2025.

(4) New accounting standards and amendments that are not yet effective and have not been early adopted by the Group for the financial year beginning on 1 January 2025

1 January 2026	Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
1 January 2027	Amendments to IFRS 18	Presentation and Disclosure in Financial Statements
1 January 2027	Amendments to IFRS 19	Disclosure Initiative-Subsidiaries without Public Accountability: Disclosures

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(5) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity where it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary excluding structured entities not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statements of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the reporting period between non-controlling interests and the shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(12)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(7) if applicable).

For each managed syndicate on which the Group participates, only the relevant proportion of the income, expenses, assets and liabilities of those Lloyd's syndicates are reflected in the consolidated financial statements. As at 31 December 2025, the Group provided 100% of the capital for Syndicate 1084, and provided 57% of the capital for Syndicate 1176, and therefore relevant proportion of the income, expenses, assets and liabilities of those Lloyd's syndicates have been included in the Group's financial statements.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(6) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. The Group determines whether it is an agent or a principal in relation to those structured entities in which the Group acts as an asset manager. If an asset manager is the agent, it acts primarily on behalf of others and so does not control the structured entity. It may be principal if it acts primarily for itself, and therefore controls the structured entity. In assessing whether the Group is acting as the principal, the Group considers factors such as scope of the asset manager's decision-making authority; rights held by other parties; remuneration to which it is entitled; and exposure to variability of returns from its involvement with structured entities. The Group will make reassessment when the factors change.

(7) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment provisions relating to the investment. Any excess over cost at acquisition-date, the Group's share of the post-acquisition post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statements of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statements of comprehensive income.

Where the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(7) Associates and joint ventures (continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(12)).

(8) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(9) Goodwill

Goodwill represents the excess of

- (a) The aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; and
- (b) The net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (b) is greater than (a), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment provisions. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment.

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(10) Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term time deposits, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(11) Translation of foreign currencies

Foreign currency transactions are translated at the foreign exchange rates ruling at the transaction dates or at the rates that approximate the spot exchange rates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss (or other comprehensive income where applicable).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(11) Translation of foreign currencies (continued)

The functional currencies of certain foreign operations are currencies other than the Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period and their income statements are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(12) Financial Instruments

(a) Initial recognition, classification and measurement of financial instruments

Financial assets or financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

For regular way purchase or sale of a financial asset, the financial asset is recognized or derecognized at the trade date. The trade date is the date on which the Group commits to purchase or sell the financial asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. For other financial assets or financial liabilities, their transaction costs are included in their initial carrying amount.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(12) Financial Instruments (continued)

(a) Initial recognition, classification and measurement of financial instruments (continued)

Financial assets

Financial assets are classified in the following measurement categories based on the Group's business model for managing the assets and the cash flow characteristics of the assets:

- (i) Amortized cost ("AC");
- (ii) Fair value through other comprehensive income ("FVOCI"); or
- (iii) Fair value through profit or loss ("FVPL").

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined on a reasonable expected scenario, taking into account: how cash flows were generated in the past, how the performance of the business model and the financial assets held within that business model is evaluated and reported to the Group's key management personnel; how risks are evaluated and managed; and how managers of the business are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial assets' cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period of time, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(12) Financial Instruments (continued)

(a) Initial recognition, classification and measurement of financial instruments (continued)

The classification requirements for debt instruments and equity instruments in the Group are described as below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and etc. Classification and measurement of debt instruments depend on the Group's business models for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the debt instruments of the Group are classified into three categories below:

- (i) AC: Debt instruments that are held within a business model whose objective is to hold assets to collect contractual cash flows; and contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and that are not designated as at FVPL, are measured at amortized cost.
- (ii) FVOCI: Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVOCI.
- (iii) FVPL: All financial assets not classified as measured at AC or FVOCI as described above are measured at FVPL.

The Group may also irrevocably designate financial assets as at FVPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(12) Financial Instruments (continued)

(a) Initial recognition, classification and measurement of financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group subsequently measures all equity investments at FVPL, except for the equity investment not held for trading where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment as at FVOCI. The Group has irrevocably designated certain equity instruments that are not held for trading as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are recognised in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive income shall be reclassified to retained earnings under equity.

Financial liabilities

The Group's financial liabilities are classified into financial liabilities at FVPL and other financial liabilities carried at amortized cost on initial recognition. Financial liabilities at FVPL is applied to derivatives, financial liabilities held for trading and financial liabilities designated as such at initial recognition.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(12) Financial Instruments (continued)

(b) Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on their categories:

Financial assets and liabilities measured at amortized cost

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition: (i) minus the principal repayments; (ii) plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount; (iii) for financial assets, adjusted for any loss allowance. Interest income and interest expenses from these financial assets and liabilities are included in “interest income” and “other finance costs” using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses (“ECL”) but includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate.

Interest income, which is separately presented in the consolidated statement of profit or loss, is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for the credit-impaired financial assets for which their amortised cost is used to calculate the interest income.

Financial assets at fair value through other comprehensive income

Debt instruments

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income calculated by using the effective interest method and foreign exchange gains and losses on the amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified to profit or loss. Same as the financial assets measured at amortised cost, interest income from these financial assets is calculated using the effective interest method.

Equity instruments

Certain investments in equity instruments that are not held for trading are designated as FVOCI. Dividends, except for those clearly represent a recovery of or part of cost of the investments, continue to be recognized in profit or loss when the Group’s right to receive payments is established. Other net gains or losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are transferred to retained earnings.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(12) Financial Instruments (continued)

(b) Subsequent measurement of financial instruments (continued)

Financial assets measured at fair value through profit or loss

Debt instruments

A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the profit or loss statement within “Investment income/(losses)” in the period in which it arises.

Equity instruments

Gains and losses on equity investments at FVPL are included in the “Investment income/(losses)” in the condensed consolidated income statement.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at FVPL are measured at fair value with all gains or losses recognized in profit or loss of the current period.

(c) Impairment of financial instruments

The Group assesses on a forward-looking basis the ECL associated with its financial assets measured at amortized cost and FVOCI and credit exposures arising from some loan commitments and financial guarantee contracts.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract term and all the cash flows that the Group expects to receive, which are all cash shortfalls, discounted at the original effective interest rate.

The Group measures ECL of a financial instrument reflecting:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(12) Financial Instruments (continued)

(c) Impairment of financial instruments (continued)

For financial instruments whose impairment losses are measured using the ECL models, the Group applies a three-stage impairment model to calculate their impairment allowance and recognize their ECL, as follows:

- Stage I: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in Stage I.
- Stage II: If the credit risk has increased significantly since its initial recognition but is not yet credit-impaired, the financial instrument is moved to Stage II.
- Stage III: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage III.

ECLs are measured on either of the following bases:

- Stage I: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date or a shorter period if the expected life of the instrument is less than 12 months (“12-month ECLs”);
- Stage II & Stage III: these are the ECLs that result from all possible default events over the expected lives of the instruments to which the ECL model applies (“lifetime ECLs”).

The loss allowance for financial assets measured at FVOCI is recognized by adjusting other comprehensive income and the impairment loss is recognized in profit or loss, and it should not reduce the carrying amount of the financial asset in the statement of financial position.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime net impairment loss on financial assets in the previous reporting period, but determines at the current reporting date that the financial instrument is no longer regarded as experiencing a significant increase in credit risk since initial recognition, the Group measures the loss allowance at an amount equal to 12-month net impairment loss on financial assets at the current reporting date and the amount of net impairment loss on financial assets reversal is recognized in profit or loss.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(13) Derivatives

The Group uses derivatives to hedge its exposure on risks. The derivatives are accounted for as trading financial assets or financial liabilities. Derivatives are recognised at fair value upon initial recognition. The positive fair value is recognised as assets while the negative fair value is recognised as liabilities. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

(14) Financial assets held under resale agreements and financial assets sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under agreements to repurchase in the statements of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under agreements to repurchase continue to be recognised in the statements of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest rate method and is included in interest income and interest expenses, respectively.

(15) Investment contracts

Contracts in the legal form of an insurance or reinsurance arrangement that do not transfer significant insurance risk are investment contracts that do not contain discretionary participation features (DPF) are measured under IFRS 9.

(16) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(17) Investment properties

The Group's investment properties are buildings held to earn rental income, rather than for the supply of services or for administrative purposes.

An investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any impairment losses.

Depreciation is computed on the straight-line basis over the estimated useful life. The estimated useful life of investment properties is 15 to 35 years.

The residual value, the useful life and the depreciation method are reviewed at least at end of the reporting period to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the investment properties.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the period of retirement or disposal. A transfer to, or from, an investment property is made when, and only when, there is evidence of a change in use.

(18) Property and equipment

Property and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(18) Property and equipment (continued)

Depreciation is calculated to write-off the cost or valuation of items of property and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings	15 – 35 years
Machinery and equipment	3 – 11 years
Motor vehicles	5 – 8 years
Office and electronic equipment	3 – 8 years
Leasehold improvement	shorter of lease terms and useful life

Where parts of an item of property and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents costs of construction of buildings and other items of property as well as costs of equipment under installation. Construction in progress is stated at cost less any impairment losses, and is not depreciated, and is reclassified to the appropriate category of property and equipment when completed and ready for use.

(19) Intangible assets (other than goodwill)

Intangible assets are mainly the value of business acquired, Syndicate capacity, distribution channel, purchased software and etc.

(a) Syndicate capacity

Syndicate capacity is arising from business combination, recognised as an intangible asset on the consolidated statements of financial position. Syndicate capacity represents the capacity of Lloyd's Syndicates allowing the Company to write insurance business in the Lloyd's market globally and to realise profits from that business. The continuing value of the underwriting capacity is reviewed for impairment annually by reference to the expected future profit streams to be earned from the syndicate, with any impairment in value being charged to the statement of profit or loss. It is deemed to have indefinite useful lives and are therefore not subject to amortization and is stated at cost less any impairment loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(19) Intangible assets (other than goodwill) (continued)

(b) Distribution channel

Distribution channel is arising from business combination, recognised as an intangible asset on the consolidated statements of financial position. Distribution channel represents a network of retail and wholesale brokers worldwide, including specialty and regional brokerages, which allow the Group to form closer relationships with clients and aids business retention. Distribution channel is initially recognised at fair value at the acquisition date and is subsequently measured at cost less accumulated amortisation and impairment provision. It is amortised on a straight-line basis over their estimated useful lives from 10 to 15 years.

(c) Software

Purchased software is stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses. Software are finite life assets and amortised on a straight-line basis over the assets' estimated useful lives from 3 to 10 years.

(20) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(21) Insurance Contracts

(a) Classification

The Group classifies its contracts arising from its direct and reinsurance businesses as either insurance contracts or investment contracts, depending on the level of insurance risk. A contract that transfers significant insurance risk is classified as an insurance contract, while those contracts which have the legal form of insurance contracts but do not transfer significant insurance risk are classified as investment contracts.

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the issuer to pay significant additional benefits to the policyholder and the issuer has a possibility of incurring a loss on a present value basis, the contract is considered as transferring significant insurance risk and is accounted for as an insurance contract. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts held. Insurance contracts and reinsurance contracts can also expose the Group to financial risk.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(a) Classification (continued)

For investment contracts issued that do not contain discretionary participation features (DPF) and investment contracts held, IFRS 9 “Financial Instruments” is applied (see Note 2(15)).

Once a contract has been classified as an insurance, reinsurance or investment contract, reclassification is not subsequently performed unless the terms of the agreement are later amended.

(b) Combination and separation

The Group considers a set or series of insurance contracts with the same or related counterparties that may achieve, or be designed to achieve, an overall commercial effect as a whole.

At inception, the Group separates the following components from an insurance contract issued or a reinsurance contract held and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance contract issued or a reinsurance contract held as a stand-alone instrument; and
- distinct investment components – i.e. investment components that are not highly interrelated with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group separates any promises to transfer distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(c) Level of aggregation and recognition of group of insurance contracts

A portfolio of insurance contracts of the Group comprises contracts subject to similar risks and are managed together.

Insurance Contracts issued

Each portfolio is further disaggregated into groups of contracts within one calendar year and is divided into at least three groups based on the profitability of the contract:

- a group of contracts that are onerous at initial recognition;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- a group of the remaining contracts.

An insurance contract issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (*continued*)

(21) Insurance Contracts (*continued*)

(c) Level of aggregation and recognition of group of insurance contracts (*continued*)

Reinsurance contracts held

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Group aggregates reinsurance contracts held within one calendar year into groups of:

- a group of contracts for which there is a net gain at initial recognition;
- a group of contracts that at initial recognition have no significant possibility of a net gain arising subsequently; and
- a group of the remaining contracts.

A group of reinsurance contracts held by the Group is recognised on the following dates:

- Reinsurance contracts held that provide proportionate coverage: Generally later of the beginning of the coverage period of the Group of reinsurance contracts held, or the date on which any underlying insurance contract is initially recognised.
- Other reinsurance contracts held: The beginning of the coverage period of the Group of reinsurance contracts held.

However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract held was entered into on or before that earlier date, then the Group of reinsurance contracts held is recognised on that earlier date.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(d) Fulfilment cash flows

Fulfilment cash flows comprise:

Estimates of future cash flows

The estimates of future cash flows:

- are based on a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

An adjustment to reflect the time value of money and the financial risks related to future cash flows

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

A risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, to reflect the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. For reinsurance contract, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(e) Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Insurance Contracts issued

Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Reinsurance contracts held

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(f) Insurance acquisition cash flows

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of contracts using a systematic and rational allocation method.

(g) Measurement – insurance contracts issued not measured under the premium allocation approach (the “PAA”)

(i) Initial measurement

On initial recognition, the Group measures a group of contracts as the total of: (a) the fulfilment cash flows, which comprise estimates of future cash flows, an adjustment to reflect time value of money and associated financial risks, and a risk adjustment for non-financial risk; and (b) the contractual service margin (CSM).

The CSM of a group of contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of contracts, if the total of the fulfilment cash flows, any cash flows arising at that date and any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the Group (including assets for insurance acquisition cash flows) is a net inflow, then the Group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the Group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflows, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are excluded from insurance revenue.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

- (g) Measurement – insurance contracts issued not measured under the premium allocation approach (the “PAA”) (continued)

(ii) *Subsequent measurement*

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

- Changes relating to future services are adjusted against the CSM (or recognised in the insurance service result in profit or loss if the Group is onerous);
- Changes relating to current or past services are recognised in the insurance service result in profit or loss; and
- Effects of the time value of money, financial risk and changes therein on estimated future cash flows are recognised as insurance finance income or expenses for insurance contracts.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

- (g) Measurement – insurance contracts issued not measured under the premium allocation approach (the “PAA”) (continued)

(ii) *Subsequent measurement (continued)*

The carrying amount of the CSM at each reporting date is that at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the Group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
 - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised in insurance service expenses and recognised as a loss component in LRC; or
 - any decreases in the fulfilment cash flows adjust the loss component in the LRC and the corresponding amount is recognised in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue for service provided in the period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(g) Measurement – insurance contracts issued not measured under the premium allocation approach (the “PAA”) (continued)

(ii) Subsequent measurement (continued)

Changes in fulfilment cash flows that relate to future services mainly comprise:

- experience adjustments arising from premiums received in the period that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the LRC, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the period, determined as the payment expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the period;
- differences between (a) any loan to a policyholder expected to become repayable in the period, determined as the repayment expected at the start of the period plus any insurance finance income or expenses related to that expected repayment before it becomes repayable; and (b) the actual amount that becomes repayable in the period; and
- change in the risk adjustment for non-financial risk that relate to future services.

(h) Measurement – insurance contracts issued measured under the PAA

The Group uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception:

- the coverage period of each contract in the Group is one year or less; or
- the Group reasonably expects that the resulting measurement of the LRC would not differ materially from the result of applying the accounting policies of contracts not measured under the PAA.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(h) Measurement – insurance contracts issued measured under the PAA (continued)

(i) Initial measurement

On initial recognition of each group of contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for amounts arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Group has deferred insurance acquisition cash flows through the LRC.

(ii) Subsequent measurement

Subsequently, the carrying amount of the LRC is increased by (i) any premiums received; (ii) any amortisation of the insurance acquisition cash flows; and (iii) any adjustment to a financing component, and decreased by (i) insurance acquisition cash flows incurred or paid; (ii) the amount recognised as insurance revenue for coverage provided; and (iii) any investment component paid or transferred to the LIC.

If at initial recognition or any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC as loss component. The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the LIC is also adjusted for the time value of money and the effect of financial risk. In subsequent periods, the loss component is remeasured at each reporting date as the difference between the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) and the carrying amount of the LRC without loss component until the loss component is reduced to zero.

The Group recognizes the LIC of the insurance contract group as the amount of fulfilment cash flows related to the incurred claims, discounted at the current interest rate.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(i) Measurement – reinsurance contracts held not measured under the PAA

For groups of reinsurance contracts held not measured under the PAA, the Group applies the same accounting policies as that applied to insurance contracts not measured under PAA, with the following modifications.

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC). The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) the amount arising from assets or liabilities previously recognised for cash flows related to the group, before the group is recognised, (c) cash flows arising from the contracts in the group at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the reinsurance, then the Group recognises the cost immediately in profit or loss as an expense.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(i) Measurement – reinsurance contracts held not measured under the PAA (continued)

The carrying amount of the CSM at each reporting date is that at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition;
- income recognised in profit or loss in respect of a loss recognised for onerous underlying contracts. A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contract for the amount of income recognised;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group;
- changes in the fulfilment cash flows relates to future service besides the change in fulfilment cash flows allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss for the services received in the period.

The Group adjusts the CSM of the group to which a reinsurance contract held belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract held is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contract.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(i) Measurement – reinsurance contracts held not measured under the PAA (continued)

If the reinsurance contract held covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine a portion of losses recognised on the onerous group of contracts containing the insurance contracts covered by the reinsurance contract held.

A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contract, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contract and are excluded from the allocation of reinsurance premiums paid.

(j) Measurement – reinsurance contracts held measured under the PAA

The Group applies the same accounting principles to measure a group of insurance contracts or reinsurance contract under the PAA.

If a loss-recovery component is established for a group of reinsurance contract measured under the PAA, the Group adjusts the carrying amount of the asset.

(k) Presentation

Portfolios of insurance contracts in an asset position are presented separately from those in a liability position. Portfolios of insurance contracts issued are presented separately from portfolios of reinsurance contracts held.

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts issued.

The Group disaggregates change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(k) Presentation (continued)

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

(i) Insurance revenue

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each period represents the total of the changes in the LRC that relate to services for which the Group expects to receive consideration, excludes expected investment components and mainly comprises the following items:

- A release of the CSM, measured based on coverage units provided;
- Change in the risk adjustment for non-financial risk relating to current services;
- Claims and other insurance service expenses incurred in the period, generally measured at the amounts expected at the beginning of the period; and
- Other amounts, including experience adjustments for premium receipts for current or past services.

For insurance acquisition cash flows recovery, the Group allocates a portion of premiums related to the recovery in a systematic way over the expected coverage of a group of contracts. The allocated amount is recognised as insurance revenue with the same amount recognised as insurance service expenses.

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each reporting period is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the current period and expected to be provided in future periods, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the current period. The number of coverage units is the quantity of services provided by the contracts in the group, determined considering for each contract the quantity of benefits provided and its expected coverage period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(k) Presentation (continued)

(i) Insurance revenue (continued)

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium for providing services in the period. The Group allocates the expected premium to each period on the following bases:

- the passage of time; or
- the expected timing of incurred insurance service expenses, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time.

(ii) Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and mainly comprise the following items:

- Incurred claims and other insurance service expenses;
- Amortisation of insurance acquisition cash flows: for contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the period that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts;
- Losses on onerous contracts and reversals of such losses; and
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

Other expenses not meeting the above categories are included in other operating and administrative expenses in the consolidated statement of profit or loss.

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(k) Presentation (continued)

(iii) *Net income/(expenses) from reinsurance contracts held*

The Group presents financial performance of groups of reinsurance contracts held on a gross basis comprising allocation of reinsurance premiums and amounts recoverable from reinsurers.

The allocation of reinsurance premiums is recognised similarly to insurance revenue. The amount of allocation of reinsurance premiums recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For contracts measured under the general measurement model (the “GMM”), allocation of reinsurance premiums comprises the following amounts relating to the changes in the remaining coverage:

- (1) claims recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
- (2) changes in the risk adjustment for non-financial risk, excluding:
 - i. changes included in finance income/(expenses) from reinsurance contracts held;
 - ii. changes that relate to future coverage (which adjust the CSM) and amounts allocated to the loss-recovery component;
- (3) amounts of the CSM recognised for the services received in the period; and
- (4) other amounts, e.g. experience adjustments arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises the allocation of reinsurance premiums based on the expected timing of incurred insurance service expenses.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(21) Insurance Contracts (continued)

(k) Presentation (continued)

(iii) *Net income/(expenses) from reinsurance contracts held (continued)*

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of allocation of reinsurance premiums. Reinsurance cash flows that are contingent on claims of the underlying contracts, for examples profit or sliding commissions, are accounted for part of the claims that are expected to be reimbursed under the reinsurance contract held.

(iv) *Insurance finance income or expenses*

Insurance finance income or expenses comprise changes in the carrying amounts of groups of insurance contracts arising from the effects of the time value of money, financial risk and changes therein.

The Group has chosen to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts.

(l) Transition approaches

As at 1 January 2022, the Group applied IFRS 17 retroactively. The Group adopts the fair value approach when it is impracticable to use a full retrospective approach in determining transition amounts at the IFRS 17 transition date.

For certain groups of contracts, the Group applied the fair value approach to determine the CSM or loss component at 1 January 2022 as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date.

The fair value of groups of contracts is primarily determined by using present value technique from the perspective of a market participant with considerations of the following:

- an estimate of future cash flows for the insurance contracts;
- the time value of money measured with the risk-free interest rate;
- a risk premium to reflect the price for bearing the uncertainty inherent in the cash flows in relation to non-financial risks and compensation that a market participant would require to assume the obligations.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(22) Notes and bonds payable

Notes and bonds payable are initially recognised at fair value, net of transaction costs incurred. Notes and bonds payable are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the expected periods of the notes and bonds using the effective interest method.

(23) Employee benefits

(a) Short-term employee benefits and defined contribution plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(b) Defined benefit retirement plan obligation

The Group operates several defined benefit retirement plans.

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The Group measures the obligations under defined benefit pension plans using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, and discounts obligations under the defined benefit retirement plans to determine the present value of the defined benefit liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost recognised in the consolidated statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the consolidated statement of comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit or loss.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(24) Leases

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(24) Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly in office and electronic equipment and small items of office furniture.

(25) Income tax

Income tax comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the reporting period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(25) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(25) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(26) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(27) Dividends

When the final cash dividends proposed by the directors have been approved by the shareholders and declared, they are recognised as a liability.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(28) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group;
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

(29) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

(1) Significant insurance risk test on reinsurance contracts

The Group performs significant insurance risk test on reinsurance contracts at the inception of a contract.

Insurance risk is significant if, and only if, an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance (i.e. no discernible effect on the economics of the transaction). If an insured event could mean significant additional amounts would be payable in any scenario that has commercial substance, the condition in the previous sentence can be met even if the insured event is extremely unlikely, or even if the expected (i.e. probability-weighted) present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the reinsurance contract.

In addition, a contract transfers significant insurance risk only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis. However, even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(2) Estimates of fulfilment cash flows

Insurance contract assets/liabilities are determined on the basis of the Group's estimates of future claims and benefits, premiums and related expenses, taking into account the risk adjustment for non-financial risk. The mortality rate, morbidity rate, expected loss ratios, lapse rate, discount rate and expense assumption used for the estimation are determined according to the latest empirical analysis and current and future economic conditions. The uncertainty of assets/liabilities arising from uncertain fulfilment cash flows such as future claims and benefits, premiums, and related expenses is reflected through the risk adjustment for non-financial risk.

Assumptions used to develop estimates about future cash flows are reassessed by the Group at each reporting date and adjusted where necessary.

Methodology and assumptions

The discount rates

The discount rates are based on liquid risk-free yield curves available at the reporting date, which are adjusted by applying illiquidity premiums that reflect the liquidity characteristics of the group of insurance contracts that is being measured. The current discount rates of the major currencies of the Group derived from the bottom-up approach are as follows:

	Discount rates
31 December 2025	0.906% – 5.340%
31 December 2024	0.430% – 5.360%

The probability of insurance event

The Group determines the probability of insurance event according to historical experience and the expectation in the future. For mortality and morbidity assumptions, the Group refers to “China Life Insurance Mortality Table (2010 – 2013)” issued by former China Insurance Regulatory Commission and “China Life Insurance Morbidity Table (2020)” issued by former China Banking and Insurance Regulatory Commission in addition to its historical experience. For other assumptions, the Group would mainly refer to its historical experience, the pricing assumption or the industry benchmarks.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(2) Estimates of fulfilment cash flows (continued)

Methodology and assumptions (continued)

Expense and other assumptions

The Group determines the expense assumption according to its historical experience and the future expectation. The Group would also consider inflation metrics to determine the expense assumption if the assumption is sensitive to inflationary pressures.

The lapse rate and other assumptions are determined using the Group's reliable historical experience, current situations and future expectations.

Expected loss ratio and future claim development pattern

The key assumptions in measuring LIC and LRC of short-term insurance contracts are the expected loss ratios and future claims development pattern, using the Group's experience of historical claims, which can be used to project the trend of future claims and hence ultimate claim costs. Accordingly, management analyses the amount of paid and reported losses, average costs per claim and claim number of insurance contracts, based on the observed development of earlier years to develop the expected loss ratios for estimating LIC and LRC of short-term insurance contracts.

Risk adjustments for non-financial risk

The Group uses the confidence interval technique to determine the risk adjustment for non-financial risk and considers risk diversification at appropriate level. As at 31 December 2025, the risk adjustment for non-financial risk of insurance contracts and reinsurance contracts held was determined based on the confidence level of 75% (31 December 2024: 75%).

Investment components

The Group identifies the investment component of an insurance contract by determining the amount that it would be required to repay to the policyholder in all circumstances, regardless of whether an insured event occurs. For contracts with surrender values, the investment component is determined as surrender value when a payment is made.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(3) Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include business model and analysis on contractual cash flow characteristics.

The Group determines the business model for financial asset management at the level of different groups of financial assets, and factors to be considered include the methods for evaluating financial asset performance and reporting the financial asset performance to key management personnel, risks affecting financial asset performance and corresponding management methods, and the ways in which related business management personnel are remunerated.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in timing or amount of the principal during the duration due to reasons such as early repayment; whether interest only includes considerations for time value of money, credit risks, other basic lending risks, costs and profits. For example, whether the prepayment amount only reflects the principal outstanding and the interest on the principal outstanding, as well as the reasonable compensation for the early termination of the contract.

(4) Measurement of net impairment loss on financial assets

For financial asset debt instrument investments measured at amortized cost and fair value with changes recognized in other comprehensive income, complex models and numerous assumptions are used in the measurement of net impairment loss on financial assets.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(5) Significant influence when less than 20% of voting power is held

The Group determines whether it can exercise influence over an investee when it holds, directly or indirectly through subsidiaries, less than 20% of the voting power of the investee, but one or more of the following indicators are present:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- provision of essential technical information.

An investee as accounted for as an associate if it is concluded that the Group exercises significant influence over that investee; otherwise, it is accounted for as a financial asset. The reasons for existence of significant influence over some investees, even though the voting power held by the Group is less than 20%, are disclosed in Note 35 to the financial statements.

(6) Determination of control over the structured entities

To determine whether the Group controls the structured entities of which the Group acts as an asset manager, management applies judgment based on all relevant fact and circumstance to determine whether the Group is acting as the principal or agent for the structured entities. If the Group is acting as the principal, it has control over the structured entities. In assessing whether the Group is acting as the principal, the Group considers factors such as scope of the asset manager's decision-making authority, rights held by other parties, remuneration to which it is entitled, and exposure to variable returns results from its additional involvement with structured entities. The Group will perform reassessment once the fact and circumstance changes leading to changes in above factors.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(7) Fair value of financial instruments

The Group invests primarily in debt investments, equity investments, time deposits, financial assets held under resale agreements and so on. The Group's significant accounting estimates and judgements regarding investments are related to the recognition of impairment of financial assets and the determination of the fair value. In assessing the impairment, the Group has considered various factors (see Note 2(12)(c)). The fair values of quoted investments are based on current bid prices. The fair value is the price at which two knowing parties transact willingly in a fair trade rather than under on compulsion or in liquidation.

The Group estimates the fair value of financial instruments using the following methods and assumptions:

- Debt investments, notes and bonds payable and bank loans: usually, fair market value is determined on the basis of its recent quoted market price. If there is no recent quoted market price for reference, fair value is determined by the observed recent transaction price, or comparable investment's recent market price. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. Significant unobservable inputs include discount rate for credit risk, the discount for lack of marketability, etc.
- Equity investments: its fair market value is determined on the basis of its recent quoted market price. If there is no recent quoted market price, for the equity investments whose fair value cannot be measured reliably, they can be determined by using valuation techniques. Significant unobservable inputs include discount rate for credit risk, the discount for lack of marketability, and valuation multiples of comparable companies, etc.
- Derivatives: its fair market value is determined on the basis of its recent quoted market price. If there is no recent quoted market price, for the derivatives whose fair value cannot be measured reliably, they can be determined by using valuation techniques. Significant unobservable inputs include discount rate for credit risk, the discount for lack of marketability, and valuation multiples of comparable companies, etc.
- Time deposits, investments classified as financial assets held under resale agreements, financial assets sold under repurchase agreements, short-term borrowing: the book value on the consolidated statements of financial position approximates to fair value.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(8) Impairment of goodwill and intangible assets with infinite useful life

The Group performs goodwill and intangible assets with infinite useful life impairment test annually. The recoverable amount of an asset group or a set of asset groups including goodwill and intangible assets with infinite useful life is the higher of its fair value less costs to disposal and its value-in-use, and the principal assumptions used are set out in Note 34 and Note 36 to the financial statements.

(9) Deferred tax assets

Deferred tax assets are recognised for unused tax losses and temporary deductible differences to the extent that it is probable that taxable profit will be available against which the used tax losses and temporary deductible differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the estimated timing and level of future taxable profits as well as the applicable tax rates.

There are some uncertainties on the estimation of future taxable profit as it involves a number of estimations for future transactions, including whether the actuarial assumptions and experience are consistent, the performance of future investment market, as well as the impacts of any changes in corporate tax law.

(10) Retirement benefit liabilities

The Group measured certain employee retirement benefits using projected unit credit method, when these benefit plans met the definition of defined benefit plans as set out in Note 2(23)(b). Carrying value of these liabilities and the principal assumptions used in measuring these liabilities are set out in Note 40 to the financial statements.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(11) Impairment of non-current assets other than financial assets

The Group makes judgement on whether there is an indication that non-current assets other than financial assets may be impaired as at the end of the reporting period. When any such indication exists, the Group performs impairment testing for the asset or a group of assets and makes estimate of the recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The Group determines the recoverable amount according to the higher of the fair value less costs of disposal and the present value of expected future cash flows. Fair value less costs of disposals is determined with reference to the prices in sales agreements or observable market prices of similar assets in fair transactions. When using the present value of estimated future cash flows, management must use the estimated future cash flows of the asset or a group of assets, and select the appropriate discount rate to determine the present value of the future cash flows.

(12) Impairment assessment on investments in associates

The Group assesses whether there are any indicators of impairment for investments in associates at the end of each reporting period. Investments in associates are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of investment in an associate exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. When value in use calculations are undertaken, the Group must estimate the present values of cash flows expected to arise from continuing to hold the investments and choose suitable discount rates in order to calculate the present values of those cash flows. Details of investments in associates are disclosed in Note 35.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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4 SEGMENT INFORMATION

The Group's operating segments are presented in a manner consistent with the internal management reporting provided to management for deciding how to allocate resources and for assessing performance.

For management purposes, the Group is organised into business units based on their products and services and has the following operating and reportable segments:

- The property and casualty reinsurance segment, operated by the Company and subsidiaries of the Company China Property and Casualty Reinsurance Company Ltd. ("China Re P&C"), etc. offers a wide variety of reinsurance products for various property and casualty insurance, such as motor, property, agricultural and liability insurance, and also includes the business operated by China Re UK Limited ("China Re UK") and Chaucer. Chaucer mainly includes China Re International Holdings Limited ("CRIHL"), Chaucer Insurance Company Designated Activity Company ("CIC") and China Re Australia HoldCo Pty Ltd ("CRAH").
- The life and health reinsurance segment, operated by the Company and its subsidiary China Life Reinsurance Company Ltd. ("China Re Life"), offers a wide range of reinsurance products, such as life, health and accident insurance.
- The primary property and casualty insurance segment, operated by the subsidiary of the Company China Continent Property and Casualty Insurance Company Ltd. ("China Continent Insurance"), offers a wide variety of insurance products and other businesses including motor, property and liability insurance.
- The asset management segment, operated by the subsidiary of the Company, China Re Asset Management Company Ltd. ("China Re AMC"), offers asset management services and manages assets and liabilities related to notes issued in overseas.
- Other segments and activities primarily consist of the headquarters that manages and supports the business development of the Group with its strategy, risk management, actuary, finance, legal and human resource functions; the insurance agency business and other businesses provided by the Group.

Management monitors the results of the Group's operating segments separately to make decisions about resources allocation and performance assessment. Segment performance is evaluated based on segment profit/(loss).

More than 75% of the Group's revenue is derived from its operations in China.

Inter-segment sales are transacted according to terms and conditions negotiated by the relevant parties within the Group.

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4 SEGMENT INFORMATION (continued)

	2025						Total
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	
Insurance revenue	45,812,451	10,087,926	48,868,765	–	–	(1,682,091)	103,087,051
Interest income	3,097,895	4,550,202	1,194,104	88,886	360,826	–	9,291,913
Investment income	2,533,248	7,841,136	1,460,251	22,373	1,689,122	(1,461,158)	12,084,972
Exchange gains and losses, net	(135,658)	(511,213)	(32,162)	787	(36,379)	(303)	(714,928)
Other income	304,117	26,670	236,922	987,685	520,259	(897,067)	1,178,586
Total income	51,612,053	21,994,721	51,727,880	1,099,731	2,533,828	(4,040,619)	124,927,594
– External income	50,184,744	21,739,714	51,698,167	365,530	939,439	–	124,927,594
– Inter-segment income	1,427,309	255,007	29,713	734,201	1,594,389	(4,040,619)	–
Insurance service expenses	(38,106,101)	(12,930,193)	(48,342,248)	–	–	1,934,398	(97,444,144)
Allocation of reinsurance premiums	(6,586,865)	(1,784,898)	(2,841,719)	–	–	1,775,191	(9,438,291)
Amounts recoverable from reinsurers	3,620,944	2,476,396	2,697,153	–	–	(1,662,734)	7,131,759
Finance expenses from insurance contracts issued	(1,940,972)	(3,202,733)	(674,121)	–	–	59,202	(5,758,624)
Finance income from reinsurance contracts held	395,610	253,310	107,214	–	–	(72,679)	683,455
Net impairment loss on financial assets	(368,366)	(553,971)	(272,798)	(83)	(170,255)	–	(1,365,473)
Other finance cost	(610,850)	(752,428)	(198,793)	(7,661)	(93,340)	–	(1,663,072)
Other operating and administrative expenses	(1,623,455)	(756,230)	(695,441)	(639,910)	(1,141,928)	542,172	(4,314,792)
Total insurance service expenses and others	(45,220,055)	(17,250,747)	(50,220,753)	(647,654)	(1,405,523)	2,575,550	(112,169,182)
Share of profit of associates	173,802	873,099	26,004	451	723,064	(78,826)	1,717,594
Impairment losses of associates	–	(1,216,462)	–	–	(627,538)	–	(1,844,000)
Profit before tax	6,565,800	4,400,611	1,533,131	452,528	1,223,831	(1,543,895)	12,632,006
Income tax	(1,451,517)	(504,422)	(275,510)	(260,624)	94,725	(17,387)	(2,414,735)
Net profit	5,114,283	3,896,189	1,257,621	191,904	1,318,556	(1,561,282)	10,217,271

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

4 SEGMENT INFORMATION (continued)

	2024						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Insurance revenue	46,042,242	9,845,927	46,914,129	–	–	(1,439,016)	101,363,282
Interest income	2,999,154	4,663,637	1,119,348	73,397	379,187	–	9,234,723
Investment income	2,385,982	3,159,243	1,049,187	43,721	1,692,610	(1,498,754)	6,831,989
Exchange gains and losses, net	(298,153)	(69,838)	10,950	(4,808)	19,635	451	(341,763)
Other income	193,937	26,523	150,768	730,413	579,208	(636,164)	1,044,685
Total income	51,323,162	17,625,492	49,244,382	842,723	2,670,640	(3,573,483)	118,132,916
– External income	50,156,317	17,274,525	49,264,608	362,594	1,074,872	–	118,132,916
– Inter-segment income	1,166,845	350,967	(20,227)	480,130	1,595,768	(3,573,483)	–
Insurance service expenses	(39,791,859)	(10,928,749)	(45,395,430)	–	–	1,364,759	(94,751,279)
Allocation of reinsurance premiums	(5,625,277)	(2,017,992)	(2,701,424)	–	–	1,374,254	(8,970,439)
Amounts recoverable from reinsurers	3,890,938	4,212,963	2,211,521	–	–	(1,370,410)	8,945,012
Finance expenses from insurance contracts issued	(1,700,847)	(3,467,665)	(788,959)	–	–	59,747	(5,897,724)
Finance income from reinsurance contracts held	320,285	656,259	127,224	–	–	(77,190)	1,026,578
Net impairment loss on financial assets	(271,581)	(381,678)	(200,086)	(260)	(118,267)	–	(971,872)
Other finance cost	(710,189)	(947,217)	(209,276)	(8,973)	(132,670)	–	(2,008,325)
Other operating and administrative expenses	(1,068,848)	(667,906)	(442,400)	(535,040)	(1,287,306)	316,445	(3,685,055)
Total insurance service expenses and others	(44,957,378)	(13,541,985)	(47,398,830)	(544,273)	(1,538,243)	1,667,605	(106,313,104)
Share of profit of associates	197,906	982,178	22,709	(501)	845,098	(69,236)	1,978,154
Impairment losses of associates	–	–	–	–	–	–	–
Profit before tax	6,563,690	5,065,685	1,868,261	297,949	1,977,495	(1,975,114)	13,797,966
Income tax	(1,386,361)	(856,956)	(393,182)	(63,254)	(85,256)	67,483	(2,717,526)
Net profit	5,177,329	4,208,729	1,475,079	234,695	1,892,239	(1,907,631)	11,080,440

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

4 SEGMENT INFORMATION (continued)

	2025						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Segment assets	156,684,954	259,297,334	84,712,358	7,462,636	60,509,121	(40,902,972)	527,763,431
Segment liabilities	(109,483,628)	(233,018,120)	(58,095,599)	(2,704,509)	(9,025,336)	3,878,455	(408,448,737)

	2024						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Segment assets	149,443,707	250,439,285	78,892,468	5,475,846	64,011,008	(39,915,209)	508,347,105
Segment liabilities	(107,329,848)	(226,834,939)	(52,901,622)	(834,751)	(10,842,243)	3,061,095	(395,682,308)

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

5 INSURANCE REVENUE

	2025			Total
	Reinsurance contracts issued – property and casualty	Reinsurance contracts issued – life and health	Primary insurance contracts issued – property and casualty	
Contracts not measured under the PAA:				
Amounts relating to changes in liabilities for remaining coverage				
– CSM recognised for the services provided	2,680,345	1,525,648	1,752,590	5,958,583
– Changes in the risk adjustment for non-financial risk	884,308	558,872	975,037	2,418,217
– Expected incurred claims and other directly attributable expenses	6,761,266	6,601,616	7,147,968	20,510,850
– Experience adjustments arising from premiums received in the period other than those relating to future service	886,594	1,049,650	(237,194)	1,699,050
Insurance acquisition cash flows recovery	1,722,014	108,987	3,565,107	5,396,108
Subtotal of contracts not measured under the PAA	12,934,527	9,844,773	13,203,508	35,982,808
Contracts measured under the PAA	18,475,143	–	48,629,100	67,104,243
Total insurance revenue	31,409,670	9,844,773	61,832,608	103,087,051

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

5 INSURANCE REVENUE (continued)

	2024			
	Reinsurance contracts issued – property and casualty	Reinsurance contracts issued – life and health	Primary insurance contracts issued – property and casualty	Total
Contracts not measured under the PAA:				
Amounts relating to changes in liabilities for remaining coverage				
– CSM recognised for the services provided	2,635,431	2,195,631	1,768,172	6,599,234
– Changes in the risk adjustment for non-financial risk	883,483	562,408	779,593	2,225,484
– Expected incurred claims and other directly attributable expenses	7,331,987	6,381,099	6,459,988	20,173,074
– Experience adjustments arising from premiums received in the period other than those relating to future service	925,996	288,179	(155,107)	1,059,068
Insurance acquisition cash flows recovery	1,724,878	85,211	3,110,060	4,920,149
Subtotal of contracts not measured under the PAA	13,501,775	9,512,528	11,962,706	34,977,009
Contracts measured under the PAA	19,776,774	–	46,609,499	66,386,273
Total insurance revenue	33,278,549	9,512,528	58,572,205	101,363,282

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

6 INTEREST INCOME

	2025	2024
Interest income		
Current and time deposits	1,808,204	2,050,268
Fixed maturity investments		
– Financial assets measured at amortised cost	2,546,661	3,204,672
– Debt instruments measured at fair value through other comprehensive income	4,841,433	3,899,162
Financial assets held under resale agreements	95,615	80,621
Total	9,291,913	9,234,723

7 INVESTMENT INCOME

	2025	2024
Dividend, Interest and rental income (a)	4,568,679	4,379,684
Realised gains and losses (b)	5,413,886	(2,883,373)
Unrealised gains and losses (c)	2,102,407	5,335,678
Total	12,084,972	6,831,989

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

7 INVESTMENT INCOME

(a) Dividend, interest and rental income

	2025	2024
Dividend income		
– Financial assets measured at fair value through profit or loss	1,217,583	1,409,271
– Equity investments designated at fair value through other comprehensive income	873,249	457,512
Subtotal	2,090,832	1,866,783
Interest income		
– Financial assets measured at fair value through profit or loss	2,222,916	2,265,441
Subtotal	2,222,916	2,265,441
Rental income from investment properties	254,931	247,460
Total	4,568,679	4,379,684

An analysis of the dividend income from listed and unlisted securities is as follows:

	2025	2024
Dividend income		
– Listed equity securities	1,470,315	1,390,342
– Unlisted equity securities	620,517	476,441
Total	2,090,832	1,866,783

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

7 INVESTMENT INCOME (continued)

(b) Realised gains and losses

	2025	2024
Fixed maturity investments		
– Financial assets measured at fair value through profit or loss	248,279	(22,941)
– Financial assets measured at amortised cost	–	32
– Debt investments at fair value through other comprehensive income	236,368	9,833
Equity securities		
– Financial assets measured at fair value through profit or loss	4,493,099	(2,784,069)
– Investments in associates	157,193	195
Derivative instruments	278,947	(86,423)
Total	5,413,886	(2,883,373)

(c) Unrealised gains and losses

	2025	2024
Financial assets measured at fair value through profit or loss	1,674,157	6,989,695
Financial liabilities measured at fair value through profit or loss	(70,132)	(98,889)
Derivative financial assets	46,898	77,564
Derivative financial liabilities	323,843	(132,026)
Investment contracts measured at fair value	127,641	(1,500,666)
Total	2,102,407	5,335,678

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

8 OTHER INCOME

	2025	2024
Income relating to insurance brokerages	344,151	434,299
Commission income arising from the tax collection of motor vehicles and vessels	31,719	34,428
Management fee income	270,534	324,761
Others	532,182	251,197
Total	1,178,586	1,044,685

9 ALLOCATION OF REINSURANCE PREMIUMS

	2025	2024
Contracts not measured under the PAA:		
Amounts relating to changes in assets for remaining coverage		
– CSM recognised for the services received	1,583,276	1,745,855
– Changes in the risk adjustment for non-financial risk	653,231	580,661
– Recovery of expected incurred claims	4,662,509	4,685,638
– Experience adjustments arising from premiums paid in the period other than those relating to future service	75,099	(450,006)
Subtotal of contracts not measured under the PAA	6,974,115	6,562,148
Contracts measured under the PAA	2,464,176	2,408,291
Total allocation of reinsurance premiums	9,438,291	8,970,439

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

10 NET INVESTMENT RETURNS AND INSURANCE FINANCE INCOME AND EXPENSES

	2025	2024
Net investment returns		
– Interest income	9,291,913	9,234,723
– Investment income	12,084,972	6,831,989
– Net impairment loss on financial assets	(1,365,473)	(971,872)
– Share of profit of associates	1,717,594	1,978,154
– Impairment losses of associates	(1,844,000)	–
Subtotal	19,885,006	17,072,994
Returns on investment recognised in other comprehensive income	(841,541)	4,316,655
Total	19,043,465	21,389,649

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

10 NET INVESTMENT RETURNS AND INSURANCE FINANCE INCOME AND EXPENSES (continued)

	2025			
	Reinsurance contracts – property and casualty	Reinsurance contracts – life and health	Primary insurance contracts – property and casualty	Total
Finance expenses from insurance contracts issued				
Accreted interest	1,497,751	3,185,796	1,203,384	5,886,931
Effect of changes in interest rates and other financial assumptions	178,680	(664,706)	372,571	(113,455)
Exchange gains and losses, net	(72,067)	(12,358)	(88,668)	(173,093)
Total finance expenses from insurance contracts issued	1,604,364	2,508,732	1,487,287	5,600,383
Recognised in:				
Profit or loss	1,428,322	3,201,756	1,128,546	5,758,624
Other comprehensive income	176,042	(693,024)	358,741	(158,241)
Finance income from reinsurance contracts held:				
Interest accreted at locked-in rates	(443,830)	(256,268)	–	(700,098)
Effect of changes in interest rates and other financial assumptions	(354,441)	965,570	–	611,129
Exchange gains and losses, net	59,078	5,269	–	64,347
Total finance income from reinsurance contracts held	(739,193)	714,571	–	(24,622)
Recognised in:				
Profit or loss	(430,338)	(253,117)	–	(683,455)
Other comprehensive income	(308,855)	967,688	–	658,833

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

10 NET INVESTMENT RETURNS AND INSURANCE FINANCE INCOME AND EXPENSES (continued)

	2024			
	Reinsurance contracts – property and casualty	Reinsurance contracts – life and health	Primary insurance contracts – property and casualty	Total
Finance expenses from insurance contracts issued				
Accreted interest	1,653,310	3,445,060	1,211,010	6,309,380
Effect of changes in interest rates and other financial assumptions	338,120	6,577,333	92,304	7,007,757
Exchange gains and losses, net	(101,772)	20,690	(332,371)	(413,453)
Total finance expenses from insurance contracts issued	1,889,658	10,043,083	970,943	12,903,684
Recognised in:				
Profit or loss	1,553,548	3,465,749	878,427	5,897,724
Other comprehensive income	336,110	6,577,334	92,516	7,005,960
Finance income from reinsurance contracts held:				
Interest accreted at locked-in rates	(435,802)	(656,347)	–	(1,092,149)
Effect of changes in interest rates and other financial assumptions	(23,550)	(4,086,527)	–	(4,110,077)
Exchange gain and losses, net	65,739	87	–	65,826
Total finance income from reinsurance contracts held	(393,613)	(4,742,787)	–	(5,136,400)
Recognised in:				
Profit or loss	(370,318)	(656,260)	–	(1,026,578)
Other comprehensive income	(23,295)	(4,086,527)	–	(4,109,822)

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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11 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	2025	2024
Financial investments:		
Financial assets measured at amortised cost	1,429,472	968,318
Debt instruments measured at fair value through other comprehensive income	(42,821)	(9,403)
Others	(21,178)	12,957
Total	1,365,473	971,872

12 OTHER FINANCE COST

	2025	2024
Interest expenses		
Financial assets sold under repurchase agreements	1,126,920	1,346,820
Bonds payable	476,420	476,591
Letter of credit	44,191	75,909
Lease liabilities	15,491	22,793
Bank loans	50	86,212
Total	1,663,072	2,008,325

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

13 OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	2025	2024
Employee costs	6,670,050	6,376,032
Outsourcing costs	2,466,046	2,438,592
Advertising and promotion expenses	1,829,106	1,739,810
Depreciation and amortisation	1,114,027	1,126,187
Administrative office and travel expenses	959,470	731,650
Taxes and surcharges	567,394	524,557
Insurance guarantee fund	375,174	345,615
Interest expenses of investment contracts	253,949	280,153
Bank settlement fee	130,084	145,560
Asset management fee	113,870	121,112
Rental expenses	87,149	89,298
Traffic accident rescue expense	23,919	21,152
Impairment losses charges	1,766	71
Others	1,608,171	1,643,606
Subtotal	16,200,175	15,583,395
Less: Expenses directly attributable to insurance contracts	(11,885,383)	(11,898,340)
Total	4,314,792	3,685,055

Fees and commissions incurred during the year that have been treated as insurance acquisition cash flows of insurance contracts are not included in the table above.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

14 DIRECTORS' AND SUPERVISORS' REMUNERATION

	2025							Total
	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director/supervisor	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	
Executive directors								
Mr. Zhuang Qianzhi	-	392	445	102	148	-	-	1,087
Ms. Zhu Xiaoyun	-	356	417	102	166	-	-	1,041
Mr. He Chunlei(i)	-	294	333	78	106	-	-	811
Non-executive directors								
Mr. Yang Changsong	-	-	-	-	-	-	-	-
Ms. Jia Xiangxiang	-	-	-	-	-	-	-	-
Mr. Zhou Zheng	-	-	-	-	-	-	-	-
Independent non-executive directors								
Mr. Dai Deming	250	-	-	-	-	-	-	250
Ms. Ye Mei	250	-	-	-	-	-	-	250
Mr. Jiang Yaohui (ii)	77	-	-	-	-	-	-	77
Ms. Jiang Bo (iii)	146	-	-	-	-	-	-	146
Supervisors (iv)								
Mr. Zhu Hailin	-	392	445	102	140	-	-	1,079
Mr. Zeng Cheng	-	-	-	-	-	-	-	-
Mr. Qin Yueguang	-	-	-	-	-	-	-	-
Mr. Li Jingye	-	-	-	-	-	-	-	-
Total	723	1,434	1,640	384	560	-	-	4,741

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

14 DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

Note:

- (i) Mr. He Chunlei ceased to be an executive director since 18 September 2025.
- (ii) Mr. Jiang Yaohui has been an independent non-executive director since 10 September 2025.
- (iii) Ms. Jiang Bo ceased to be an independent non-executive director since 22 July 2025.
- (iv) The Company has abolished the Board of Supervisors, and all the supervisors would no longer serve as Supervisors or perform related duties of the Board of Supervisors since 23 January 2026,

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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14 DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

	2024							
	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
Executive directors								
Mr. He Chunlei	–	392	461	99	123	–	–	1,075
Mr. Zhuang Qianzhi	–	392	445	99	123	–	–	1,059
Ms. Zhu Xiaoyun (i)	–	–	–	–	–	–	–	–
Non-executive directors								
Mr. Yang Changsong	–	–	–	–	–	–	–	–
Ms. Jia Xiangxiang (ii)	–	–	–	–	–	–	–	–
Mr. Zhou Zheng (iii)	–	–	–	–	–	–	–	–
Mr. Li Bingquan (iv)	–	–	–	–	–	–	–	–
Mr. Li Wenfeng (v)	–	–	–	–	–	–	–	–
Ms. Wang Xiaoya (vi)	–	–	–	–	–	–	–	–
Independent non-executive directors								
Ms. Jiang Bo	250	–	–	–	–	–	–	250
Mr. Dai Deming	250	–	–	–	–	–	–	250
Ms. Ye Mei	250	–	–	–	–	–	–	250
Supervisors								
Mr. Zhu Hailin	–	392	445	99	123	–	–	1,059
Mr. Zhu Yong (vii)	–	–	–	–	–	–	–	–
Mr. Zeng Cheng	–	–	–	–	–	–	–	–
Mr. Qin Yueguang	–	–	–	–	–	–	–	–
Mr. Li Jingye	–	–	–	–	–	–	–	–
Total	750	1,176	1,351	297	369	–	–	3,943

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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14 DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

Note:

- (i) Ms. Zhu Xiaoyun has been an executive director since 24 February 2025.
- (ii) Ms. Jia Xiangxiang has been a non-executive director since 28 April 2024.
- (iii) Mr. Zhou Zheng has been a non-executive director since 28 April 2024.
- (iv) Mr. Li Bingquan ceased to be a non-executive director from 4 January 2024.
- (v) Mr. Li Wenfeng ceased to be a non-executive director from 7 May 2024.
- (vi) Ms. Wang Xiaoya ceased to be a non-executive director from 2 December 2024.
- (vii) Mr. Zhu Yong ceased to be a supervisor from 19 January 2024.

The final compensation for these directors and supervisors for the years ended 31 December 2024 and 31 December 2025 is still in the process of confirmation and will be disclosed as required once determined.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

15 INDIVIDUALS WITH HIGHEST EMOLUMENTS

	2025	2024
Salaries, allowances and benefits in kind	17,193	15,716
Discretionary bonuses	75,353	93,723
Employer's contribution to a retirement benefit scheme	1,799	2,049
Total	94,345	111,488

None of the five individuals with the highest emoluments are directors or supervisors. The number of these individuals whose remuneration fell within the following bands is as follows:

	2025	2024
RMB5,000,001 to RMB15,000,000	1	–
RMB15,000,001 to RMB25,000,000	3	4
RMB25,000,001 to RMB35,000,000	1	1
Total	5	5

The above emoluments are pre tax. In 2025, the five individuals with the highest emoluments are employees of Chaucer.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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16 INCOME TAX

	2025	2024
Current income tax	3,849,060	2,054,131
Deferred income tax	(1,434,325)	663,395
Total	2,414,735	2,717,526

Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2025	2024
Profit before tax	12,632,006	13,797,966
Tax at the applicable tax rate of 25%	3,158,001	3,449,492
The effect of different tax policies of other countries and regions (i)	(235,171)	(183,615)
Tax effect of non-deductible expenses	79,594	98,513
Tax effect of non-taxable income	(812,193)	(661,781)
Tax effect of current-year losses for which no deferred tax asset is recognised	1,343	511
Recognition of previously unrecognised deductible temporary differences	(2,588)	(1,242)
Recognition of previously unrecognised tax losses	(379)	(684)
Income tax adjustment relating to prior year	67,271	8,694
Withheld income tax on dividends received from associates	7,477	7,638
Others	151,380	–
Income tax	2,414,735	2,717,526

- (i) The income tax rate applied to the Company and its major subsidiaries in the Chinese mainland is 25% for the year ended 31 December 2025 (2024: 25%). Taxation for overseas subsidiaries and branches is charged at the appropriate current policies of taxation ruling in the relevant jurisdictions.

Note: The Group is within the scope of the OECD Pillar Two model rules (“Pillar Two”). Pillar Two legislation has not been enacted in Mainland China, the jurisdiction in which the Company is incorporated. Some of the jurisdictions where the Group’s overseas operating institutions are located have implemented Pillar Two legislation during the reporting period. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred. The Group has assessed and accounted for the impacts of top-up tax as current income tax for the year ended 31 December 2025.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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16 INCOME TAX (continued)

As at 22 December 2025, the Ministry of Finance and the State Taxation Administration issued the “Notice on Matters Concerning Enterprise Income Tax Treatment in Relation to the Transition to the Insurance Contracts Standard” (Notice No. 15, 2025, of the Ministry of Finance and the State Taxation Administration). For enterprises that first adopt the Accounting Standard for Business Enterprise No. 25 – Insurance Contracts (hereinafter referred to as the “Insurance Contracts Standard”) in 2026 or thereafter, when calculating and paying enterprise income tax, the Insurance Contracts Standard shall be used as the basis from the first year of implementation, with tax adjustments made in accordance with the prevailing enterprise income tax regulations. The cumulative impact on retained earnings arising from the implementation of the Insurance Contracts Standard shall, on a pre-tax basis, be included in taxable income in the first year of implementation, or alternatively be amortised evenly over five years starting from the first year of implementation. The method may be selected at the discretion of the enterprise and, once selected, shall not be changed.

17 DIVIDENDS

	2025	2024
In respect of previous year:		
2024 final dividend (declared in 2025): RMB0.050 per ordinary share	2,123,990	–
2023 final dividend (declared in 2024): RMB0.042 per ordinary share	–	1,784,152

18 EARNINGS PER SHARE

	2025	2024
Net profit attributable to shareholders of the parent company	9,771,143	10,556,993
Weighted average number of ordinary shares issued (in thousands)	42,479,808	42,479,808
Basic earnings per share (in RMB)	0.23	0.25
Diluted earnings per share (in RMB)	0.23	0.25

Basic and diluted earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders of the parent company for the year by the weighted average number of ordinary shares issued.

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19 OTHER COMPREHENSIVE INCOME FOR THE YEAR AFTER TAX

	2025	2024
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	48,151	27,746
Less: Income tax	(10,835)	(11,669)
Equity investments designated at fair value through other comprehensive income	1,096,288	1,656,462
Less: Income tax	(210,700)	(368,463)
Subtotal	922,904	1,304,076
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of associates	(195,812)	332,865
Less: Reclassification adjustments for amounts transferred to profit or loss	(36,420)	—
Less: Income tax	57,517	(80,880)
Fair value changes on debt instruments at fair value through other comprehensive income	(1,426,408)	2,346,564
Less: Reclassification adjustments for amounts transferred to profit or loss	(236,368)	(9,833)
Less: Income tax	526,486	(597,098)
Provision for credit losses on debt instruments measured at fair value through other comprehensive income	(42,821)	(9,403)
Less: Income tax	10,928	2,011
Finance expenses from insurance contracts issued	158,241	(7,005,960)
Less: Income tax	(74,920)	1,755,506
Finance income from reinsurance contracts held	(658,833)	4,109,822
Less: Income tax	95,856	(1,037,025)
Subtotal	(1,822,554)	(193,431)
Exchange gains and losses on translation of financial statements of foreign operations	(407,166)	281,258
Total	(1,306,816)	1,391,903
Equity shareholders of the parent	(1,191,597)	1,229,294
Non-controlling interests	(115,219)	162,609
Total	(1,306,816)	1,391,903

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

20 CASH AND SHORT-TERM TIME DEPOSITS

	31 December 2025	31 December 2024
Cash at banks and on hand	10,911,488	6,805,476
Time deposits with original maturity of no more than three months	291,535	325,607
Other deposits	5,420,958	5,873,617
Interest receivable	1,104	3,016
Subtotal	16,625,085	13,007,716
Less: loss allowance	(1,940)	(1,841)
Amortised costs	16,623,145	13,005,875

As at 31 December 2025, cash and short-term time deposits of RMB5,255,905 thousand (31 December 2024: RMB5,716,595 thousand) were restricted from use, which were mainly trading deposits and securities settlement deposits.

21 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	31 December 2025	31 December 2024
Market:		
Stock exchange	5,693,621	3,800,360
Inter-bank market	7,331,244	3,028,228
Total	13,024,865	6,828,588

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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22 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2025	31 December 2024
Listed		
Debt securities		
Government bonds	45,674	32,741
Financial bonds	1,112,792	1,079,629
Corporate bonds	12,343,545	16,300,105
Subordinated bonds	6,824,990	6,945,038
Assets backed securities	30,640	120,999
Equity securities		
Funds	14,639,582	16,870,333
Stocks	21,675,008	17,830,065
Subtotal	56,672,231	59,178,910
Unlisted		
Debt securities		
Government bonds	447,895	394,783
Financial bonds	145,403	302,851
Corporate bonds	1,403,851	1,489,792
Subordinated bonds	33,453,331	36,216,899
Debt investment plans	2,154,173	2,185,793
Trust schemes	1,268,237	2,781,547
Equity securities		
Investment funds	15,984,582	14,796,414
Unlisted shares	350,196	416,935
Other investment schemes	492,767	359,817
Subtotal	55,700,435	58,944,831
Total	112,372,666	118,123,741

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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23 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	31 December 2025	31 December 2024
Listed		
Government bonds	9,707,206	9,710,695
Financial bonds	1,773,331	1,164,668
Corporate bonds	17,023,429	20,395,756
Subordinated bonds	1,653,779	1,755,156
Subtotal	30,157,745	33,026,275
Unlisted		
Government bonds	1,232,687	841,694
Financial bonds	4,283,030	4,366,512
Corporate bonds	6,073,650	6,747,139
Subordinated bonds	1,611,396	1,520,711
Debt investment plans	17,190,539	20,605,966
Trust schemes	6,418,716	10,584,631
Subtotal	36,810,018	44,666,653
Gross carrying amount	66,967,763	77,692,928
Less: loss allowance	(4,630,321)	(3,315,195)
Amortised costs	62,337,442	74,377,733

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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24 DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2025	31 December 2024
Listed		
Government bonds	20,357,395	19,726,577
Financial bonds	4,073,203	4,274,448
Corporate bonds	53,210,891	54,941,409
Subordinated bonds	3,450,108	3,013,421
Subtotal	81,091,597	81,955,855
Unlisted		
Government bonds	33,627,920	14,412,379
Financial bonds	20,321,307	24,739,037
Corporate bonds	16,228,587	11,895,861
Subordinated bonds	14,162,233	6,229,559
Subtotal	84,340,047	57,276,836
Total	165,431,644	139,232,691
Comprising:		
Amortised cost	164,506,425	135,897,319
Accumulated changes in fair value	925,219	3,335,372

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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25 EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2025	31 December 2024
Listed		
Stocks	12,952,758	9,257,925
Perpetual bonds	4,274,470	2,410,175
Subtotal	17,227,228	11,668,100
Unlisted		
Unlisted shares	128,014	116,359
Perpetual bonds	1,647,313	–
Subtotal	1,775,327	116,359
Total	19,002,555	11,784,459
Comprising:		
Cost	20,563,616	14,086,324
Accumulated changes in fair value	(1,561,061)	(2,301,865)

For the equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognize them in this category at initial recognition.

In 2025, for the consideration of optimizing asset allocation and asset-liability management, the Group disposed of equity financial assets at fair value through other comprehensive income amounted to RMB3,737 million (2024: RMB8,323 million), and the net cumulative of profits RMB293 million (2024: net cumulative losses of RMB241 million) on disposal was transferred from other comprehensive income to retained profits.

The dividend income of equity investments designated at fair value through other comprehensive income recognized during the year are disclosed in Note 7.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2025										
Insurance contract liabilities at the beginning of the year	(3,300,082)	91,489	29,081,379	25,872,786	(2,827,538)	279,744	26,805,965	1,693,746	25,951,917	51,824,703
Insurance contract assets at the beginning of the year	(9,617)	100	(3,209)	(12,726)	(29)	29	-	-	-	(12,726)
Net insurance contract liabilities/assets at the beginning of the year	(3,309,699)	91,589	29,078,170	25,860,060	(2,827,567)	279,773	26,805,965	1,693,746	25,951,917	51,811,977
Contracts under the modified retrospective approach (MRA)	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach (FVA)	(100,332)	-	-	(100,332)	-	-	-	-	-	(100,332)
Other contracts	(12,834,195)	-	-	(12,834,195)	(18,475,143)	-	-	-	(18,475,143)	(31,309,338)
Insurance revenue	(12,934,527)	-	-	(12,934,527)	(18,475,143)	-	-	-	(18,475,143)	(31,409,670)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	-	(161,284)	7,518,371	7,357,087	-	-	16,679,747	843,466	17,523,213	24,880,300
Amortisation of insurance acquisition cash flows	1,722,014	-	-	1,722,014	313,963	-	-	-	313,963	2,035,977
Recognition and reversals of losses on onerous contracts	-	124,485	-	124,485	-	152,039	-	-	152,039	276,524
Changes in fulfilment cash flows relating to the liability for incurred claims	-	-	(641,980)	(641,980)	-	-	795,242	(363,985)	431,257	(210,723)
Other expenses	25,385	-	-	25,385	6,785	-	-	-	6,785	32,170
Insurance service expenses	1,747,399	(36,799)	6,876,391	8,586,991	320,748	152,039	17,474,989	479,481	18,427,257	27,014,248
Insurance service result	(11,187,128)	(36,799)	6,876,391	(4,347,536)	(18,154,395)	152,039	17,474,989	479,481	(47,886)	(4,395,422)
Finance income from insurance contracts issued	34,123	2,020	1,019,360	1,055,503	88,576	-	424,884	35,401	548,861	1,604,364
Comprising: Amounts recognised in profit or loss	34,971	1,880	683,284	720,135	88,576	-	574,465	45,146	708,187	1,428,322
Amounts recognised in other comprehensive income	(848)	140	336,076	335,368	-	-	(149,581)	(9,745)	(159,326)	176,042
Other changes recognised in profit or loss	(196,655)	(307)	169,719	(27,243)	1,527	(4,178)	(34,628)	(2,527)	(39,806)	(67,049)
Other changes recognised in other comprehensive income	148,726	(81)	(309,303)	(160,658)	(1,499)	(22)	(857)	(62)	(2,440)	(163,098)
Total changes in the statement of profit or loss and other comprehensive income	(11,200,934)	(35,167)	7,756,167	(3,479,934)	(18,065,791)	147,839	17,864,388	512,293	458,729	(3,021,205)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims			
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total
2025										
Investment components	(367,398)	-	367,398	-	(5,129,947)	-	5,129,947	-	-	-
Premiums received	13,403,799	-	-	13,403,799	23,021,664	-	-	-	23,021,664	36,425,463
Insurance acquisition cash flows paid	(1,668,014)	-	-	(1,668,014)	(374,141)	-	-	-	(374,141)	(2,042,155)
Claims and other insurance service expenses paid, including investment components	202	-	(7,689,360)	(7,689,158)	-	-	(20,670,054)	-	(20,670,054)	(28,359,212)
Other cash flows	-	-	-	-	-	-	-	-	-	-
Total cash flows	11,735,987	-	(7,689,360)	4,046,627	22,647,523	-	(20,670,054)	-	1,977,469	6,024,096
Other changes	-	-	-	-	-	-	-	-	-	-
Net liabilities/assets of insurance contract at the end of the year	(3,142,044)	56,422	29,512,375	26,426,753	(3,375,782)	427,612	29,130,246	2,206,039	28,388,115	54,814,868
Insurance contract assets at the end of the year	(4,955)	-	4,320	(635)	(85,645)	2,003	68,209	4,613	(10,820)	(11,455)
Insurance contract liabilities at the end of the year	(3,137,089)	56,422	29,508,055	26,427,388	(3,290,137)	425,609	29,062,037	2,201,426	28,398,935	54,826,323

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	
2024										
Insurance contract liabilities at the beginning of the year	(1,381,433)	83,999	26,118,968	24,821,534	(4,684,893)	454,770	27,753,467	1,669,254	25,192,598	50,014,132
Insurance contract assets at the beginning of the year	(53,055)	3	(126,949)	(180,001)	(7,414)	4	29,961	10,467	33,018	(146,983)
Net insurance contract liabilities/assets at the beginning of the year	(1,434,488)	84,002	25,992,019	24,641,533	(4,692,307)	454,774	27,783,428	1,679,721	25,225,616	49,867,149
Contracts under the modified retrospective approach (MRA)	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach (FVA)	(204,779)	-	-	(204,779)	-	-	-	-	-	(204,779)
Other contracts	(13,296,996)	-	-	(13,296,996)	(19,776,774)	-	-	-	(19,776,774)	(33,073,770)
Insurance revenue	(13,501,775)	-	-	(13,501,775)	(19,776,774)	-	-	-	(19,776,774)	(33,278,549)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	-	(271,798)	8,299,811	8,028,013	-	-	17,720,415	301,746	18,022,161	26,050,174
Amortisation of insurance acquisition cash flows	1,724,878	-	-	1,724,878	157,750	-	-	-	157,750	1,882,628
Recognition and reversals of losses on onerous contracts	-	271,617	-	271,617	-	(175,783)	-	-	(175,783)	95,834
Changes in fulfilment cash flows relating to the liability for incurred claims	-	-	344,799	344,799	-	-	504,611	(353,414)	151,197	495,996
Other expenses	(18,176)	-	-	(18,176)	15,702	-	-	-	15,702	(2,474)
Insurance service expenses	1,706,702	(181)	8,644,610	10,351,131	173,452	(175,783)	18,225,026	(51,668)	18,171,027	28,522,158
Insurance service result	(11,795,073)	(181)	8,644,610	(3,150,644)	(19,603,322)	(175,783)	18,225,026	(51,668)	(1,605,747)	(4,756,391)
Finance income from insurance contracts issued	247,549	7,747	615,504	870,800	94,458	-	859,113	65,287	1,018,858	1,889,658
Comprising: Amounts recognised in profit or loss	226,726	7,649	557,112	791,487	94,458	-	623,472	44,131	762,061	1,553,548
Amounts recognised in other comprehensive income	20,823	98	58,392	79,313	-	-	235,641	21,156	256,797	336,110
Other changes recognised in profit or loss	(15,891)	11	94,754	78,874	5,064	782	8,154	406	14,406	93,280
Other changes recognised in other comprehensive income	(78,257)	10	168,843	90,596	-	-	-	-	-	90,596
Total changes in the statement of profit or loss and other comprehensive income	(11,641,672)	7,587	9,523,711	(2,110,374)	(19,503,800)	(175,001)	19,092,293	14,025	(572,483)	(2,682,857)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Investment components	(433,905)	-	433,905	-	(4,869,171)	-	4,869,171	-	-	-
Premiums received	11,965,281	-	-	11,965,281	26,468,922	-	-	-	26,468,922	38,434,203
Insurance acquisition cash flows paid	(1,764,915)	-	-	(1,764,915)	(231,211)	-	-	-	(231,211)	(1,996,126)
Claims and other insurance service expenses paid, including investment components	-	-	(6,871,465)	(6,871,465)	-	-	(24,938,927)	-	(24,938,927)	(31,810,392)
Other cash flows	-	-	-	-	-	-	-	-	-	-
Total cash flows	10,200,366	-	(6,871,465)	3,328,901	26,237,711	-	(24,938,927)	-	1,298,784	4,627,685
Other changes	-	-	-	-	-	-	-	-	-	-
Net liabilities/assets of insurance contract at the end of the year	(3,309,699)	91,589	29,078,170	25,860,060	(2,827,567)	279,773	26,805,965	1,693,746	25,951,917	51,811,977
Insurance contract assets at the end of the year	(9,617)	100	(3,209)	(12,726)	(29)	29	-	-	-	(12,726)
Insurance contract liabilities at the end of the year	(3,300,082)	91,489	29,081,379	25,872,786	(2,827,538)	279,744	26,805,965	1,693,746	25,951,917	51,824,703

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage				Asset for remaining coverage			Asset for incurred claims		
	Non loss-recovery component	Loss-recovery component	Asset for incurred claims	Total	Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total
2025										
Reinsurance contract assets at the beginning of the year	(2,123,012)	14,960	12,552,150	10,444,098	(979,796)	52,203	3,852,326	237,099	3,161,832	13,605,930
Reinsurance contract liabilities at the beginning of the year	(2,471)	–	(61,868)	(64,339)	–	–	866	–	866	(63,473)
Net assets/liabilities of reinsurance contract at the beginning of the year	(2,125,483)	14,960	12,490,282	10,379,759	(979,796)	52,203	3,853,192	237,099	3,162,698	13,542,457
Allocation of reinsurance premiums	(5,262,422)	–	–	(5,262,422)	(2,464,178)	–	2	–	(2,464,176)	(7,726,598)
Recovery of claims incurred in the period	–	(8,540)	2,821,855	2,813,315	–	–	2,040,569	112,583	2,153,152	4,966,467
Recognition and reversals of the loss-recovery component	–	16,236	–	16,236	–	(13,590)	–	–	(13,590)	2,646
Changes in fulfilment cash flows that relate to the asset for incurred claims	–	–	(151,234)	(151,234)	–	–	(11,104)	(64,569)	(75,673)	(226,907)
Changes in non-performance risk of reinsurers	16,128	–	(5,091)	11,037	–	–	(6,356)	–	(6,356)	4,681
Others	–	–	–	–	–	–	–	–	–	–
Amounts recoverable from reinsurers	16,128	7,696	2,665,530	2,689,354	–	(13,590)	2,023,109	48,014	2,057,533	4,746,887
Net income/(expenses) from reinsurance contracts held	(5,246,294)	7,696	2,665,530	(2,573,068)	(2,464,178)	(13,590)	2,023,111	48,014	(406,643)	(2,979,711)
Finance income/(expenses) from reinsurance contracts held	138,697	(112)	506,858	645,443	22,359	(1)	65,871	5,521	93,750	739,193
Comprising: Amounts recognised in profit or loss	99,567	27	238,294	337,888	22,359	(1)	64,641	5,451	92,450	430,338
Amounts recognised in other comprehensive income	39,130	(139)	268,564	307,555	–	–	1,230	70	1,300	308,855
Other changes recognised in profit or loss	13,297	1	184,296	197,594	1,828	(40)	(4,869)	(308)	(3,389)	194,205
Other changes recognised in other comprehensive income	35,221	(531)	(253,252)	(218,562)	(101)	–	(10)	–	(111)	(218,673)
Total changes in the statement of profit or loss and other comprehensive income	(5,059,079)	7,054	3,103,432	(1,948,593)	(2,440,092)	(13,631)	2,084,103	53,227	(316,393)	(2,264,986)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty										
	Contracts not measured under the PAA					Contracts measured under the PAA					
	Asset for remaining coverage				Asset for remaining coverage			Asset for incurred claims		Total	Total
	Non loss- recovery component	Loss-recovery component	Asset for incurred claims	Total	Non loss- recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non- financial risk			
2025											
Investment components	(41,465)	–	41,465	–	(359,601)	–	359,601	–	–	–	–
Reinsurance premium paid	5,379,254	–	–	5,379,254	3,155,473	–	–	–	3,155,473	8,534,727	
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(125)	–	(2,672,413)	(2,672,538)	–	–	(1,829,151)	–	(1,829,151)	(4,501,689)	
Other cash flows	–	–	–	–	–	–	–	–	–	–	–
Total cash flows	5,379,129	–	(2,672,413)	2,706,716	3,155,473	–	(1,829,151)	–	1,326,322	4,033,038	
Other changes	–	–	–	–	–	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	(1,846,898)	22,014	12,962,766	11,137,882	(624,016)	38,572	4,467,745	290,326	4,172,627	15,310,509	
Reinsurance contract assets at the end of the year	(1,842,013)	22,014	12,968,996	11,148,997	(620,151)	38,572	4,466,865	290,326	4,175,612	15,324,609	
Reinsurance contract liabilities at the end of the year	(4,885)	–	(6,230)	(11,115)	(3,865)	–	880	–	(2,985)	(14,100)	

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims		Total	Total
	Non loss-recovery component	Loss-recovery component			Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Reinsurance contract assets at the beginning of the year	(2,023,113)	255,092	11,721,589	9,953,568	(723,278)	117,260	2,806,689	137,127	2,337,798	12,291,366
Reinsurance contract liabilities at the beginning of the year	(8,983)	–	(4,668)	(13,651)	(108,198)	108	106,308	193	(1,589)	(15,240)
Net assets/liabilities of reinsurance contract at the beginning of the year	(2,032,096)	255,092	11,716,921	9,939,917	(831,476)	117,368	2,912,997	137,320	2,336,209	12,276,126
Allocation of reinsurance premiums	(4,544,156)	–	–	(4,544,156)	(2,408,291)	–	–	–	(2,408,291)	(6,952,447)
Recovery of claims incurred in the period	–	(111,126)	1,891,393	1,780,267	–	–	2,358,081	131,399	2,489,480	4,269,747
Recognition and reversals of the loss-recovery component	–	(132,056)	–	(132,056)	–	(65,192)	–	–	(65,192)	(197,248)
Changes in fulfilment cash flows that relate to the asset for incurred claims	–	–	853,925	853,925	–	–	(151,099)	(38,129)	(189,228)	664,697
Changes in non-performance risk of reinsurers	73	–	(3,254)	(3,181)	–	–	(1,966)	–	(1,966)	(5,147)
Others	–	–	–	–	–	–	–	–	–	–
Amounts recoverable from reinsurers	73	(243,182)	2,742,064	2,498,955	–	(65,192)	2,205,016	93,270	2,233,094	4,732,049
Net income/(expenses) from reinsurance contracts held	(4,544,083)	(243,182)	2,742,064	(2,045,201)	(2,408,291)	(65,192)	2,205,016	93,270	(175,197)	(2,220,398)
Finance income/(expenses) from reinsurance contracts held	190,841	(5)	90,195	281,031	27,893	(2)	78,250	6,441	112,582	393,613
Comprising: Amounts recognised in profit or loss	140,274	196	151,381	291,851	27,893	(2)	46,775	3,801	78,467	370,318
Amounts recognised in other comprehensive income	50,567	(201)	(61,186)	(10,820)	–	–	31,475	2,640	34,115	23,295
Other changes recognised in profit or loss	(645)	3	3,137	2,495	(498)	29	1,685	68	1,284	3,779
Other changes recognised in other comprehensive income	(26,153)	3,052	150,322	127,221	–	–	–	–	–	127,221
Total changes in the statement of profit or loss and other comprehensive income	(4,380,040)	(240,132)	2,985,718	(1,634,454)	(2,380,896)	(65,165)	2,284,951	99,779	(61,331)	(1,695,785)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims		Total	Total
	Non loss-recovery component	Loss-recovery component			Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Investment components	(50,114)	-	50,114	-	(335,695)	-	335,695	-	-	-
Reinsurance premium paid	4,336,767	-	-	4,336,767	2,568,271	-	-	-	2,568,271	6,905,038
Amounts received from reinsurers relating to incurred claims										
and other expenses (including investment components)	-	-	(2,262,471)	(2,262,471)	-	-	(1,680,451)	-	(1,680,451)	(3,942,922)
Other cash flows	-	-	-	-	-	-	-	-	-	-
Total cash flows	4,336,767	-	(2,262,471)	2,074,296	2,568,271	-	(1,680,451)	-	887,820	2,962,116
Other changes	-	-	-	-	-	-	-	-	-	-
Net assets/liabilities of reinsurance contract at the end of the year	(2,125,483)	14,960	12,490,282	10,379,759	(979,796)	52,203	3,853,192	237,099	3,162,698	13,542,457
Reinsurance contract assets at the end of the year	(2,123,012)	14,960	12,552,150	10,444,098	(979,796)	52,203	3,852,326	237,099	3,161,832	13,605,930
Reinsurance contract liabilities at the end of the year	(2,471)	-	(61,868)	(64,339)	-	-	866	-	866	(63,473)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

2025	Reinsurance contracts issued – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
Insurance contract liabilities at the beginning of the year	95,305,485	10,310,698	38,741,583	144,357,766	–	–	–	–	–	144,357,766
Insurance contract assets at the beginning of the year	(2,001,130)	1,023	1,502,473	(497,634)	–	–	–	–	–	(497,634)
Net insurance contract liabilities/assets at the beginning of the year	93,304,355	10,311,721	40,244,056	143,860,132	–	–	–	–	–	143,860,132
Contracts under the modified retrospective approach (MRA)	–	–	–	–	–	–	–	–	–	–
Contracts under the fair value approach (FVA)	(4,143,349)	–	–	(4,143,349)	–	–	–	–	–	(4,143,349)
Other contracts	(5,701,424)	–	–	(5,701,424)	–	–	–	–	–	(5,701,424)
Insurance revenue	(9,844,773)	–	–	(9,844,773)	–	–	–	–	–	(9,844,773)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	–	(844,836)	8,925,162	8,080,326	–	–	–	–	–	8,080,326
Amortisation of insurance acquisition cash flows	108,987	–	–	108,987	–	–	–	–	–	108,987
Recognition and reversals of losses on onerous contracts	–	4,427,128	–	4,427,128	–	–	–	–	–	4,427,128
Changes in fulfilment cash flows relating to the liability for incurred claims	–	–	(186,616)	(186,616)	–	–	–	–	–	(186,616)
Other expenses	–	–	–	–	–	–	–	–	–	–
Insurance service expenses	108,987	3,582,292	8,738,546	12,429,825	–	–	–	–	–	12,429,825
Insurance service result	(9,735,786)	3,582,292	8,738,546	2,585,052	–	–	–	–	–	2,585,052
Finance income from insurance contracts issued	1,958,186	550,546	–	2,508,732	–	–	–	–	–	2,508,732
Comprising: Amounts recognised in profit or loss	2,942,575	259,181	–	3,201,756	–	–	–	–	–	3,201,756
Amounts recognised in other comprehensive income	(984,389)	291,365	–	(693,024)	–	–	–	–	–	(693,024)
Other changes recognised in profit or loss	(86,403)	(336)	(9,641)	(96,380)	–	–	–	–	–	(96,380)
Other changes recognised in other comprehensive income	(265,699)	(28,169)	(46,434)	(340,302)	–	–	–	–	–	(340,302)
Total changes in the statement of profit or loss and other comprehensive income	(8,129,702)	4,104,333	8,682,471	4,657,102	–	–	–	–	–	4,657,102

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – Life and health										
	Contracts not measured under the PAA					Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage			Liability for incurred claims			
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows		Risk adjustment for non-financial risk	Total	Total
2025											
Investment components	(44,887,447)	-	44,887,447	-	-	-	-	-	-	-	-
Premiums received	62,720,445	-	-	62,720,445	-	-	-	-	-	-	62,720,445
Insurance acquisition cash flows paid	(108,714)	-	-	(108,714)	-	-	-	-	-	-	(108,714)
Claims and other insurance service expenses paid, including investment components	-	-	(49,597,860)	(49,597,860)	-	-	-	-	-	-	(49,597,860)
Other cash flows	(6,125,274)	-	52,633	(6,072,641)	-	-	-	-	-	-	(6,072,641)
Total cash flows	56,486,457	-	(49,545,227)	6,941,230	-	-	-	-	-	-	6,941,230
Other changes	-	-	-	-	-	-	-	-	-	-	-
Net liabilities/assets of insurance contract at the end of the year	96,773,663	14,416,054	44,268,747	155,458,464	-	-	-	-	-	-	155,458,464
Insurance contract assets at the end of the year	(2,444,212)	620	1,832,132	(611,460)	-	-	-	-	-	-	(611,460)
Insurance contract liabilities at the end of the year	99,217,875	14,415,434	42,436,615	156,069,924	-	-	-	-	-	-	156,069,924

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage				Liability for incurred claims	
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total
2024										
Insurance contract liabilities at the beginning of the year	100,859,028	7,160,020	29,782,842	137,801,890	-	-	-	-	-	137,801,890
Insurance contract assets at the beginning of the year	(429,177)	20,562	118,500	(290,115)	-	-	-	-	-	(290,115)
Net insurance contract liabilities/assets at the beginning of the year	100,429,851	7,180,582	29,901,342	137,511,775	-	-	-	-	-	137,511,775
Contracts under the modified retrospective approach (MRA)	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach (FVA)	(4,651,097)	-	-	(4,651,097)	-	-	-	-	-	(4,651,097)
Other contracts	(4,861,431)	-	-	(4,861,431)	-	-	-	-	-	(4,861,431)
Insurance revenue	(9,512,528)	-	-	(9,512,528)	-	-	-	-	-	(9,512,528)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	-	(1,285,650)	8,858,718	7,573,068	-	-	-	-	-	7,573,068
Amortisation of insurance acquisition cash flows	85,211	-	-	85,211	-	-	-	-	-	85,211
Recognition and reversals of losses on onerous contracts	-	3,422,338	-	3,422,338	-	-	-	-	-	3,422,338
Changes in fulfilment cash flows relating to the liability for incurred claims	-	-	(614,211)	(614,211)	-	-	-	-	-	(614,211)
Other expenses	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	85,211	2,136,688	8,244,507	10,466,406	-	-	-	-	-	10,466,406
Insurance service result	(9,427,317)	2,136,688	8,244,507	953,878	-	-	-	-	-	953,878
Finance income from insurance contracts issued	9,074,327	968,756	-	10,043,083	-	-	-	-	-	10,043,083
Comprising: Amounts recognised in profit or loss	3,257,223	208,526	-	3,465,749	-	-	-	-	-	3,465,749
Amounts recognised in other comprehensive income	5,817,104	760,230	-	6,577,334	-	-	-	-	-	6,577,334
Other changes recognised in profit or loss	110,369	34,946	48,346	193,661	-	-	-	-	-	193,661
Other changes recognised in other comprehensive income	292,361	(9,251)	700	283,810	-	-	-	-	-	283,810
Total changes in the statement of profit or loss and other comprehensive income	49,740	3,131,139	8,293,553	11,474,432	-	-	-	-	-	11,474,432

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	
2024										
Investment components	(38,058,087)	-	38,058,087	-	-	-	-	-	-	-
Premiums received	52,798,412	-	-	52,798,412	-	-	-	-	-	52,798,412
Insurance acquisition cash flows paid	(138,217)	-	-	(138,217)	-	-	-	-	-	(138,217)
Claims and other insurance service expenses paid, including investment components	-	-	(36,095,655)	(36,095,655)	-	-	-	-	-	(36,095,655)
Other cash flows	(21,777,344)	-	86,729	(21,690,615)	-	-	-	-	-	(21,690,615)
Total cash flows	30,882,851	-	(36,008,926)	(5,126,075)	-	-	-	-	-	(5,126,075)
Other changes	-	-	-	-	-	-	-	-	-	-
Net liabilities/assets of insurance contract at the end of the year	93,304,355	10,311,721	40,244,056	143,860,132	-	-	-	-	-	143,860,132
Insurance contract assets at the end of the year	(2,001,130)	1,023	1,502,473	(497,634)	-	-	-	-	-	(497,634)
Insurance contract liabilities at the end of the year	95,305,485	10,310,698	38,741,583	144,357,766	-	-	-	-	-	144,357,766

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage				Asset for remaining coverage			Asset for incurred claims		Total
	Non loss-recovery component	Loss-recovery component	Asset for incurred claims	Total	Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	
2025										
Reinsurance contract assets at the beginning of the year	5,956,508	4,647,295	6,796,485	17,400,288	-	-	-	-	-	17,400,288
Reinsurance contract liabilities at the beginning of the year	(245,629)	-	205,444	(40,185)	-	-	-	-	-	(40,185)
Net assets/liabilities of reinsurance contract at the beginning of the year	5,710,879	4,647,295	7,001,929	17,360,103	-	-	-	-	-	17,360,103
Allocation of reinsurance premiums	(1,711,693)	-	-	(1,711,693)	-	-	-	-	-	(1,711,693)
Recovery of claims incurred in the period	-	(137,729)	1,747,013	1,609,284	-	-	-	-	-	1,609,284
Recognition and reversals of the loss-recovery component	-	852,480	-	852,480	-	-	-	-	-	852,480
Changes in fulfilment cash flows that relate to the asset for incurred claims	-	-	(76,967)	(76,967)	-	-	-	-	-	(76,967)
Changes in non-performance risk of reinsurers	118	-	(43)	75	-	-	-	-	-	75
Others	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurers	118	714,751	1,670,003	2,384,872	-	-	-	-	-	2,384,872
Net income/(expenses) from reinsurance contracts held	(1,711,575)	714,751	1,670,003	673,179	-	-	-	-	-	673,179
Finance income/(expenses) from reinsurance contracts held	(727,329)	12,758	-	(714,571)	-	-	-	-	-	(714,571)
Comprising: Amounts recognised in profit or loss	240,359	12,758	-	253,117	-	-	-	-	-	253,117
Amounts recognised in other comprehensive income	(967,688)	-	-	(967,688)	-	-	-	-	-	(967,688)
Other changes recognised in profit or loss	26,050	-	422	26,472	-	-	-	-	-	26,472
Other changes recognised in other comprehensive income	(42,317)	-	(3,098)	(45,415)	-	-	-	-	-	(45,415)
Total changes in the statement of profit or loss and other comprehensive income	(2,455,171)	727,509	1,667,327	(60,335)	-	-	-	-	-	(60,335)

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage				Asset for remaining coverage			Asset for incurred claims		Total
	Non loss-recovery component	Loss-recovery component	Asset for incurred claims	Total	Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	
2025										
Investment components	(3,353,711)	-	3,353,711	-	-	-	-	-	-	-
Reinsurance premium paid	2,825,533	-	-	2,825,533	-	-	-	-	-	2,825,533
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	-	-	(2,297,956)	(2,297,956)	-	-	-	-	-	(2,297,956)
Other cash flows	(531,808)	-	54,473	(477,335)	-	-	-	-	-	(477,335)
Total cash flows	2,293,725	-	(2,243,483)	50,242	-	-	-	-	-	50,242
Other changes	-	-	-	-	-	-	-	-	-	-
Net assets/liabilities of reinsurance contract at the end of the year	2,195,722	5,374,804	9,779,484	17,350,010	-	-	-	-	-	17,350,010
Reinsurance contract assets at the end of the year	2,883,268	5,374,804	9,123,800	17,381,872	-	-	-	-	-	17,381,872
Reinsurance contract liabilities at the end of the year	(687,546)	-	655,684	(31,862)	-	-	-	-	-	(31,862)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims		Total	Total
	Non loss-recovery component	Loss-recovery component			Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Reinsurance contract assets at the beginning of the year	2,001,476	1,827,844	8,867,842	12,697,162	-	-	-	-	-	12,697,162
Reinsurance contract liabilities at the beginning of the year	(703,156)	-	678,244	(24,912)	-	-	-	-	-	(24,912)
Net assets/liabilities of reinsurance contract at the beginning of the year	1,298,320	1,827,844	9,546,086	12,672,250	-	-	-	-	-	12,672,250
Allocation of reinsurance premiums	(2,017,992)	-	-	(2,017,992)	-	-	-	-	-	(2,017,992)
Recovery of claims incurred in the period	-	(113,887)	1,690,633	1,576,746	-	-	-	-	-	1,576,746
Recognition and reversals of the loss-recovery component	-	2,487,395	-	2,487,395	-	-	-	-	-	2,487,395
Changes in fulfilment cash flows that relate to the asset for incurred claims	-	-	149,091	149,091	-	-	-	-	-	149,091
Changes in non-performance risk of reinsurers	(177)	-	(92)	(269)	-	-	-	-	-	(269)
Others	-	-	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurers	(177)	2,373,508	1,839,632	4,212,963	-	-	-	-	-	4,212,963
Net income/(expenses) from reinsurance contracts held	(2,018,169)	2,373,508	1,839,632	2,194,971	-	-	-	-	-	2,194,971
Finance income from reinsurance contracts held	4,296,844	445,943	-	4,742,787	-	-	-	-	-	4,742,787
Comprising: Amounts recognised in profit or loss	210,317	445,943	-	656,260	-	-	-	-	-	656,260
Amounts recognised in other comprehensive income	4,086,527	-	-	4,086,527	-	-	-	-	-	4,086,527
Other changes recognised in profit or loss	(46,009)	-	(17,628)	(63,637)	-	-	-	-	-	(63,637)
Other changes recognised in other comprehensive income	61,182	-	17,752	78,934	-	-	-	-	-	78,934
Total changes in the statement of profit or loss and other comprehensive income	2,293,848	2,819,451	1,839,756	6,953,055	-	-	-	-	-	6,953,055

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims		Total	Total
	Non loss-recovery component	Loss-recovery component			Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Investment components	(6,640,103)	-	6,640,103	-	-	-	-	-	-	-
Reinsurance premium paid	9,877,772	-	-	9,877,772	-	-	-	-	-	9,877,772
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	-	-	(11,013,246)	(11,013,246)	-	-	-	-	-	(11,013,246)
Other cash flows	(1,118,958)	-	(10,770)	(1,129,728)	-	-	-	-	-	(1,129,728)
Total cash flows	8,758,814	-	(11,024,016)	(2,265,202)	-	-	-	-	-	(2,265,202)
Other changes	-	-	-	-	-	-	-	-	-	-
Net assets/liabilities of reinsurance contract at the end of the year	5,710,879	4,647,295	7,001,929	17,360,103	-	-	-	-	-	17,360,103
Reinsurance contract assets at the end of the year	5,956,508	4,647,295	6,796,485	17,400,288	-	-	-	-	-	17,400,288
Reinsurance contract liabilities at the end of the year	(245,629)	-	205,444	(40,185)	-	-	-	-	-	(40,185)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2025	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total
Insurance contract liabilities at the beginning of the year	1,357,056	173,974	21,584,080	23,115,110	11,356,485	2,153,041	18,540,863	1,014,614	33,065,003	56,180,113
Insurance contract assets at the beginning of the year	-	-	-	-	-	-	-	-	-	-
Net insurance contract liabilities/assets at the beginning of the year	1,357,056	173,974	21,584,080	23,115,110	11,356,485	2,153,041	18,540,863	1,014,614	33,065,003	56,180,113
Contracts under the modified retrospective approach (MRA)	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach (FVA)	(318,455)	-	-	(318,455)	-	-	-	-	-	(318,455)
Other contracts	(12,885,053)	-	-	(12,885,053)	(48,629,100)	-	-	-	(48,629,100)	(61,514,153)
Insurance revenue	(13,203,508)	-	-	(13,203,508)	(48,629,100)	-	-	-	(48,629,100)	(61,832,608)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	-	(21,983)	6,855,795	6,833,812	-	-	37,461,259	739,474	38,200,733	45,034,545
Amortisation of insurance acquisition cash flows	3,565,107	-	-	3,565,107	12,228,511	-	-	-	12,228,511	15,793,618
Recognition and reversals of losses on onerous contracts	-	3,382	-	3,382	-	(116,609)	-	-	(116,609)	(113,227)
Changes in fulfilment cash flows relating to the liability for incurred claims	-	-	(502,968)	(502,968)	-	-	(1,569,470)	(642,427)	(2,211,897)	(2,714,865)
Other expenses	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	3,565,107	(18,601)	6,352,827	9,899,333	12,228,511	(116,609)	35,891,789	97,047	48,100,738	58,000,071
Insurance service result	(9,638,401)	(18,601)	6,352,827	(3,304,175)	(36,400,589)	(116,609)	35,891,789	97,047	(528,362)	(3,832,537)
Finance income from insurance contracts issued	92,914	3,295	853,405	949,614	257,799	-	266,165	13,709	537,673	1,487,287
Comprising: Amounts recognised in profit or loss	19,874	4,173	499,181	523,228	257,799	-	330,268	17,251	605,318	1,128,546
Amounts recognised in other comprehensive income	73,040	(878)	354,224	426,386	-	-	(64,103)	(3,542)	(67,645)	358,741
Other changes recognised in profit or loss	28,564	1,938	627,618	658,120	-	-	-	-	-	658,120
Other changes recognised in other comprehensive income	137,812	(3,623)	(575,442)	(441,253)	-	-	-	-	-	(441,253)
Total changes in the statement of profit or loss and other comprehensive income	(9,379,111)	(16,991)	7,258,408	(2,137,694)	(36,142,790)	(116,609)	36,157,954	110,756	9,311	(2,128,383)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2025										
Investment components	(11,711)	-	11,711	-	(4,648,841)	-	4,648,841	-	-	-
Premiums received	13,221,400	-	-	13,221,400	53,606,628	488	-	-	53,607,116	66,828,516
Insurance acquisition cash flows paid	(3,513,127)	-	-	(3,513,127)	(11,252,734)	-	-	-	(11,252,734)	(14,765,861)
Claims and other insurance service expenses paid, including investment components	-	-	(7,672,040)	(7,672,040)	-	-	(38,242,913)	1,044	(38,241,869)	(45,913,909)
Other cash flows	-	-	-	-	-	-	-	-	-	-
Total cash flows	9,708,273	-	(7,672,040)	2,036,233	42,353,894	488	(38,242,913)	1,044	4,112,513	6,148,746
Other changes	-	-	-	-	-	-	-	-	-	-
Net liabilities/assets of insurance contract at the end of the year	1,674,507	156,983	21,182,159	23,013,649	12,918,748	2,036,920	21,104,745	1,126,414	37,186,827	60,200,476
Insurance contract assets at the end of the year	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities at the end of the year	1,674,507	156,983	21,182,159	23,013,649	12,918,748	2,036,920	21,104,745	1,126,414	37,186,827	60,200,476

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Insurance contract liabilities at the beginning of the year	1,224,349	431,090	19,096,460	20,751,899	10,687,247	2,800,889	16,177,532	827,880	30,493,548	51,245,447
Insurance contract assets at the beginning of the year	(10,161)	2,232	3,709	(4,220)	(542,713)	149,943	351,525	23,342	(17,903)	(22,123)
Net insurance contract liabilities/assets at the beginning of the year	1,214,188	433,322	19,100,169	20,747,679	10,144,534	2,950,832	16,529,057	851,222	30,475,645	51,223,324
Contracts under the modified retrospective approach (MRA)	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach (FVA)	(289,780)	-	-	(289,780)	-	-	-	-	-	(289,780)
Other contracts	(11,672,926)	-	-	(11,672,926)	(46,609,499)	-	-	-	(46,609,499)	(58,282,425)
Insurance revenue	(11,962,706)	-	-	(11,962,706)	(46,609,499)	-	-	-	(46,609,499)	(58,572,205)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	-	(205,412)	6,738,091	6,532,679	-	-	36,576,885	705,221	37,282,106	43,814,785
Amortisation of insurance acquisition cash flows	3,110,060	-	-	3,110,060	11,973,387	-	-	-	11,973,387	15,083,447
Recognition and reversals of losses on onerous contracts	-	(62,397)	-	(62,397)	-	(797,784)	-	-	(797,784)	(860,181)
Changes in fulfilment cash flows relating to the liability for incurred claims	-	-	701,332	701,332	-	-	(2,412,253)	(564,415)	(2,976,668)	(2,275,336)
Other expenses	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	3,110,060	(267,809)	7,439,423	10,281,674	11,973,387	(797,784)	34,164,632	140,806	45,481,041	55,762,715
Insurance service result	(8,852,646)	(267,809)	7,439,423	(1,681,032)	(34,636,112)	(797,784)	34,164,632	140,806	(1,128,458)	(2,809,490)
Finance income/(expenses) from insurance contracts issued	9,738	1,571	153,792	165,101	348,061	(7)	435,202	22,586	805,842	970,943
Comprising: Amounts recognised in profit or loss	(27,545)	10,331	191,057	173,843	348,061	(7)	339,747	16,783	704,584	878,427
Amounts recognised in other comprehensive income	37,283	(8,760)	(37,265)	(8,742)	-	-	95,455	5,803	101,258	92,516
Other changes recognised in profit or loss	-	-	-	-	-	-	-	-	-	-
Other changes recognised in other comprehensive income	(70,769)	6,890	320,969	257,090	-	-	-	-	-	257,090
Total changes in the statement of profit or loss and other comprehensive income	(8,913,677)	(259,348)	7,914,184	(1,258,841)	(34,288,051)	(797,791)	34,599,834	163,392	(322,616)	(1,581,457)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Investment components	(27,198)	-	27,198	-	(4,304,971)	-	4,304,971	-	-	-
Premiums received	12,425,037	-	-	12,425,037	51,039,207	-	-	-	51,039,207	63,464,244
Insurance acquisition cash flows paid	(3,341,294)	-	-	(3,341,294)	(11,234,234)	-	-	-	(11,234,234)	(14,575,528)
Claims and other insurance service expenses paid, including investment components	-	-	(5,457,471)	(5,457,471)	-	-	(36,892,999)	-	(36,892,999)	(42,350,470)
Other cash flows	-	-	-	-	-	-	-	-	-	-
Total cash flows	9,083,743	-	(5,457,471)	3,626,272	39,804,973	-	(36,892,999)	-	2,911,974	6,538,246
Other changes	-	-	-	-	-	-	-	-	-	-
Net liabilities/assets of insurance contract at the end of the year	1,357,056	173,974	21,584,080	23,115,110	11,356,485	2,153,041	18,540,863	1,014,614	33,065,003	56,180,113
Insurance contract assets at the end of the year	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities at the end of the year	1,357,056	173,974	21,584,080	23,115,110	11,356,485	2,153,041	18,540,863	1,014,614	33,065,003	56,180,113

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA

2025	Reinsurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
Insurance contract liabilities at the beginning of the year	21,341,947	3,466,862	12,300	1,051,677	1,063,977	25,872,786
Insurance contract assets at the beginning of the year	(16,569)	1,967	–	1,876	1,876	(12,726)
Net liabilities/assets of insurance contracts at the beginning of the year	21,325,378	3,468,829	12,300	1,053,553	1,065,853	25,860,060
CSM recognized for services provided	–	–	(2,469)	(2,677,876)	(2,680,345)	(2,680,345)
Changes in the risk adjustment for non-financial risk	–	(315,736)	–	–	–	(315,736)
Experience adjustments	(808,923)	–	–	–	–	(808,923)
Changes that relate to current services	(808,923)	(315,736)	(2,469)	(2,677,876)	(2,680,345)	(3,805,004)
Effect of insurance contracts initially recognised in the period	(2,812,148)	751,010	–	2,122,348	2,122,348	61,210
Changes in estimates that adjust the CSM	(291,980)	(11,645)	(5,562)	309,186	303,624	(1)
Changes in estimates that do not adjust the CSM	76,001	(12,725)	–	–	–	63,276
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(3,028,127)	726,640	(5,562)	2,431,534	2,425,972	124,485
Changes in fulfilment cash flows relating to the liability for incurred claims	103,064	(745,044)	–	–	–	(641,980)
Other changes that relate to past services	(25,037)	–	–	–	–	(25,037)
Changes that relate to past services	78,027	(745,044)	–	–	–	(667,017)
Insurance service result	(3,759,023)	(334,140)	(8,031)	(246,342)	(254,373)	(4,347,536)
Finance income from insurance contracts issued	806,318	147,813	324	101,048	101,372	1,055,503
Comprising: Amounts recognised in profit or loss	512,367	106,396	324	101,048	101,372	720,135
Amounts recognised in other comprehensive income	293,951	41,417	–	–	–	335,368

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Other changes recognised in profit or loss	(57,690)	31,930	(30)	(1,453)	(1,483)	(27,243)
Other changes recognised in other comprehensive income	(84,743)	(59,802)	17	(16,130)	(16,113)	(160,658)
Total changes in the statement of profit or loss and other comprehensive income	(3,095,138)	(214,199)	(7,720)	(162,877)	(170,597)	(3,479,934)
Premiums received	13,403,799	–	–	–	–	13,403,799
Insurance acquisition cash flows paid	(1,668,014)	–	–	–	–	(1,668,014)
Claims and other insurance service expenses paid, including investment components	(7,689,158)	–	–	–	–	(7,689,158)
Other cash flows	–	–	–	–	–	–
Total cash flows	4,046,627	–	–	–	–	4,046,627
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	22,276,867	3,254,630	4,580	890,676	895,256	26,426,753
Insurance contract assets at the end of the year	(1,793)	412	–	746	746	(635)
Insurance contract liabilities at the end of the year	22,278,660	3,254,218	4,580	889,930	894,510	26,427,388

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Insurance contract liabilities at the beginning of the year	21,400,603	2,773,157	16,749	631,025	647,774	24,821,534
Insurance contract assets at the beginning of the year	(217,969)	(1,497)	218	39,249	39,467	(179,999)
Net liabilities/assets of insurance contracts at the beginning of the year	21,182,634	2,771,660	16,967	670,274	687,241	24,641,535
CSM recognized for services provided	–	–	(7,448)	(2,627,983)	(2,635,431)	(2,635,431)
Changes in the risk adjustment for non-financial risk	–	(43,027)	–	–	–	(43,027)
Experience adjustments	(1,039,445)	–	–	–	–	(1,039,445)
Changes that relate to current services	(1,039,445)	(43,027)	(7,448)	(2,627,983)	(2,635,431)	(3,717,903)
Effect of insurance contracts initially recognised in the period	(3,781,987)	1,006,200	–	2,986,732	2,986,732	210,945
Changes in estimates that adjust the CSM	251,316	(138,852)	2,338	(114,802)	(112,464)	–
Changes in estimates that do not adjust the CSM	(94,172)	154,844	–	–	–	60,672
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(3,624,843)	1,022,192	2,338	2,871,930	2,874,268	271,617
Changes in fulfilment cash flows relating to the liability for incurred claims	732,268	(387,469)	–	–	–	344,799
Other changes that relate to past services	(49,157)	–	–	–	–	(49,157)
Changes that relate to past services	683,111	(387,469)	–	–	–	295,642
Insurance service result	(3,981,177)	591,696	(5,110)	243,947	238,837	(3,150,644)
Finance income from insurance contracts issued	671,085	72,879	432	126,404	126,836	870,800
Comprising: Amounts recognised in profit or loss	581,479	83,172	432	126,404	126,836	791,487
Amounts recognised in other comprehensive income	89,606	(10,293)	–	–	–	79,313

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Other changes recognised in profit or loss	65,317	12,092	17	1,448	1,465	78,874
Other changes recognised in other comprehensive income	58,620	20,502	(6)	11,480	11,474	90,596
Total changes in the statement of profit or loss and other comprehensive income	(3,186,155)	697,169	(4,667)	383,279	378,612	(2,110,374)
Premiums received	11,965,279	–	–	–	–	11,965,279
Insurance acquisition cash flows paid	(1,764,915)	–	–	–	–	(1,764,915)
Claims and other insurance service expenses paid, including investment components	(6,871,465)	–	–	–	–	(6,871,465)
Other cash flows	–	–	–	–	–	–
Total cash flows	3,328,899	–	–	–	–	3,328,899
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	21,325,378	3,468,829	12,300	1,053,553	1,065,853	25,860,060
Insurance contract assets at the end of the year	(16,569)	1,967	–	1,876	1,876	(12,726)
Insurance contract liabilities at the end of the year	21,341,947	3,466,862	12,300	1,051,677	1,063,977	25,872,786

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Reinsurance contract assets at the beginning of the year	8,183,196	1,621,028	(4,038)	643,912	639,874	10,444,098
Reinsurance contract liabilities at the beginning of the year	(61,802)	(2,538)	–	1	1	(64,339)
Net assets/liabilities of reinsurance contracts at the beginning of the year	8,121,394	1,618,490	(4,038)	643,913	639,875	10,379,759
CSM recognized for services provided	–	–	(11,263)	(1,393,227)	(1,404,490)	(1,404,490)
Changes in the risk adjustment for non-financial risk	–	(160,168)	–	–	–	(160,168)
Experience adjustments	(877,920)	–	–	–	–	(877,920)
Changes that relate to current services	(877,920)	(160,168)	(11,263)	(1,393,227)	(1,404,490)	(2,442,578)
Effect of reinsurance contract initially recognised in the period	(2,079,249)	434,936	–	1,644,313	1,644,313	–
Changes in estimates that adjust the CSM	343,918	29,367	(2,067)	(371,218)	(373,285)	–
Changes in estimates that do not adjust the CSM	63	74	–	–	–	137
Recognition and reversals of the loss-recovery component	–	–	12,770	3,329	16,099	16,099
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(1,735,268)	464,377	10,703	1,276,424	1,287,127	16,236
Changes in fulfilment cash flows that relate to the asset for incurred claims	308,788	(460,022)	–	–	–	(151,234)
Other changes that relate to past services	(6,529)	–	–	–	–	(6,529)
Changes that relate to past services	302,259	(460,022)	–	–	–	(157,763)
Changes in non-performance risk of reinsurers	16,685	(5,648)	–	–	–	11,037
Net expenses from reinsurance contracts held	(2,294,244)	(161,461)	(560)	(116,803)	(117,363)	(2,573,068)
Finance income from reinsurance contracts held	454,379	103,610	334	87,120	87,454	645,443

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty Contracts					
	not measured under the PAA					
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Comprising: Amounts recognised in profit or loss	189,213	61,082	473	87,120	87,593	337,888
Amounts recognised in other comprehensive income	265,166	42,528	(139)	–	(139)	307,555
Other changes recognised in profit or loss	164,659	33,059	2	(126)	(124)	197,594
Other changes recognised in other comprehensive income	(163,743)	(38,085)	(462)	(16,272)	(16,734)	(218,562)
Total changes in the statement of profit or loss and other comprehensive income	(1,838,949)	(62,877)	(686)	(46,081)	(46,767)	(1,948,593)
Reinsurance premium paid	5,379,254	–	–	–	–	5,379,254
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(2,672,538)	–	–	–	–	(2,672,538)
Other cash flows	–	–	–	–	–	–
Total cash flows	2,706,716	–	–	–	–	2,706,716
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	8,989,161	1,555,613	(4,724)	597,832	593,108	11,137,882
Reinsurance contract assets at the end of the year	9,000,315	1,555,574	(4,724)	597,832	593,108	11,148,997
Reinsurance contract liabilities at the end of the year	(11,154)	39	–	–	–	(11,115)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Reinsurance contract assets at the beginning of the year	8,338,470	1,195,153	30,389	389,558	419,947	9,953,570
Reinsurance contract liabilities at the beginning of the year	(14,030)	372	–	–	–	(13,658)
Net assets/liabilities of reinsurance contracts at the beginning of the year	8,324,440	1,195,525	30,389	389,558	419,947	9,939,912
CSM recognized for services provided	–	–	65,843	(1,418,810)	(1,352,967)	(1,352,967)
Changes in the risk adjustment for non-financial risk	–	(75,098)	–	–	–	(75,098)
Experience adjustments	(1,504,255)	–	–	–	–	(1,504,255)
Changes that relate to current services	(1,504,255)	(75,098)	65,843	(1,418,810)	(1,352,967)	(2,932,320)
Effect of reinsurance contract initially recognised in the period	(2,260,176)	327,669	–	1,932,507	1,932,507	–
Changes in estimates that adjust the CSM	279,606	65,511	34,479	(379,596)	(345,117)	–
Changes in estimates that do not adjust the CSM	1,715	(730)	–	–	–	985
Recognition and reversals of the loss-recovery component	–	–	(135,722)	2,682	(133,040)	(133,040)
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(1,978,855)	392,450	(101,243)	1,555,593	1,454,350	(132,055)
Changes in fulfilment cash flows that relate to the asset for incurred claims	778,557	75,369	–	–	–	853,926
Other changes that relate to past services	168,431	–	–	–	–	168,431
Changes that relate to past services	946,988	75,369	–	–	–	1,022,357
Changes in non-performance risk of reinsurers	(3,181)	–	–	–	–	(3,181)
Net income/(expenses) from reinsurance contracts held	(2,539,303)	392,721	(35,400)	136,783	101,383	(2,045,199)
Finance income from reinsurance contracts held	164,322	11,046	330	105,335	105,665	281,033

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Comprising: Amounts recognised in profit or loss	153,135	32,851	531	105,335	105,866	291,852
Amounts recognised in other comprehensive income	11,187	(21,805)	(201)	–	(201)	(10,819)
Other changes recognised in profit or loss	2,279	24	(1)	193	192	2,495
Other changes recognised in other comprehensive income	95,360	19,174	644	12,044	12,688	127,222
Total changes in the statement of profit or loss and other comprehensive income	(2,277,342)	422,965	(34,427)	254,355	219,928	(1,634,449)
Reinsurance premium paid	4,336,767	–	–	–	–	4,336,767
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(2,262,471)	–	–	–	–	(2,262,471)
Other cash flows	–	–	–	–	–	–
Total cash flows	2,074,296	–	–	–	–	2,074,296
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	8,121,394	1,618,490	(4,038)	643,913	639,875	10,379,759
Reinsurance contract assets at the end of the year	8,183,196	1,621,028	(4,038)	643,912	639,874	10,444,098
Reinsurance contract liabilities at the end of the year	(61,802)	(2,538)	–	1	1	(64,339)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Insurance contract liabilities at the beginning of the year	129,804,134	5,854,158	2,977,145	5,722,329	8,699,474	144,357,766
Insurance contract assets at the beginning of the year	(1,210,702)	357,945	282,834	72,289	355,123	(497,634)
Net liabilities/assets of insurance contracts at the beginning of the year	128,593,432	6,212,103	3,259,979	5,794,618	9,054,597	143,860,132
CSM recognized for services provided	–	–	(481,065)	(1,044,583)	(1,525,648)	(1,525,648)
Changes in the risk adjustment for non-financial risk	–	(420,611)	–	–	–	(420,611)
Experience adjustments	691,174	–	–	–	–	691,174
Changes that relate to current services	691,174	(420,611)	(481,065)	(1,044,583)	(1,525,648)	(1,255,085)
Effect of insurance contracts initially recognised in the period	881,852	296,343	–	662,363	662,363	1,840,558
Changes in estimates that adjust the CSM	2,074,009	(351,371)	509,497	(2,232,135)	(1,722,638)	–
Changes in estimates that do not adjust the CSM	2,523,647	62,923	–	–	–	2,586,570
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	5,479,508	7,895	509,497	(1,569,772)	(1,060,275)	4,427,128
Changes in fulfilment cash flows relating to the liability for incurred claims	78,965	(265,581)	–	–	–	(186,616)
Other changes that relate to past services	(400,375)	–	–	–	–	(400,375)
Changes that relate to past services	(321,410)	(265,581)	–	–	–	(586,991)
Insurance service result	5,849,272	(678,297)	28,432	(2,614,355)	(2,585,923)	2,585,052
Finance income/(expenses) from insurance contracts issued	2,259,584	(68,069)	104,322	212,895	317,217	2,508,732
Comprising: Amounts recognised in profit or loss	2,755,909	128,630	104,322	212,895	317,217	3,201,756
Amounts recognised in other comprehensive income	(496,325)	(196,699)	–	–	–	(693,024)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Other changes recognised in profit or loss	(91,799)	(699)	(74)	(3,808)	(3,882)	(96,380)
Other changes recognised in other comprehensive income	(341,838)	(19)	–	1,555	1,555	(340,302)
Total changes in the statement of profit or loss and other comprehensive income	7,675,219	(747,084)	132,680	(2,403,713)	(2,271,033)	4,657,102
Premiums received	62,720,445	–	–	–	–	62,720,445
Insurance acquisition cash flows paid	(108,714)	–	–	–	–	(108,714)
Claims and other insurance service expenses paid, including investment components	(49,597,860)	–	–	–	–	(49,597,860)
Other cash flows	(6,072,641)	–	–	–	–	(6,072,641)
Total cash flows	6,941,230	–	–	–	–	6,941,230
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	143,209,881	5,465,019	3,392,659	3,390,905	6,783,564	155,458,464
Insurance contract assets at the end of the year	(1,062,894)	159,654	235,232	56,548	291,780	(611,460)
Insurance contract liabilities at the end of the year	144,272,775	5,305,365	3,157,427	3,334,357	6,491,784	156,069,924

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Insurance contract liabilities at the beginning of the year	123,855,916	5,171,038	3,243,059	5,531,878	8,774,937	137,801,891
Insurance contract assets at the beginning of the year	(360,106)	(5,646)	–	75,637	75,637	(290,115)
Net liabilities/assets of insurance contracts at the beginning of the year	123,495,810	5,165,392	3,243,059	5,607,515	8,850,574	137,511,776
CSM recognized for services provided	–	–	(988,018)	(1,207,613)	(2,195,631)	(2,195,631)
Changes in the risk adjustment for non-financial risk	–	(376,145)	–	–	–	(376,145)
Experience adjustments	536,274	–	–	–	–	536,274
Changes that relate to current services	536,274	(376,145)	(988,018)	(1,207,613)	(2,195,631)	(2,035,502)
Effect of insurance contracts initially recognised in the period	1,987,171	286,284	–	628,116	628,116	2,901,571
Changes in estimates that adjust the CSM	(1,608,753)	162,117	893,170	553,466	1,446,636	–
Changes in estimates that do not adjust the CSM	121,123	399,644	–	–	–	520,767
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	499,541	848,045	893,170	1,181,582	2,074,752	3,422,338
Changes in fulfilment cash flows relating to the liability for incurred claims	(624,245)	10,034	–	–	–	(614,211)
Other changes that relate to past services	181,252	–	–	–	–	181,252
Changes that relate to past services	(442,993)	10,034	–	–	–	(432,959)
Insurance service result	592,822	481,934	(94,848)	(26,031)	(120,879)	953,877
Finance income from insurance contracts issued	9,159,000	564,391	111,628	208,064	319,692	10,043,083
Comprising: Amounts recognised in profit or loss	3,029,570	116,487	111,628	208,064	319,692	3,465,749
Amounts recognised in other comprehensive income	6,129,430	447,904	–	–	–	6,577,334

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health Contracts					
	not measured under the PAA					
	CSM					
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	Total
2024						
Other changes recognised in profit or loss	189,337	353	140	3,831	3,971	193,661
Other changes recognised in other comprehensive income	282,538	33	–	1,239	1,239	283,810
Total changes in the statement of profit or loss and other comprehensive income	10,223,697	1,046,711	16,920	187,103	204,023	11,474,431
Premiums received	52,798,412	–	–	–	–	52,798,412
Insurance acquisition cash flows paid	(138,217)	–	–	–	–	(138,217)
Claims and other insurance service expenses paid, including investment components	(36,095,655)	–	–	–	–	(36,095,655)
Other cash flows	(21,690,615)	–	–	–	–	(21,690,615)
Total cash flows	(5,126,075)	–	–	–	–	(5,126,075)
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	128,593,432	6,212,103	3,259,979	5,794,618	9,054,597	143,860,132
Insurance contract assets at the end of the year	(1,210,702)	357,945	282,834	72,289	355,123	(497,634)
Insurance contract liabilities at the end of the year	129,804,134	5,854,158	2,977,145	5,722,329	8,699,474	144,357,766

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

2025	Retrocession contracts held – Life and health Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
Reinsurance contract assets at the beginning of the year	16,985,331	2,410,629	343,086	(2,338,758)	(1,995,672)	17,400,288
Reinsurance contract liabilities at the beginning of the year	(18,025)	999	–	(23,159)	(23,159)	(40,185)
Net assets/liabilities of reinsurance contracts at the beginning of the year	16,967,306	2,411,628	343,086	(2,361,917)	(2,018,831)	17,360,103
CSM recognized for services provided	–	–	(88,089)	(90,697)	(178,786)	(178,786)
Changes in the risk adjustment for non-financial risk	–	(150,195)	–	–	–	(150,195)
Experience adjustments	211,991	–	–	–	–	211,991
Changes that relate to current services	211,991	(150,195)	(88,089)	(90,697)	(178,786)	(116,990)
Effect of reinsurance contract initially recognised in the period	(93,285)	92,069	–	1,216	1,216	–
Changes in estimates that adjust the CSM	(1,152,623)	(909,224)	357,144	1,704,703	2,061,847	–
Changes in estimates that do not adjust the CSM	486,727	276,583	–	–	–	763,310
Recognition and reversals of the loss-recovery component	–	–	–	89,170	89,170	89,170
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(759,181)	(540,572)	357,144	1,795,089	2,152,233	852,480
Changes in fulfilment cash flows that relate to the asset for incurred claims	(53,979)	(22,988)	–	–	–	(76,967)
Other changes that relate to past services	14,581	–	–	–	–	14,581
Changes that relate to past services	(39,398)	(22,988)	–	–	–	(62,386)
Changes in non-performance risk of reinsurers	75	–	–	–	–	75
Net income/(expenses) from reinsurance contracts held	(586,513)	(713,755)	269,055	1,704,392	1,973,447	673,179
Finance income/(expenses) from reinsurance contracts held	(508,984)	(35,481)	11,094	(181,200)	(170,106)	(714,571)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – Life and health Contracts					
	not measured under the PAA					
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Comprising: Amounts recognised in profit or loss	370,981	52,242	11,094	(181,200)	(170,106)	253,117
Amounts recognised in other comprehensive income	(879,965)	(87,723)	–	–	–	(967,688)
Other changes recognised in profit or loss	27,323	–	–	(851)	(851)	26,472
Other changes recognised in other comprehensive income	(47,048)	–	–	1,633	1,633	(45,415)
Total changes in the statement of profit or loss and other comprehensive income	(1,115,222)	(749,236)	280,149	1,523,974	1,804,123	(60,335)
Reinsurance premium paid	2,825,533	–	–	–	–	2,825,533
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(2,297,956)	–	–	–	–	(2,297,956)
Other cash flows	(477,335)	–	–	–	–	(477,335)
Total cash flows	50,242	–	–	–	–	50,242
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	15,902,326	1,662,392	623,235	(837,943)	(214,708)	17,350,010
Reinsurance contract assets at the end of the year	15,938,034	1,657,273	623,235	(836,670)	(213,435)	17,381,872
Reinsurance contract liabilities at the end of the year	(35,708)	5,119	–	(1,273)	(1,273)	(31,862)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – Life and health Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Reinsurance contract assets at the beginning of the year	13,843,343	1,361,497	532,766	(3,040,446)	(2,507,680)	12,697,160
Reinsurance contract liabilities at the beginning of the year	(26,456)	3,193	–	(1,642)	(1,642)	(24,905)
Net assets/liabilities of reinsurance contracts at the beginning of the year	13,816,887	1,364,690	532,766	(3,042,088)	(2,509,322)	12,672,255
CSM recognized for services provided	–	–	(245,421)	(147,465)	(392,886)	(392,886)
Changes in the risk adjustment for non-financial risk	–	(183,501)	–	–	–	(183,501)
Experience adjustments	342,043	–	–	–	–	342,043
Changes that relate to current services	342,043	(183,501)	(245,421)	(147,465)	(392,886)	(234,344)
Effect of reinsurance contract initially recognised in the period	1,424,733	143,999	–	(1,568,732)	(1,568,732)	–
Changes in estimates that adjust the CSM	(768,695)	(1,367,695)	38,981	2,097,409	2,136,390	–
Changes in estimates that do not adjust the CSM	215,641	2,259,458	–	–	–	2,475,099
Recognition and reversals of the loss-recovery component	–	–	–	12,296	12,296	12,296
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	871,679	1,035,762	38,981	540,973	579,954	2,487,395
Changes in fulfilment cash flows that relate to the asset for incurred claims	150,788	(1,697)	–	–	–	149,091
Other changes that relate to past services	(206,901)	–	–	–	–	(206,901)
Changes that relate to past services	(56,113)	(1,697)	–	–	–	(57,810)
Changes in non-performance risk of reinsurers	(269)	–	–	–	–	(269)
Net income/(expenses) from reinsurance contracts held	1,157,340	850,564	(206,440)	393,508	187,068	2,194,972
Finance income from reinsurance contracts held	4,242,246	196,373	16,760	287,408	304,168	4,742,787

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – Life and health Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Comprising: Amounts recognised in profit or loss	317,063	35,028	16,760	287,408	304,168	656,259
Amounts recognised in other comprehensive income	3,925,183	161,345	–	–	–	4,086,528
Other changes recognised in profit or loss	(64,722)	–	–	1,085	1,085	(63,637)
Other changes recognised in other comprehensive income	80,763	1	–	(1,830)	(1,830)	78,934
Total changes in the statement of profit or loss and other comprehensive income	5,415,627	1,046,938	(189,680)	680,171	490,491	6,953,056
Reinsurance premium paid	9,877,770	–	–	–	–	9,877,770
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(11,013,248)	–	–	–	–	(11,013,248)
Other cash flows	(1,129,730)	–	–	–	–	(1,129,730)
Total cash flows	(2,265,208)	–	–	–	–	(2,265,208)
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	16,967,306	2,411,628	343,086	(2,361,917)	(2,018,831)	17,360,103
Reinsurance contract assets at the end of the year	16,985,331	2,410,629	343,086	(2,338,758)	(1,995,672)	17,400,288
Reinsurance contract liabilities at the end of the year	(18,025)	999	–	(23,159)	(23,159)	(40,185)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Insurance contract liabilities at the beginning of the year	18,138,718	3,321,338	157,148	1,497,906	1,655,054	23,115,110
Insurance contract assets at the beginning of the year	–	–	–	–	–	–
Net liabilities/assets of insurance contracts at the beginning of the year	18,138,718	3,321,338	157,148	1,497,906	1,655,054	23,115,110
CSM recognized for services provided	–	–	(198,016)	(1,554,574)	(1,752,590)	(1,752,590)
Changes in the risk adjustment for non-financial risk	–	(262,702)	–	–	–	(262,702)
Experience adjustments	(792,249)	–	–	–	–	(792,249)
Changes that relate to current services	(792,249)	(262,702)	(198,016)	(1,554,574)	(1,752,590)	(2,807,541)
Effect of insurance contracts initially recognised in the period	(2,300,280)	988,498	–	1,346,357	1,346,357	34,575
Changes in estimates that adjust the CSM	(431,842)	16,773	227,847	187,222	415,069	–
Changes in estimates that do not adjust the CSM	(26,809)	(4,384)	–	–	–	(31,193)
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(2,758,931)	1,000,887	227,847	1,533,579	1,761,426	3,382
Changes in fulfilment cash flows relating to the liability for incurred claims	308,902	(811,870)	–	–	–	(502,968)
Other changes that relate to past services	2,952	–	–	–	–	2,952
Changes that relate to past services	311,854	(811,870)	–	–	–	(500,016)
Insurance service result	(3,239,326)	(73,685)	29,831	(20,995)	8,836	(3,304,175)
Finance income from insurance contracts issued	699,437	159,868	3,952	86,357	90,309	949,614
Comprising: Amounts recognised in profit or loss	326,694	106,225	3,952	86,357	90,309	523,228
Amounts recognised in other comprehensive income	372,743	53,643	–	–	–	426,386

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2025						
Other changes recognised in profit or loss	550,516	100,022	4,684	2,898	7,582	658,120
Other changes recognised in other comprehensive income	(323,498)	(91,479)	(1,266)	(25,010)	(26,276)	(441,253)
Total changes in the statement of profit or loss and other comprehensive income	(2,312,871)	94,726	37,201	43,250	80,451	(2,137,694)
Premiums received	13,221,400	–	–	–	–	13,221,400
Insurance acquisition cash flows paid	(3,513,127)	–	–	–	–	(3,513,127)
Claims and other insurance service expenses paid, including investment components	(7,672,040)	–	–	–	–	(7,672,040)
Other cash flows	–	–	–	–	–	–
Total cash flows	2,036,233	–	–	–	–	2,036,233
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	17,862,080	3,416,064	194,349	1,541,156	1,735,505	23,013,649
Insurance contract assets at the end of the year	–	–	–	–	–	–
Insurance contract liabilities at the end of the year	17,862,080	3,416,064	194,349	1,541,156	1,735,505	23,013,649

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Insurance contract liabilities at the beginning of the year	16,820,344	2,478,635	186,803	1,266,116	1,452,919	20,751,898
Insurance contract assets at the beginning of the year	(4,244)	22	–	–	–	(4,222)
Net liabilities/assets of insurance contracts at the beginning of the year	16,816,100	2,478,657	186,803	1,266,116	1,452,919	20,747,676
CSM recognized for services provided	–	–	(78,216)	(1,689,956)	(1,768,172)	(1,768,172)
Changes in the risk adjustment for non-financial risk	–	(64,310)	–	–	–	(64,310)
Experience adjustments	(485,366)	–	–	–	–	(485,366)
Changes that relate to current services	(485,366)	(64,310)	(78,216)	(1,689,956)	(1,768,172)	(2,317,848)
Effect of insurance contracts initially recognised in the period	(2,475,938)	801,319	–	1,674,619	1,674,619	–
Changes in estimates that adjust the CSM	(238,153)	57,105	42,195	138,853	181,048	–
Changes in estimates that do not adjust the CSM	(50,275)	(12,122)	–	–	–	(62,397)
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(2,764,366)	846,302	42,195	1,813,472	1,855,667	(62,397)
Changes in fulfilment cash flows relating to the liability for incurred claims	695,494	5,843	–	–	–	701,337
Other changes that relate to past services	(2,121)	–	–	–	–	(2,121)
Changes that relate to past services	693,373	5,843	–	–	–	699,216
Insurance service result	(2,556,359)	787,835	(36,021)	123,516	87,495	(1,681,029)
Finance income from insurance contracts issued	57,874	12,256	6,039	88,932	94,971	165,101
Comprising: Amounts recognised in profit or loss	45,001	33,871	6,039	88,932	94,971	173,843
Amounts recognised in other comprehensive income	12,873	(21,615)	–	–	–	(8,742)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty Contracts					
	not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Other changes recognised in profit or loss	–	–	–	–	–	–
Other changes recognised in other comprehensive income	194,831	42,590	327	19,342	19,669	257,090
Total changes in the statement of profit or loss and other comprehensive income	(2,303,654)	842,681	(29,655)	231,790	202,135	(1,258,838)
Premiums received	12,425,037	–	–	–	–	12,425,037
Insurance acquisition cash flows paid	(3,341,294)	–	–	–	–	(3,341,294)
Claims and other insurance service expenses paid, including investment components	(5,457,471)	–	–	–	–	(5,457,471)
Other cash flows	–	–	–	–	–	–
Total cash flows	3,626,272	–	–	–	–	3,626,272
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	18,138,718	3,321,338	157,148	1,497,906	1,655,054	23,115,110
Insurance contract assets at the end of the year	–	–	–	–	–	–
Insurance contract liabilities at the end of the year	18,138,718	3,321,338	157,148	1,497,906	1,655,054	23,115,110

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year

The following table summarises the effect of the initial recognition of contracts not measured under the PAA on the measurement components of insurance contracts issued and reinsurance contracts held at initial recognition.

Insurance contracts issued

	Reinsurance contracts issued – property and casualty				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2025					
Estimates of present value (“PV”) of future cash outflows – Insurance acquisition cash flows	1,540,669	72,147	–	–	1,612,816
Estimates of PV of future cash outflows – Other	5,282,931	548,707	–	–	5,831,638
Estimates of PV of future cash outflows – Subtotal	6,823,600	620,854	–	–	7,444,454
Estimates of PV of future cash inflows	(9,661,316)	(595,286)	–	–	(10,256,602)
Risk adjustment for non-financial risk	715,368	35,642	–	–	751,010
CSM	2,122,348	–	–	–	2,122,348
Effect of contracts initially recognised in the year	–	61,210	–	–	61,210

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year (continued)

Insurance contracts issued (continued)

	Reinsurance contracts issued – property and casualty				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2024					
Estimates of present value (“PV”) of future cash outflows – Insurance acquisition cash flows	1,752,376	58,838	–	–	1,811,214
Estimates of PV of future cash outflows – Other	7,865,204	1,563,011	–	–	9,428,215
Estimates of PV of future cash outflows – Subtotal	9,617,580	1,621,849	–	–	11,239,429
Estimates of PV of future cash inflows	(13,437,556)	(1,583,860)	–	–	(15,021,416)
Risk adjustment for non-financial risk	833,244	172,956	–	–	1,006,200
CSM	2,986,732	–	–	–	2,986,732
Effect of contracts initially recognised in the year	–	210,945	–	–	210,945

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year (continued)

Reinsurance contracts held

	Retrocession contracts held – Property and casualty				
	Net gain	Net cost	Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2025					
Estimates of PV of future cash inflows	–	2,940,735	–	–	2,940,735
Estimates of PV of future cash outflows	–	(5,019,984)	–	–	(5,019,984)
Risk adjustment for non-financial risk	–	434,936	–	–	434,936
CSM	–	1,644,313	–	–	1,644,313
Effect of contracts initially recognised in the year	–	–	–	–	–

	Reinsurance contracts issued – property and casualty				
	Net gain	Net cost	Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2024					
Estimates of PV of future cash inflows	11,038	2,634,945	–	–	2,645,983
Estimates of PV of future cash outflows	(11,100)	(4,895,059)	–	–	(4,906,159)
Risk adjustment for non-financial risk	585	327,084	–	–	327,669
CSM	(523)	1,933,030	–	–	1,932,507
Effect of contracts initially recognised in the year	–	–	–	–	–

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year (continued)

Insurance contracts issued

	Reinsurance contracts issued – life and health				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2025					
Estimates of PV of future cash outflows – Insurance acquisition cash flows	39,145	11,824	–	–	50,969
Estimates of PV of future cash outflows – Other	5,746,182	29,092,452	–	–	34,838,634
Estimates of PV of future cash outflows – Subtotal	5,785,327	29,104,276	–	–	34,889,603
Estimates of PV of future cash inflows	(6,550,637)	(27,457,114)	–	–	(34,007,751)
Risk adjustment for non-financial risk	102,947	193,396	–	–	296,343
CSM	662,363	–	–	–	662,363
Effect of contracts initially recognised in the year	–	1,840,558	–	–	1,840,558

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year (continued)

Insurance contracts issued (continued)

	Reinsurance contracts issued – life and health				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2024					
Estimates of PV of future cash outflows –					
Insurance acquisition cash flows	40,006	18,298	–	–	58,304
Estimates of PV of future cash outflows – Other	6,657,093	54,009,153	–	–	60,666,246
Estimates of PV of future cash outflows – Subtotal	6,697,099	54,027,451	–	–	60,724,550
Estimates of PV of future cash inflows	(7,471,037)	(51,266,342)	–	–	(58,737,379)
Risk adjustment for non-financial risk	145,822	140,462	–	–	286,284
CSM	628,116	–	–	–	628,116
Effect of contracts initially recognised in the year	–	2,901,571	–	–	2,901,571

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year (continued)

Reinsurance contracts held

	Retrocession contracts held – life and health				
			Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2025					
Estimates of PV of future cash inflows	2,799,833	1,123,940	–	–	3,923,773
Estimates of PV of future cash outflows	(2,780,027)	(1,237,031)	–	–	(4,017,058)
Risk adjustment for non-financial risk	55,337	36,732	–	–	92,069
CSM	(75,143)	76,359	–	–	1,216
Effect of contracts initially recognised in the year	–	–	–	–	–

	Retrocession contracts held – life and health				
			Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2024					
Estimates of PV of future cash inflows	31,544,138	15,144,462	–	–	46,688,600
Estimates of PV of future cash outflows	(29,328,178)	(15,935,689)	–	–	(45,263,867)
Risk adjustment for non-financial risk	118,502	25,497	–	–	143,999
CSM	(2,334,462)	765,730	–	–	(1,568,732)
Effect of contracts initially recognised in the year	–	–	–	–	–

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year (continued)

Insurance contracts issued

	Primary insurance contracts issued – property and casualty				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2025					
Estimates of PV of future cash outflows – Insurance acquisition cash flows	3,410,775	(8,488)	–	–	3,402,287
Estimates of PV of future cash outflows – Other	7,319,872	(58,549)	–	–	7,261,323
Estimates of PV of future cash outflows – Subtotal	10,730,647	(67,037)	–	–	10,663,610
Estimates of PV of future cash inflows	(13,069,288)	105,398	–	–	(12,963,890)
Risk adjustment for non-financial risk	992,284	(3,786)	–	–	988,498
CSM	1,346,357	–	–	–	1,346,357
Effect of contracts initially recognised in the year	–	34,575	–	–	34,575

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26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

(3) Effect of contracts initially recognised in the year (continued)

Insurance contracts issued (continued)

2024	Primary insurance contracts issued – property and casualty				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
Estimates of PV of future cash outflows – Insurance acquisition cash flows	3,129,824	–	–	–	3,129,824
Estimates of PV of future cash outflows – Other	6,911,080	–	–	–	6,911,080
Estimates of PV of future cash outflows – Subtotal	10,040,904	–	–	–	10,040,904
Estimates of PV of future cash inflows	(12,516,842)	–	–	–	(12,516,842)
Risk adjustment for non-financial risk	801,319	–	–	–	801,319
CSM	1,674,619	–	–	–	1,674,619
Effect of contracts initially recognised in the year	–	–	–	–	–

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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27 CONTRACTUAL SERVICE MARGIN (CSM)

Expected release of the CSM for insurance contracts not measured under the PAA:

Insurance and Reinsurance contracts issued

31 December 2025	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Total
Within 1 year	770,744	984,707	1,045,441	2,800,892
1 to 3 years	39,099	1,234,887	244,897	1,518,883
3 to 5 years	21,864	717,974	150,050	889,888
5 to 10 years	41,983	1,359,598	231,546	1,633,127
Over 10 years	21,566	2,486,398	63,571	2,571,535
Total	895,256	6,783,564	1,735,505	9,414,325

31 December 2024	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Total
Within 1 year	947,628	1,069,673	1,086,451	3,103,752
1 to 3 years	41,343	1,412,603	165,829	1,619,775
3 to 5 years	16,474	896,150	118,562	1,031,186
5 to 10 years	36,121	1,804,685	209,628	2,050,434
Over 10 years	24,287	3,871,486	74,584	3,970,357
Total	1,065,853	9,054,597	1,655,054	11,775,504

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27 CONTRACTUAL SERVICE MARGIN (CSM) (continued)

Retrocession contracts held

31 December 2025	Property and casualty retrocession	Life and health retrocession	Total
Within 1 year	(412,248)	11,742	(400,506)
1 to 3 years	(131,670)	60,152	(71,518)
3 to 5 years	(25,094)	60,451	35,357
5 to 10 years	(22,616)	114,045	91,429
Over 10 years	(1,480)	(31,682)	(33,162)
Total	(593,108)	214,708	(378,400)

31 December 2024	Property and casualty retrocession	Life and health retrocession	Total
Within 1 year	(539,082)	24,456	(514,626)
1 to 3 years	(59,444)	50,749	(8,695)
3 to 5 years	(23,740)	188,736	164,996
5 to 10 years	(16,562)	512,538	495,976
Over 10 years	(1,047)	1,242,352	1,241,305
Total	(639,875)	2,018,831	1,378,956

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28 TIME DEPOSITS

Remaining maturity	31 December 2025	31 December 2024
Within 3 months (inclusive)	1,144,075	7,113,264
3 months to 1 year (inclusive)	8,245,608	5,233,557
1 to 2 years (inclusive)	3,300,641	4,662,532
2 to 3 years (inclusive)	8,101,351	3,288,173
3 to 4 years (inclusive)	–	5,830,605
4 to 5 years (inclusive)	220,000	–
Interest receivable	1,491,604	1,280,268
Subtotal	22,503,279	27,408,399
Less: loss allowance	(5,784)	(16,552)
Total	22,497,495	27,391,847

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29 SCOPE OF CONSOLIDATION

(a) Particulars of the Company's primary subsidiaries as at 31 December 2025 are as follows:

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ place of operation
			Direct	Indirect	
China Re P&C	Beijing	Registered share capital of RMB11,482,250,000	100.00%	–	Property and casualty reinsurance, China
China Re Life	Beijing	Registered share capital of RMB8,170,000,000	100.00%	–	Life and health reinsurance, China
China Continent Insurance	Shanghai	Registered share capital of RMB15,115,918,986	64.30%	–	Primary property and casualty insurance, China
China Re AMC	Beijing	Registered share capital of RMB1,500,000,000	70.00%	26.43%	Management of insurance investments, China
Huatai Insurance Agency and Consultant Service Limited ("Huatai Insurance Agency")	Beijing	Registered share capital of RMB50,000,000	52.50%	–	Insurance brokerage, risk evaluation and management, China
China Re UK Limited	London	Paid-in capital of GBP95,300,000	100.00%	–	Property and casualty reinsurance, UK
China Re Underwriting Agency Limited	London	Paid-in capital of GBP18,000,000	100.00%	–	Underwriting agency, UK
China Re Hong Kong Company Limited	Hong Kong	Paid-in capital of USD700,000,000	100.00%	–	Investment holding, HK

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

29 SCOPE OF CONSOLIDATION (continued)

(a) Particulars of the Company's primary subsidiaries as at 31 December 2025 are as follows: (continued)

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ place of operation
			Direct	Indirect	
China Re Catastrophe Risk Management Company Ltd	Chongqing	Registered share capital of RMB276,212,544	51.87%	25.34%	Risk advisory, management consulting, China
China Reinsurance Digital Technology Company Limited	Beijing	Registered share capital of RMB200,000,000	100.00%	–	Service of information technology, China
China Re Asset Management (Hong Kong) Company Limited	Hong Kong	Paid-in capital of HKD100,000,000	–	96.43%	Investment management, HK
China Continent Insurance E-commerce Co., Ltd	Ningbo	Registered share capital of RMB1,200,000,000	–	64.30%	E-commerce, China
China Continent Insurance Agent Co., Ltd	Shanghai	Registered share capital of RMB150,000,000	–	64.30%	Insurance brokerage, China
China Re International Company Limited	London	Paid-in capital of USD320,000,000	–	100.00%	Investment holding, UK
CRIHL	London	Paid-in capital of USD475,919,560	–	100.00%	Investment holding, UK
Chaucer Holdings Limited ("Chaucer")	London	Paid-in capital of GBP139,296,892	–	100.00%	Property and casualty reinsurance, primary property and casualty insurance, UK

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

29 SCOPE OF CONSOLIDATION (continued)

(a) Particulars of the Company's primary subsidiaries as at 31 December 2025 are as follows: (continued)

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ place of operation
			Direct	Indirect	
China Reinsurance (Hong Kong) Company Limited	Hong Kong	Paid-in capital of HKD4,000,000,000	–	100.00%	Life and health reinsurance, HK
CIC	Dublin	Paid-in capital of USD1,000,001	–	100.00%	Property and casualty reinsurance, primary property and casualty insurance, Ireland
CRAH	Sydney	Paid-in capital of AUD16,574,495	–	100.00%	Insurance agent, broker services, Australia
China Reinsurance Finance Corporation Limited	British Virgin Islands	Paid-in capital of HKD60,000,000	–	96.43%	Bond issue and investment, HK

Note: As at 31 December 2025, all the Company's primary subsidiaries registered in the Chinese mainland are companies with limited liabilities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

29 SCOPE OF CONSOLIDATION (continued)

(b) As at 31 December 2025, the Company consolidated the following structured entities:

Name	Paid-in capital	Attributable equity interests	Principal activities
Huaxin Trust Haorui No.36 Guangde Collective Fund Trust Plan	RMB105,282,819	100.00%	Loan Investment
Huaxin Trust Haorui No.36 Hongdao Collective Fund Trust Plan	RMB80,267,352	100.00%	Loan Investment
Huaxin Trust Haorui No.36 Tongtian Collective Fund Trust Plan	RMB93,963,596	100.00%	Loan Investment
Huaxin Trust Haorui No.36 Xining Collective Fund Trust Plan	RMB87,097,546	100.00%	Loan Investment
Jianxin Asset Management Pujiang Anxin No.29	RMB260,000,000	100.00%	Bond Investment
China Re Bairong Shimao Mall Real Estate Debt Investment Plan	RMB7,398,200,000	91.11%	Loan Investment
China Re Beijing Subway Line 16 Equity Investment Plan	RMB6,000,000,000	75.83%	Loan Investment
China Re Alternative Fund	RMB336,279,445	100.00%	Equity Investment
China Re Zhihuibao Green Investment Bond Index Product	RMB200,300,042	100.00%	Bond & Equity Investment
China Re Min Highway Punan Infrastructure Debt Investment Plan	RMB2,000,000,000	42.50%	Loan Investment
China Re Asset Management FOF Active Allocation No.1 Asset Management Product	RMB326,000,050	100.00%	Equity Investment
China Re Asset Management FOF Flexible Allocation No.1 Asset Management Product	RMB311,500,025	100.00%	Equity Investment
China Re Asset Management FOF Prudent Allocation No.2 Asset Management Product	RMB61,028,277	61.55%	Equity Investment
China Re Asset Management Fixed Income Balanced Growth No.15 Insurance Asset Management Product	RMB250,000,056	100.00%	Bond Investment
China Re Asset Management Infrastructure Powerhouse No.2 REITs Theme Asset Management Product	RMB5,000,006	100.00%	Equity Investment

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

29 SCOPE OF CONSOLIDATION (continued)

(b) As at 31 December 2025, the Company consolidated the following structured entities: (continued)

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Asset Management Infrastructure Powerhouse REITs Theme Asset Management Product	RMB778,333,435	81.19%	Equity Investment
China Re Asset Management Value Dividend Asset Management Product	RMB100,000,417	100.00%	Equity Investment
China Re Asset Management Tech Prosperity Asset Management Product	RMB50,000,011	100.00%	Equity Investment
China Re Asset Management Ruicheng No.1 Asset Management Product	RMB3,000,050	100.00%	Equity Investment
China Re Asset Management Ruicheng No.2 Asset Management Product	RMB148,385,334	100.00%	Bond & Equity Investment
China Re Asset Management Ruicheng No.4 Asset Management Product	RMB3,000,050	100.00%	Bond Investment
China Re Asset Management Ruicheng No.6 Asset Management Product	RMB2,930,454,190	77.03%	Bond Investment
China Re Asset Management Ruicheng No.7 Asset Management Product	RMB3,000,050	100.00%	Bond Investment
China Re Asset Management Ruicheng No.10 Asset Management Product	RMB191,249,533	89.47%	Equity Investment
China Re Asset Management Ruiqi No.2 Asset Management Product	RMB582,925,619	93.06%	Bond Investment
China Re Asset Management Ruiqi No.3 Asset Management Product	RMB298,045,449	100.00%	Bond & Equity Investment
China Re Asset Management Ruiqi No.5 Asset Management Product	RMB162,491,231	100.00%	Bond Investment
China Re Asset Management Ruiqi No.6 Asset Management Product	RMB938,623,354	100.00%	Bond Investment
China Re Asset Management Ruiqi No.7 Asset Management Product	RMB123,277,836	100.00%	Bond Investment

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

29 SCOPE OF CONSOLIDATION (continued)

(b) As at 31 December 2025, the Company consolidated the following structured entities: (continued)

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Asset Management Ruiqi No.9 Asset Management Product	RMB480,441,010	99.80%	Bond Investment
China Re Asset Management Ruiqi No.10 Asset Management Product	RMB211,987,557	100.00%	Bond & Equity Investment
China Re Asset Management Ruiqi No.11 Asset Management Product	RMB486,145,048	100.00%	Bond Investment
China Re Asset Management Ruiqi No.12 Asset Management Product	RMB494,558,417	100.00%	Bond Investment
China Re Asset Management Ruiqi Bond Asset Management Product	RMB45,869,169	100.00%	Bond & Debt Investment Plan
China Re Asset Management Ruitong No.1 Asset Management Product	RMB580,297,029	77.09%	Equity Investment
China Re Asset Management Wenying No.1 Asset Management Product	RMB263,500,030	100.00%	Equity Investment
China Re Asset Management Wenying No.2 Asset Management Product	RMB45,000,125	100.00%	Bond Investment
China Re Asset Management Credit Selection No.6 Insurance Asset Management Product	RMB284,000,000	100.00%	Bond Investment
China Re Asset Management Credit Selection No.7 Insurance Asset Management Product	RMB218,000,000	100.00%	Bond Investment
China Re Asset Management Credit Selection No.10 Insurance Asset Management Product	RMB21,000,204	100.00%	Equity Investment
China Re Asset Management Elderly Healthcare Asset Management Product	RMB102,000,011	100.00%	Equity Investment
China Re Asset Management Long-term Selection Asset Management Product	RMB41,666,427	100.00%	Equity Investment
China Re Asset Management Medium & Long-term Interest Rate Bond Closed-end No.5 Insurance Asset Management Product	RMB210,000,028	33.33%	Equity Investment
China Re Asset Management Medium & Long-term Interest Rate Bond Closed-end Insurance Asset Management Product	RMB310,000,000	100.00%	Bond Investment

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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30 STATUTORY DEPOSITS FOR INSURANCE OPERATIONS

In accordance with relevant provision of Insurance Law of the PRC, the Company, China Re P&C, China Re Life and China Continent Insurance should place 20% of its issued share capital as restricted statutory deposits, respectively.

Details of the Group's statutory deposits are as follows:

	31 December 2025	31 December 2024
The Company	9,221,318	10,121,318
China Re P&C	3,225,000	4,025,000
China Re Life	3,250,000	4,250,000
China Continent Insurance	4,787,187	3,806,157
Interest receivable	952,280	891,532
Subtotal	21,435,785	23,094,007
Less: loss allowance	(9,128)	(21,880)
Total	21,426,657	23,072,127

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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31 INVESTMENT PROPERTIES

	Buildings
Cost	
Balance at 1 January 2024	6,865,135
Additions during the year	–
Balance at 31 December 2024	6,865,135
Additions during the year	–
Transfer from property and equipment	1,487,860
Balance at 31 December 2025	8,352,995
Less: Accumulated depreciation	
Balance at 1 January 2024	(1,046,172)
Charge for the year	(219,902)
Balance at 31 December 2024	(1,266,074)
Charge for the year	(259,166)
Transfer from property and equipment	(188,462)
Balance at 31 December 2025	(1,713,702)
Carrying amount	
Balance at 31 December 2025	6,639,293
Balance at 31 December 2024	5,599,061

The fair values of the investment properties were estimated by the Group, based on valuation performed by JLL (Beijing) Real Estate Appraisal & Consultancy Co., Ltd., independent valuer. It falls under level 3 in the fair value hierarchy. As at 31 December 2025, the fair value of investment properties was RMB7,348 million (31 December 2024: RMB6,643 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

32 PROPERTY AND EQUIPMENT

	Buildings	Machinery and equipment	Motor vehicles	Office and electronic equipment	Construction in progress	Leasehold improvement	Total
Cost							
Balance at 1 January 2024	4,532,013	96,746	287,504	1,135,734	13,415	662,950	6,728,362
Additions during the year	–	2,197	10,833	78,197	12,346	58,646	162,219
Transfer from/(to) construction in progress	11,635	–	–	2,964	(14,599)	–	–
Disposals during the year	–	(3,159)	(22,408)	(30,675)	(4,330)	–	(60,572)
Balance at 31 December 2024	4,543,648	95,784	275,929	1,186,220	6,832	721,596	6,830,009
Additions during the year	–	3,961	16,622	99,750	14,968	40,554	175,855
Transfer from/(to) construction in progress	6,793	–	–	308	(7,101)	–	–
Transfer to investment properties	(1,487,860)	–	–	–	–	–	(1,487,860)
Disposals during the year	–	(4,689)	(35,181)	(65,520)	(5,126)	–	(110,516)
Balance at 31 December 2025	3,062,581	95,056	257,370	1,220,758	9,573	762,150	5,407,488
Less: Accumulated depreciation							
Balance at 1 January 2024	(1,354,770)	(77,772)	(228,205)	(826,476)	–	(570,874)	(3,058,097)
Charge for the year	(146,577)	(5,549)	(14,688)	(106,985)	–	(56,606)	(330,405)
Disposals during the year	–	2,964	20,803	26,764	–	–	50,531
Balance at 31 December 2024	(1,501,347)	(80,357)	(222,090)	(906,697)	–	(627,480)	(3,337,971)
Charge for the year	(108,887)	(4,104)	(14,582)	(99,765)	–	(58,486)	(285,824)
Transfer to investment properties	188,462	–	–	–	–	–	188,462
Disposals during the year	–	4,463	33,876	59,238	–	–	97,577
Balance at 31 December 2025	(1,421,772)	(79,998)	(202,796)	(947,224)	–	(685,966)	(3,337,756)
Carrying amount							
Balance at 31 December 2025	1,640,809	15,058	54,574	273,534	9,573	76,184	2,069,732
Balance at 31 December 2024	3,042,301	15,427	53,839	279,523	6,832	94,116	3,492,038

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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32 PROPERTY AND EQUIPMENT (continued)

As at 31 December 2025, the Group was in the process of completing the ownership documentation of certain buildings with a net carrying amount of RMB13 million (31 December 2024: RMB14 million). The management are of the opinion that the Group is entitled to legally and effectively occupy or use the above-mentioned buildings.

33 LEASES

	2025	2024
Right-of-use assets		
Premises	681,805	843,710
Equipment	599	743
Vehicles	308	6,109
Others	10,667	10,981
Total	693,379	861,543
Lease liabilities	649,575	815,856
	2025	2024
Additions to right-of-use assets		
Premises	218,753	338,689
Equipment	224	–
Vehicles	2,104	3,942
Others	1,306	763
Total	222,387	343,394

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33 LEASES (continued)

Amounts recognised in the statement of profit or loss

	2025	2024
Depreciation charge of right-of-use assets		
Premises	336,548	350,044
Equipment	368	307
Vehicles	2,495	4,198
Others	1,534	1,479
Total	340,945	356,028
	2025	2024
Interest expense on lease liabilities	15,491	22,793
Expense relating to leases of low-value assets and short-term leases applied the simplified approach	158,562	169,163
Total cash outflow for lease	445,072	468,459

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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34 INTANGIBLE ASSETS

	Syndicate underwriting capacity	Lloyd's distribution channels	Trademark	Software	Total
Cost					
Balance at 1 January 2024	964,171	621,762	15,582	2,187,934	3,789,449
Additions and exchange rate effects during the year	14,389	9,279	233	326,709	350,610
Reductions and impairment provisions during the year	–	–	–	(72,609)	(72,609)
Balance at 31 December 2024	978,560	631,041	15,815	2,442,034	4,067,450
Additions and exchange rate effects during the year	(21,726)	(14,011)	(351)	316,193	280,105
Reductions and impairment provisions during the year	–	–	–	(50,894)	(50,894)
Balance at 31 December 2025	956,834	617,030	15,464	2,707,333	4,296,661
Less: Accumulated depreciation					
Balance at 1 January 2024	–	(235,839)	(4,542)	(1,234,870)	(1,475,251)
Additions and exchange rate effects during the year	–	(51,391)	(1,038)	(278,177)	(330,606)
Reductions during the year	–	–	–	9,018	9,018
Balance at 31 December 2024	–	(287,230)	(5,580)	(1,504,029)	(1,796,839)
Additions and exchange rate effects during the year	–	(40,432)	(825)	(313,240)	(354,497)
Reductions during the year	–	–	–	1,212	1,212
Balance at 31 December 2025	–	(327,662)	(6,405)	(1,816,057)	(2,150,124)
Carrying amount					
Balance at 31 December 2025	956,834	289,368	9,059	891,276	2,146,537
Balance at 31 December 2024	978,560	343,811	10,235	938,005	2,270,611

The Group performs impairment assessment over Syndicate underwriting capacity on an annual basis. Syndicate underwriting capacity was recognised from the business combination of CRIHL along with the goodwill which was recognised in the same cash-generating units (CGUs). The recoverable amount of CGU is determined using the VIU calculation method. For details, please refer to Note 36.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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35 INVESTMENTS IN ASSOCIATES

	31 December 2025	31 December 2024
Carrying amount before impairment		
– Listed shares	22,344,024	22,537,842
– Unlisted shares	2,742,877	2,747,392
Total	25,086,901	25,285,234
Less: loss allowance	(1,844,000)	–
Carrying amount	23,242,901	25,285,234
	2025	2024
At 1 January	25,285,234	23,523,867
Profit or loss adjustment	1,717,594	1,978,154
Declared and distributed dividends	(532,305)	(550,012)
Other comprehensive income	(195,812)	332,587
Other equity changes	20,290	638
Impairment loss	(1,844,000)	–
Loss of significant influence	(1,208,100)	–
At 31 December	23,242,901	25,285,234

The Group recognised an impairment provision amounted to RMB1,844 million as at 31 December 2025 (31 December 2024: nil).

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35 INVESTMENTS IN ASSOCIATES (continued)

(a) Particulars of the Group's major associates are as follows:

Name of associates	Place of incorporation and business	Registered capital (in RMB millions)	Principal activities
China Everbright Bank Company Limited ("CEB")	China	59,086	Commercial banking
Proportion of ownership interests			
	The Group's effective interest	Held by the Company	Held by a subsidiary
31 December 2025	3.93%	1.34%	2.59%
31 December 2024	3.93%	1.34%	2.59%

The Group has significant influence over CEB through a group representative being a director of CEB with the power to participate in the financial and operating policy decisions of CEB.

As such, the interests in this associate are accounted for using the equity method. Whereby the investment is initially recognised at cost and adjusted change in the Group's share of CEB's net assets.

As at 31 December 2025, the market value of the Group's investment in CEB was RMB7,711 million (31 December 2024: RMB6,931 million).

In accordance with the applicable International Accounting Standards, the Group performed an impairment test on this investment. The impairment test was performed by comparing the recoverable amount of CEB, determined by a VIU calculation, with its carrying amount. The VIU calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36. Significant management judgement is required in arriving at the best estimate.

Management used a number of key assumptions in our VIU calculation:

	31 December 2025	31 December 2024
Discount rate	8.0%	8.0%
Sustainable growth rate	2.0%	2.0%
Capital adequacy ratio	11.5%	11.5%

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35 INVESTMENTS IN ASSOCIATES (continued)

(a) Particulars of the Group's major associates are as follows: (continued)

The following table sets out the key financial statements of the Group's major associates adjusted for fair value adjustments at the time of acquisition and the differences in adopting accounting policies of the Group.

	CEB (in RMB millions)	
	2025	2024
Gross amounts of the associate		
Operating income	126,311	135,415
Profit before tax	49,687	51,474
Net profit (i)	38,826	41,696
Other comprehensive income (i)	(5,910)	8,646
Total comprehensive income (i)	32,916	50,342
Total assets	7,164,038	6,957,740
Total liabilities	6,557,877	6,368,790
Net assets attributable to ordinary shareholders	498,613	481,520
Non-controlling interests	2,642	2,531
Reconciliation of investments in associates and the Group's share of net assets of associates		
Net assets attributable to ordinary shareholders	498,613	481,520
The Group's effective interest	3.93%	3.93%
The Group's share of net assets of the associate	19,580	18,909
Carrying amount in the financial statements	17,722	18,909
Dividends received from the associate for the year	438	401

(i) Amount attributable to shareholders of the associate.

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35 INVESTMENTS IN ASSOCIATES (continued)

(b) Summarized information of immaterial associates accounted for using the equity method

	2025	2024
Aggregate carrying amount of investments	5,521,012	6,375,873
Aggregate amount of share of:		
– Net profits	395,260	516,627
– Other comprehensive income	31,537	7,803
– Change in capital reserve	20,290	638
Total	447,087	525,068

36 GOODWILL

	31 December 2025	31 December 2024
Cost		
– China Re P&C	650,529	650,529
– China Re Life	463,630	463,630
– China Continent Insurance	74,379	74,379
– CRIHL	426,535	436,220
– CRAH	20,596	21,064
– CIC	3,398	3,475
Total	1,639,067	1,649,297
Less: Impairment loss	–	–
Net book value	1,639,067	1,649,297

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36 GOODWILL (continued)

When assessing the impairment of goodwill and the intangible asset of Syndicate underwriting capacity with indefinite life, the Group determines the recoverable amount of the major asset groups and asset groups by using the VIU and fair value of the asset groups less disposal costs. VIU has been used to conduct the goodwill impairment test for the Syndicate underwriting capacity, China Re P&C, China Continent Insurance, CRIHL and CIC. The Group conducts goodwill impairment test on the fair value of the asset groups of China Re Life less disposal costs. Expected future cash flows used in the estimation of the VIU and fair value are based on their Group's five years business plans, and cash flows beyond five years are extrapolated using a steady growth rate and terminal value. Key assumptions used include:

	2025	2024
Discount rate	8.0% – 8.35%	8.5% – 11.0%
Investment yield	3.09% – 4.5%	2.5% – 4.5%
Sustainable growth rate	1.5% – 2.0%	1.5% – 2.0%

37 OTHER ASSETS

	31 December 2025	31 December 2024
Receivables from investment liquidation and subscription receivables	1,327,268	1,332,718
Overseas business guarantee deposits	1,186,710	1,069,338
Tax prepaid	1,166,873	759,001
Receivables from investment contracts	1,139,434	678,971
Insurance business related advanced value-added tax	911,402	895,673
Guarantee deposits	602,198	648,486
Interest receivable	325,414	322,407
Prepayment	240,450	258,745
Receivables from co-insurers	206,830	226,793
Dividends receivable	149,412	3,516
Receivable Management Fees	114,720	99,249
Deferred expenses	12,300	14,838
Others	600,946	655,008
Total	7,983,957	6,964,743
Less: loss allowance	(483,195)	(597,993)
Total	7,500,762	6,366,750

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38 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	2025	2024
Market:		
– Stock exchange	37,738,014	52,624,785
– Inter-bank market	16,202,884	16,965,122
Total	53,940,898	69,589,907

As at 31 December 2025, bonds with a carrying amount of RMB18,227 million (as at 31 December 2024: RMB19,207 million) were pledged as collateral for financial assets sold under repurchase agreements resulting from repurchase transactions entered into by the Group in the interbank market.

For debt repurchase transactions through the stock exchange, the Group is required to deposit certain exchange-traded bonds into a collateral pool with fair value converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balance of the related repurchase transaction. As at 31 December 2025, the carrying amount of securities deposited in the collateral pool was RMB68,297 million (as at 31 December 2024: RMB71,831 million). The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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39 NOTES AND BONDS PAYABLE

	31 December 2025	31 December 2024
Bonds payable	13,153,551	13,153,508
Total	13,153,551	13,153,508

The following table indicates the balances of supplementary capital bonds issued by the Group as at 31 December 2025:

Issuer	Type	Face value	Coupon rate	Issue year	Maturity
China Re Life	Supplementary capital bonds	5,000 (in RMB millions)	First 5 years: 3.24% Next 5 years: 4.24% (if not redeemed)	2023	2033
China Re P&C	Supplementary capital bonds	4,000 (in RMB millions)	First 5 years: 3.45% Next 5 years: 4.45% (if not redeemed)	2023	2033
China Re P&C	Supplementary capital bonds	4,000 (in RMB millions)	First 5 years: 2.20% Next 5 years: 3.20% (if not redeemed)	2025	2035

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40 OTHER LIABILITIES

	31 December 2025	31 December 2024
Payables to investors of consolidated structured entities	4,011,721	3,722,795
Salaries and welfare payable	3,779,037	3,082,015
Suspense and unallocated cash	2,283,275	2,193,903
Securities clearance payable	1,701,766	303,798
Premiums received in advance	734,459	654,228
Taxes payable	612,726	331,897
Withholding vehicle and vessel use tax	378,781	364,302
Accounts payable for coinsurance and reinsurance	350,250	356,752
Payables to contractors for equipment and suppliers	325,974	218,898
Defined benefit obligations (a)	159,946	168,287
Payable to the insurance guarantee fund	66,480	89,019
Others	2,136,633	1,839,672
Total	16,541,048	13,325,566

(a) Post-employment benefits – Defined benefit obligations

The Group offers the following two defined benefit obligations as post-employment benefits to its retired and early retired staff:

- (i) pension benefits for retired staff and pension benefits for early retired staff after they actually retire; and
- (ii) medical allowances.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

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40 OTHER LIABILITIES (continued)

(a) Post-employment benefits – Defined benefit obligations (continued)

- 1) The amounts of defined benefit plan obligations recognised in the financial statements and their changes are as follows:

	2025	2024
At the beginning of the year	165,903	194,694
Defined benefit cost recognised in profit or loss for the current period		
– Net interest	2,719	6,095
Effects of exchange rate	(109)	(1,030)
Defined benefit cost recognised in other comprehensive income		
– Actuarial losses	(48,151)	(27,746)
Prepaid benefits	(6,395)	(6,110)
At the end of the year	113,967	165,903

Chaucer defined benefit pension retirement plan on 31 December 2025 is a surplus, which is listed in other assets of the Group's financial statements (31 December 2024: same).

- 2) Actuarial assumptions and sensitivity analysis

	2025	2024
Discount rate	2.00%	1.75%
Mortality rate	Note (1)	Note (1)
Expected average life	89	89
Annual growth rate of pension benefits	4.00%	4.00%
Annual growth rate of medical allowances	7.00%	7.00%

Note (1) The mortality rate used in 2025 was determined based on the China Life Insurance Mortality Table-CL5/CL6 (2010 – 2013) issued by the former CIRC in 2016 (2024: same).

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40 OTHER LIABILITIES (continued)

(a) Post-employment benefits – Defined benefit obligations (continued)

Chaucer defined benefit pension retirement plan

Chaucer provides defined benefit pension retirement plan to certain of its employees. The defined benefit pension retirement plan provides employees with a fixed benefit based on the employee's length of service and the final retirement salary. The trustee holds and controls the funds of the defined benefit pension retirement plan. As at 31 December 2001, the defined benefit pension plan was closed to new members, and starting from 31 December 2016, the plan stopped accruing for future salary increases.

Weighted-average actuarial assumptions used to determine Chaucer defined benefit pension retirement plan liabilities are as follows:

	2025	2024
Discount rate	5.65%	5.66%
Rate of salary increases (Note (2))	N/A	N/A
Rate of 5% Retail Price Index ("RPI") pension increases	2.88%	3.13%
Rate of 2.5% Retail Price Index ("RPI") pension increases	2.03%	2.13%
Rate of 5% Consumer Price Index ("CPI") pension increases	2.51%	2.75%
RPI Inflation	2.97%	3.28%
CPI Inflation	2.52%	2.74%

Note (2) Chaucer defined benefit pension retirement plan have no longer accumulated future salary increases from 31 December 2016, so a rate of salary increases is no longer required.

The amounts of Chaucer defined benefit pension retirement plan obligations recognised in the balance sheet are as follows:

	2025	2024
Present value of defined benefit plan obligations	574,218	588,419
Fair value of plan assets for defined benefit plans	(620,197)	(590,803)
Defined benefit plan income	(45,979)	(2,384)

According to the actuarial valuation report, the fair value of the assets under Chaucer defined benefit pension retirement plan as at 31 December 2025 was RMB620,197 thousand (as at 31 December 2024: RMB590,803 thousand), the fair value of those assets accounts for 108.01% of the benefits provided to eligible employees (31 December 2024: 100.41%).

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41 DEFERRED TAX ASSETS AND LIABILITIES

	2025	2024
Deferred tax:		
Deferred tax assets	9,159,255	7,203,926
Deferred tax liabilities	(1,069,226)	(1,015,166)
Total	8,090,029	6,188,760

	1 January 2025	Credited to profit or loss	Credited to other comprehensive income	31 December 2025
The Group				
Financial assets	353,636	(448,926)	326,714	231,365
Insurance contracts	8,929,308	2,107,469	20,936	11,057,772
Investment in associates	(3,113,953)	251,069	57,517	(2,805,367)
Payables to employees	431,100	228,631	(10,835)	648,896
Others	(411,331)	(631,306)	–	(1,042,637)
Total	6,188,760	1,506,937	394,332	8,090,029

	1 January 2024	Credited to profit or loss	Credited to other comprehensive income	31 December 2024
The Group				
Financial assets	1,297,197	19,989	(963,550)	353,636
Insurance contracts	7,581,577	629,250	718,481	8,929,308
Investment in associates	(2,021,700)	(1,011,373)	(80,880)	(3,113,953)
Payables to employees	681,990	(239,221)	(11,669)	431,100
Others	(309,344)	(101,987)	–	(411,331)
Total	7,229,720	(703,342)	(337,618)	6,188,760

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42 SHARE CAPITAL

	31 December 2025	31 December 2024
Issued and fully paid ordinary shares of RMB1 each		
Domestic shares	35,800,391	35,800,391
H shares	6,679,417	6,679,417
Total	42,479,808	42,479,808

The Company completed its initial public offering of overseas-listed foreign shares (“H-shares”) and was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 26 October 2015. In this offering, the Company issued 6,072 million H shares in total (including over-allotment of 302 million H shares) with a nominal value of RMB1.00 per share each and an issuance price of HKD2.70 per share. This public offering had raised a total amount of RMB13,443 million. As at 31 December 2025, a total of RMB7,002 million was recorded in share premiums after deducting the share capital of RMB6,072 million and the stock issuance fee.

Pursuant to the relevant PRC regulations of the Interim Regulation of the State Council on Transfers of State-owned Shares (Guo Fa (2001) No.22) and the related regulatory approvals, 607,219,700 domestic shares held by the state-owned shareholders were converted into H shares during the initial public offering of the Company.

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43 INTERESTS HELD IN UNCONSOLIDATED STRUCTURED ENTITIES

(a) Interests held in structured entities managed by third-party institutions

The Group invests in certain structured entities managed by third-party institutions. Such structured entities mainly include investment funds, asset backed securities, equity investment plan, debt investment plan, and trust schemes. The Group does not consolidate these structured entities. These structured entities are financed through the contracts.

The carrying value of interests held by the Group in structured entities managed by third-party institutions through direct investments of the Group is set out below:

	31 December 2025			
	Financial assets measured at amortized cost	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss
Investment funds	–	–	–	30,052,844
Debt investment plans	1,413,817	–	–	1,683,506
Trust schemes	6,407,286	–	–	889,436
Assets backed securities	–	–	–	30,640
Products from insurance asset managers	–	–	–	339,511
Total	7,821,103	–	–	32,995,937

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43 INTERESTS HELD IN UNCONSOLIDATED STRUCTURED ENTITIES (continued)

(a) Interests held in structured entities managed by third-party institutions (continued)

	31 December 2024			
	Financial assets measured at amortized cost	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss
Investment funds	—	—	—	30,994,769
Debt investment plans	4,346,547	—	—	1,605,232
Trust schemes	10,239,802	—	—	2,675,787
Assets backed securities	—	—	—	120,999
Products from insurance asset managers	—	—	—	307,699
Total	14,586,349	—	—	35,704,486

The maximum loss exposures of the interests held in structured entities managed by third-party institutions are their carrying amounts at the end of the reporting period.

(b) Interests held in the unconsolidated structured entities managed by the Group

The structured entities initiated by the Group but not included in the scope of consolidation mainly comprise asset management products issued by the Group and third-party entrusted asset management business products. The nature and purpose of these structured entities are to generate asset management fees for the Group by providing investment management services to investors. These structured entities are financed through the issuance of investment products to investors. As at 31 December 2025, the size of asset management products initiated by the Group but not included in the scope of consolidation amounted to RMB273,696 million (31 December 2024: RMB327,451 million), of which the Group held RMB209 million (31 December 2024: RMB134 million). As at 31 December 2025, the size of debt investment plans initiated by the Group but not included in the scope of consolidation amounted to RMB6,769 million (31 December 2024: RMB6,519 million), of which the Group held RMB740 million (31 December 2024: RMB550 million). As at 31 December 2025, asset management fee income generated from these unconsolidated structured entities amounted to RMB160 million (31 December 2024: RMB170 million).

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44 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before tax to cash generated from operations:

	2025	2024
Profit before tax	12,632,006	13,797,966
Adjustments for:		
Interest income and Investment income	(21,376,885)	(16,066,712)
Exchange gains and losses, net	714,928	341,763
Financial expenses	1,663,072	2,008,325
Share of profit or loss of associates	(1,717,594)	(1,978,154)
Impairment losses of associates	1,844,000	–
Impairment provisions charges	1,367,239	971,943
Depreciation of property and equipment	285,824	330,405
Depreciation of right-of-use assets	340,945	356,028
Depreciation of investment property	259,166	219,902
Amortisation of intangible assets	354,497	330,606
(Losses)/gains on disposal of property and equipment and intangible assets, net	(466)	1,147
Increase in insurance contract liabilities/assets	19,724,480	5,612,518
Increase in reinsurance contract assets/liabilities	(2,680,880)	(1,638,207)
Increase in investment contracts liabilities/assets	8,846,198	9,161,777
Increase in other assets	(875,761)	(21,787)
Increase/(decrease) in other liabilities	1,248,334	(1,496,875)
Cash generated from operations	22,629,103	11,930,645

(b) Analysis of balances of cash and cash equivalents:

	2025	2024
Cash and short-term time deposits	16,623,981	13,004,700
Add: Financial assets held under resale agreements with original maturity of no more than three months	13,027,490	6,830,540
Less: Restricted cash at banks	(5,255,905)	(5,716,595)
Cash and cash equivalents at end of the year	24,395,566	14,118,645

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44 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Net Debt Reconciliation

This section sets out an analysis of net debt and movements in net debt for the current year.

	Borrowings	Notes and bonds payable	Financial assets sold under repurchase agreements	Leases	Total
Balance as at 1 January 2025	–	(13,153,508)	(69,589,907)	(815,856)	(83,559,271)
Cash flows	–	–	15,292,657	350,034	15,642,691
Acquisition-leases	–	–	–	(168,262)	(168,262)
Foreign exchange adjustments	–	–	–	–	–
Other non-cash movements	–	(43)	356,352	(15,491)	340,818
Balance as at 31 December 2025	–	(13,153,551)	(53,940,898)	(649,575)	(67,744,024)

	Borrowings	Notes and bonds payable	Financial assets sold under repurchase agreements	Leases	Total
Balance as at 1 January 2024	(1,416,540)	(13,152,916)	(60,308,769)	(861,815)	(75,740,040)
Cash flows	1,427,110	–	(9,234,073)	368,247	(7,438,716)
Acquisition-leases	–	–	–	(299,495)	(299,495)
Foreign exchange adjustments	(10,570)	–	–	–	(10,570)
Other non-cash movements	–	(592)	(47,065)	(22,793)	(70,450)
Balance as at 31 December 2024	–	(13,153,508)	(69,589,907)	(815,856)	(83,559,271)

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45 RISK MANAGEMENT

45.1 Insurance risk

An insurance policy's risk lies in uncertainty of insured events and the corresponding paid loss. From the perspective of fundamental nature of each policy, the above risk occurs randomly, and the actual paid amount will differ from the estimated data based on statistical methods for each period. For those policy portfolios using probability theory for pricing and reserve estimation, the main risk the Group faces is that the actual payment exceeds the carrying amount of insurance liability, which will occur when the actual loss occurrence or severity exceeds expected values. Such risk is likely to occur in the following situations:

- Occurrence risk – the possibility that the number of insured events will differ from that expected;
- Severity risk – the possibility that the cost of the events will differ from that expected; or
- Development risk – the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

Experience shows that the larger the insurance contracts portfolio of the same nature, the smaller the variability of expected results. In addition, a more diversified portfolio is less likely to be impacted by any sub-portfolio's change. The Group has already established insurance underwriting strategy to diversify underwriting risks, and has maintained a sufficient number of policies for different types of insurance risk. Therefore uncertainty of expected results will be reduced.

For the Group's property and casualty insurance and reinsurance contracts, claims are often affected by natural disasters, catastrophes, terrorist attacks and other factors. For the Group's health and accident reinsurance contracts, infectious diseases, huge lifestyle changes, natural disasters and accidents are all important factors that may increase the loss ratio, which may lead to earlier or more claims than expected. For the Group's life reinsurance contracts, the most important factor is that continuous improvement of medical standards and social conditions help to extend life expectancy. Furthermore, policyholders' terminating contracts, reducing and refusing to pay premiums also impact insurance risk, which means that insurance risk is affected by policyholders' behaviours and decisions.

According to the risk characters, the Group's different departments and subsidiaries manage corresponding insurance risk by determining insurance products' underwriting standards and strategy, and prescribing counterparty risk limits, reinsurance arrangements and claim processing. The Group's assumed insurance liability also incorporates international business underwritten by the former PICC (Group) Company, including asbestos, pollution, health hazard and other potential long-tail risks. Due to such high level of inherent uncertainty in the above business, consisting of relevant payment instability and insurance liability's cognisant uncertainty, the Group cannot completely rule out such significant loss possibilities such as if other reinsurance companies underwrite this kind of business. The Group reduces the uncertainty posted by such business through contacting with ceding companies actively and seeking to settle the liability.

The Group's insurance business mainly comes from Mainland China. The Group's concentration of insurance risk is reflected by its major lines of business as analysed by insurance revenue in Note 5.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

- (a) **Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business**

Sensitivity analysis

Changes of paid loss and other factors of property and casualty, short-term life and health insurance and reinsurance business may impact changes of assumptions and further LRC estimates.

Several variables' sensitivity cannot be quantified, such as legal changes, uncertainty of loss estimation and so on. In addition, time delay exists among claims occurrence, reporting and closing.

	Change in assumptions	2025			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Loss ratio	+1%	(1,080,374)	(1,005,333)	(1,086,491)	(1,006,008)
Loss ratio	-1%	1,080,374	1,005,333	1,086,491	1,006,008

	Change in assumptions	2024			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Loss ratio	+1%	(1,131,173)	(1,048,535)	(1,080,033)	(1,009,360)
Loss ratio	-1%	1,131,173	1,048,535	1,080,033	1,009,360

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45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

Information sheet on the progress of claims

- (i) Primary insurance contracts*

Before reinsurance

Accident Year	2020 and before	2021	2022	2023	2024	2025	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	188,743,799	29,763,809	30,890,959	34,881,966	37,058,972	38,825,566	
1 year later	187,803,339	28,598,353	29,049,100	33,734,433	36,066,789		
2 year later	187,155,415	28,222,400	28,334,487	33,215,864			
3 year later	187,006,566	28,062,458	28,055,917				
4 year later	186,963,411	27,986,930					
5 year later	186,606,796						
Estimated accumulated claims	186,606,796	27,986,930	28,055,917	33,215,864	36,066,789	38,825,566	350,757,862
Less: Accumulated paid claims	186,374,455	27,747,143	27,253,785	31,373,259	31,316,948	23,479,170	327,544,760
Add: Impact of ULAE, adjustment and discount of non-financial risk							1,779,193
Unpaid claims							24,992,295
Add: Receivables and payables in liability for incurred claims							(1,547,030)
Less: Incurred claim liabilities from intra-group assumed business from CCIC							20,201
Total liability for incurred claims							23,425,064

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45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

Information sheet on the progress of claims (continued)

- (i) Primary insurance contracts* (continued)

After reinsurance

Accident Year	2020 and before	2021	2022	2023	2024	2025	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	164,963,840	27,037,334	28,254,998	31,878,504	34,018,139	35,280,944	
1 year later	164,109,991	26,058,586	26,525,255	30,946,872	33,171,236		
2 year later	163,713,235	25,605,431	25,800,181	30,507,203			
3 year later	163,557,378	25,450,164	25,542,789				
4 year later	163,494,988	25,371,390					
5 year later	163,199,500						
Estimated accumulated claims	163,199,500	25,371,390	25,542,789	30,507,203	33,171,236	35,280,944	313,073,062
Less: Accumulated paid claims	163,059,464	25,203,641	24,945,551	29,092,046	29,239,572	21,986,316	293,526,590
Add: Impact of ULAE, adjustment and discount of non-financial risk							1,471,958
Unpaid claims							21,018,430
Add: Receivables and payables in liability for incurred claims							(2,935,472)
Less: Incurred claim liabilities from intra-group assumed business from CCIC							(2,284,727)
Net amount of liability for incurred claims							20,367,685
Total reinsurance recovery of the asset for incurred claims							(3,057,379)
Total liability for incurred claims							23,425,064

* The above primary insurance contracts include a small number of the assumed reinsurance business undertaken by China Continent Insurance.

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For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

Information sheet on the progress of claims (continued)

- (ii) Reinsurance contracts

Before reinsurance

Underwriting Year	2020 and before	2021	2022	2023	2024	2025	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	381,033,466	42,640,931	47,772,494	47,313,018	40,019,007	43,930,245	
1 year later	382,529,543	49,260,085	55,060,616	55,287,624	43,524,730		
2 year later	383,966,254	49,224,445	54,570,378	55,285,848			
3 year later	382,674,544	48,910,925	54,383,220				
4 year later	381,528,988	49,349,510					
5 year later	380,516,332						
Estimated accumulated claims	380,516,332	49,349,510	54,383,220	55,285,848	43,524,730	43,930,245	626,989,885
Less: Accumulated paid claims	370,573,794	43,691,545	45,366,323	39,554,594	21,883,543	5,688,889	526,758,688
Unearned claims							20,168,267
Add: Impact of ULAE, adjustment and discount of non-financial risk							3,643,178
Unpaid claims							83,706,108
Add: Receivables and payables in liability for incurred claims							3,443,151
Total liability for incurred claims							87,149,259

Note: The above information sheet on the progress of claims does not include long-term life reinsurance business. The amount of total liability for incurred claims before reinsurance for such business is RMB4,739 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

(a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

Information sheet on the progress of claims (continued)

(ii) Reinsurance contracts (continued)

After reinsurance

Underwriting Year	2020 and before	2021	2022	2023	2024	2025	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	358,474,911	38,371,270	43,191,978	43,220,283	36,308,838	39,569,729	
1 year later	359,004,684	43,913,662	49,519,023	50,073,753	39,063,305		
2 year later	361,401,524	43,631,622	49,053,328	49,996,119			
3 year later	358,992,418	42,567,778	48,747,621				
4 year later	357,491,446	42,831,775					
5 year later	355,860,594						
Estimated accumulated claims	355,860,594	42,831,775	48,747,621	49,996,119	39,063,305	39,569,729	576,069,143
Less: Accumulated paid claims	347,819,162	38,210,706	40,702,168	36,575,513	20,401,171	5,182,159	488,890,879
Unearned claims	83,516	342,300	455,629	409,848	613,361	17,171,557	19,076,211
Add: Impact of ULAE, adjustment and discount of non-financial risk							3,352,687
Unpaid claims							71,454,740
Add: Receivables and payables in liability for incurred claims							3,123,644
Net amount of liability for incurred claims							74,578,384
Total reinsurance recovery of the asset for incurred claims							(12,570,875)
Total liability for incurred claims							87,149,259

Note: The above information sheet on the progress of claims does not include long-term life reinsurance business. The amount of total reinsurance recovery of the asset for incurred claims for such business is RMB441 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

Information sheet on the progress of claims (continued)

- (iii) CRIHL and CIC business

Before reinsurance

Underwriting Year	2020 and before	2021	2022	2023	2024	2025	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	39,536,393	3,734,542	4,899,565	4,397,395	5,778,154	5,562,172	
1 year later	40,549,693	7,704,951	8,454,624	8,277,953	10,664,826		
2 year later	45,084,516	8,079,877	8,986,932	8,181,463			
3 year later	45,678,447	8,893,470	9,005,526				
4 year later	46,449,886	9,701,103					
5 year later	45,363,383						
Estimated accumulated claims	45,363,383	9,701,103	9,005,526	8,181,463	10,664,826	5,562,172	88,478,473
Less: Accumulated paid claims	38,679,380	6,895,989	5,283,900	3,180,500	2,647,931	607,355	57,295,055
Unearned claims	77,906	30,632	61,268	195,120	873,053	5,607,028	6,845,007
Add: Impact of ULAE, adjustment and discount of non-financial risk							8,879,301
Unpaid claims							33,217,712
Total liability for incurred claims							33,217,712

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

Information sheet on the progress of claims (continued)

- (iii) CRIHL and CIC business (continued)

After reinsurance

Underwriting Year	2020 and before	2021	2022	2023	2024	2025	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	25,263,245	2,349,487	2,828,990	2,701,092	3,332,544	3,171,254	
1 year later	26,378,591	4,854,800	5,515,396	5,414,343	6,194,498		
2 year later	28,959,530	5,052,160	5,656,356	5,330,504			
3 year later	29,304,194	5,551,437	5,630,644				
4 year later	29,607,365	6,177,236					
5 year later	28,846,463						
Estimated accumulated claims	28,846,463	6,177,236	5,630,644	5,330,504	6,194,498	3,171,254	55,350,599
Less: Accumulated paid claims	26,001,335	4,375,967	3,642,418	2,301,311	1,811,135	607,849	38,740,015
Unearned claims	30,644	11,646	31,623	117,596	516,716	2,823,081	3,531,306
Add: Impact of ULAE, adjustment and discount of non-financial risk							4,850,408
Unpaid claims							17,929,686
Less: Incurred claim liabilities from intra-group assumed business from CRIHL and CIC							(3,857,427)
Net amount of liability for incurred claims							21,787,113
Total reinsurance recovery of the asset for incurred claims							(11,430,599)
Total liability for incurred claims							33,217,712

Note: The Company completed its acquisition of CRIHL, a specialist underwriting group that operates through Lloyd's on 28 December 2018. The Company completed the acquisition of CIC on 14 February 2019. These amounts reflected statistics of CRIHL and CIC.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.1 Insurance risk (continued)

(b) Long-term life and health insurance contract assumptions and sensitivity analysis

Assumptions	Change in assumptions	2025			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Mortality and morbidity rate	+10%	(901,326)	(179,222)	(953,711)	(231,609)
Mortality and morbidity rate	-10%	871,757	106,742	925,789	160,777
Lapse and surrender rate	+10%	(92,925)	(49,620)	(5,525)	30,216
Lapse and surrender rate	-10%	122,353	64,264	40,055	(10,215)

Assumptions	Change in assumptions	2024			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Mortality and morbidity rate	+10%	(890,128)	(173,840)	(973,257)	(256,974)
Mortality and morbidity rate	-10%	852,089	97,696	939,199	184,810
Lapse and surrender rate	+10%	(63,474)	(41,182)	55,796	62,484
Lapse and surrender rate	-10%	95,904	57,072	(13,852)	(35,943)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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45 RISK MANAGEMENT (continued)

45.2 Credit risk

(a) Credit risk management

Credit risks refer to the risk of losses incurred by the inability of debtors or counterparties to fulfill their contractual obligations or by the adverse changes in their credit conditions. The main credit risks faced by the Group are related to deposits held in commercial banks, bond investments, margin financing, non-standard debt assets, insurance contract assets, and reinsurance contract assets. The Group manages credit risk through the use of various control measures to identify, measure, monitor, and report on credit risk.

As at December 31, 2025, the maximum credit risk exposures of the Group's insurance and reinsurance contract assets were RMB16,736 million and RMB63,341 million, respectively (December 31, 2024: RMB16,718 million and RMB61,229 million).

The Group evaluates its credit risks in investments by both qualitative and quantitative analysis, including studying the relevant industry, enterprise management, financial factors, company prospects, as well as the use of internal credit models. The Group mitigates credit risk by using a variety of methods including impositions of aggregate counterparty exposure limits and increasing the diversification of fixed income investment portfolios. The Group evaluated the credit rating of the reinsurance companies before signing the reinsurance contracts, and chose the reinsurance companies with higher credit quality to reduce the credit risk.

As at 31 December 2025, 100% (31 December 2024: 100%) of the domestic financial institution bonds held by the Group either had a credit rating of A or above, or were issued by national commercial banks. As at 31 December 2025, 100% (31 December 2024: 100%) of the domestic corporate bonds and short-term corporate financing bonds held by the Group had a credit rating of AA or above, 76% (31 December 2024: 76%) of the overseas corporate bonds and short-term corporate financing bonds held by the Group had a credit rating of A- or above. The credit rating of domestic and overseas debt investment is provided by qualified external rating agencies at home and abroad; if there is no qualified external rating agency providing credit rating, the Group's internal rating is used. As at 31 December 2025, 60% (31 December 2024: 60%) of the debt investment plan were guaranteed by third parties or collateralized, 40% (31 December 2024: 33%) of the trust schemes were guaranteed by third parties. For the debt investment plans held by the Group without third party guarantees or collaterals, they are all comply with the regulations of the regulatory authority of exemption from credit enhancement.

As at 31 December 2025, there was material breach for few debt investments held by the group. The Group had taken legal measures to preserve and recover the assets of the debt investments and the collateral.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL

The Group has implemented IFRS 9 for financial instruments since 1 January, 2023. The Group applies the ECL model to calculate loss allowances for its debt financial instruments measured at amortized cost and FVOCI, as well as loan commitments and financial guarantee contracts.

Methods applied by the Group in assessing the expected credit losses of its financial assets include risk parameters model and the discounted cash flow (“DCF”) model. Financial assets at Stage I and Stage II are assessed using risk parameters, while Stage III assets are subject to the discounted cash flow method.

The Group assesses ECL in light of forward-looking information and uses models and assumptions in calculating the expected credit losses. These models and assumptions relate to the future macroeconomic conditions and the debtors’ creditworthiness. In assessing the expected credit risks in accordance with accounting standards, the Group uses the judgements, assumptions and estimates where appropriate, including:

- Parameters for measuring ECL
- Criteria for assessing significant increase in credit risk
- Definition of credit-impaired financial assets
- Forward-looking information

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL (continued)

Parameters for measuring ECL

According to whether there is a significant increase in credit risk and whether a financial asset has become credit-impaired, the Group recognizes an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime respectively. The relevant parameters of ECL measurement include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group establishes its PD models, LGD models and EAD models based on the internal and external rating based system as currently used for its risk management purpose, in accordance with the requirements of IFRS 9, in light of forward-looking information.

The parameters are defined as follows:

- PD represents the likelihood of a debtor defaulting on its financial obligation, either over the next 12 months (“12m PD”), or over the remaining lifetime (“Lifetime PD”) of the obligation; The Group’s PD is adjusted on the basis of the results of the Group’s internal rating model, incorporating forward-looking information to reflect the point-in-time PD of the debtor in the current macroeconomic environment;
- EAD is based on the amounts the Group expects to be reimbursed at the time of default;
- LGD represents the Group’s expectation of the extent of loss on defaulted exposure. It varies depending on the type of counterparty, method of recourse and priority, and the availability of collateral or other credit support, as well as the nature of the collateral. LGD is expressed as a percentage loss per unit of exposure at the time of default.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL (continued)

Criteria for Assessing Significant Increase in Credit Risk

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each reporting date. For the purpose of staging assessment of its financial assets, the Group thoroughly considers various reasonable and supportable information that may reflect whether there has been a significant change in their credit risk, including forward-looking information. Key factors considered include regulatory and operating environments, internal and external credit ratings, solvency, viability as a going concern, repayment behaviors, among others. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group sets quantitative and qualitative criteria to determine whether the credit risk of a financial instrument has increased significantly since its initial recognition. The criteria includes changes in its credit risk classification, overdue status and other factors. In particular, the five-category classification of asset is downgraded to Special mention; internal debt ratings of assets are downgraded to speculative grade; external debt ratings of assets are downgraded to speculative grade or below the regulatory access level, but no credit impairment has occurred; and the assets are past due, but not more than 90 days, and have not been deemed to be credit-impaired.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group recognizes a financial instrument as having low credit risk if its internal rating is consistent with the globally accepted definition for low credit risk (e.g. external “investment grade” rating).

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(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL (continued)

Definition of Credit-impaired Financial Assets

The criteria adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives for relevant financial instruments, in addition to consideration of quantitative and qualitative indicators. In assessing whether a borrower has become credit-impaired, the Group mainly considers the following factors:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract arising from the borrower, such as a default or past due event in relation to interest or principal payment;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The borrower is overdue for more than 90 days in any principal, advances, interest or investment in bonds due to the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL (continued)

Forward-looking Information

The assessment of whether there has been a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the forward-looking information that affect the credit risk and ECL of various portfolio. Forward-looking information include Gross Domestic Product (GDP), Money Supply (M2) and Consumer Price Index (CPI) etc.

The impact of these forward-looking information on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the correlation between these forward-looking information and the PDs and LGDs. The Group assesses and forecasts these forward-looking information at least six months, calculates the best estimates for the future, and regularly reviews and assesses results.

Based on statistical analysis and expert judgements, the Group determines the weightings of multiple scenarios and the corresponding forward-looking information forecast under each scenario. The Group uses the weighted 12 months ECL (Stage I) or weighted lifetime ECL (Stage II and Stage III) to measure relevant impairment allowances. These weighted credit losses are calculated by multiplying the expected credit loss under each scenario by the assigned scenario weighting.

Credit exposure

Without considering the impact of collateral or other credit enhancements, the Group's maximum credit risk exposure is the carrying net amount of financial assets presented in the consolidated balance sheet.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Policies are established regarding to the selection of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- (i) for debt investment plan and trust plan, collaterals are real estate properties, inventories, etc;
- (ii) for reverse repurchase transactions, collaterals are quoted securities;

Management monitors the market value of the collateral, and requires additional collateral when needed according to contracts, when assessing the adequacy of impairment.

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45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL (continued)

- (1) *Maximum credit risk exposure of the financial assets under the scope of expected credit loss that does not take into account any collateral and other credit enhancement measures (net of provision for impairment):*

	31 December 2025				31 December 2024			
	Stage 1	Stage 2	Stage 3	The maximum exposures	Stage 1	Stage 2	Stage 3	The maximum exposures
Assets:								
Cash and short-term time deposits	16,623,145	–	–	16,623,145	13,005,875	–	–	13,005,875
Financial assets held under resale agreements	13,024,865	–	–	13,024,865	6,828,588	–	–	6,828,588
Financial assets at amortised cost	59,472,942	–	2,864,500	62,337,442	69,964,719	–	4,413,014	74,377,733
Debt instruments measured at fair value through other comprehensive income	165,382,575	48,814	255	165,431,644	139,093,426	139,265	–	139,232,691
Time deposits	22,497,495	–	–	22,497,495	27,391,847	–	–	27,391,847
Statutory deposits	21,426,657	–	–	21,426,657	23,072,127	–	–	23,072,127
Other assets	6,081,139	–	–	6,081,139	5,334,166	–	–	5,334,166
Maximum exposure	304,508,818	48,814	2,864,755	307,422,387	284,690,748	139,265	4,413,014	289,243,027

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45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL (continued)

(2) Measurement of ECL

The credit risk exposure of the Group's classified debt investments and other debt investments is classified by the stage of loss as follows:

(i) Financial assets at amortised cost

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit- impaired)	
1 January 2025	103,502	–	3,211,693	3,315,195
Increase/(reversal) in the current year	(51,513)	–	1,480,985	1,429,472
Transfers between stages	–	–	–	–
– Increase	–	–	–	–
– Decrease	–	–	–	–
Other changes	(116)	–	(114,230)	(114,346)
31 December 2025	51,873	–	4,578,448	4,630,321

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit- impaired)	
1 January 2024	115,922	52	2,230,808	2,346,782
Increase/(reversal) in the current year	(12,515)	(52)	980,885	968,318
Transfers between stages	–	–	–	–
– Increase	–	–	–	–
– Decrease	–	–	–	–
Other changes	95	–	–	95
31 December 2024	103,502	–	3,211,693	3,315,195

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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45 RISK MANAGEMENT (continued)

45.2 Credit risk (continued)

(b) Measurement of ECL (continued)

(2) Measurement of ECL (continued)

(ii) Debt instruments measured at fair value through other comprehensive income

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit- impaired)	
1 January 2025	124,163	7,543	–	131,706
Provision (reversal) for the year	(42,080)	(741)	–	(42,821)
Transfers between stages	–	–	–	–
– Increase	–	–	–	–
– Decrease	–	–	–	–
Other changes	5	–	–	5
31 December 2025	82,088	6,802	–	88,890

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit- impaired)	
1 January 2024	129,488	11,116	–	140,604
Provision (reversal) for the year	(5,830)	(3,573)	–	(9,403)
Transfers between stages	–	–	–	–
– Increase	–	–	–	–
– Decrease	–	–	–	–
Other changes	505	–	–	505
31 December 2024	124,163	7,543	–	131,706

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45 RISK MANAGEMENT (continued)

45.3 Financial risk

(a) Market risk – Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments and the measurement results of insurance contracts will fluctuate due to changes in market interest rates. The Group's financial assets are principally comprised of debt instruments which are exposed to interest rate risk. Changes in the level of interest rates could have a significant impact on the Group's investment return, as well as an impact on the measurement of the Group's insurance contracts and reinsurance contracts held.

Fair value interest rate risk

The sensitivity analysis below indicates the instantaneous change in the Group's profit before tax and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period.

	Interest rate change	2025		2024	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Financial instruments	+50bp	(734,629)	(4,943,198)	(1,117,762)	(3,858,775)
Financial instruments	-50bp	757,338	5,268,707	1,139,345	3,974,717
Insurance contracts and reinsurance contracts	+50bp	–	2,111,881	–	1,409,374
Insurance contracts and reinsurance contracts	-50bp	–	(2,243,952)	–	(1,481,079)

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45 RISK MANAGEMENT (continued)

45.3 Financial risk (continued)

(b) Market risk – Currency risk

Foreign currency risk refers to the risk of loss due to exchange rate changes. The foreign currency risk facing the Group mainly comes from fluctuations in the USD/RMB, HKD/RMB, GBP/RMB and other currency to RMB exchange rates.

The following table summarises the Group's financial instruments, insurance contract assets/liabilities and reinsurance contract assets/liabilities etc. by major currency at the end of the reporting period, expressed in the RMB equivalent.

	2025						Total
	RMB	USD	HKD	GBP	EUR	Others	
Cash and short-term time deposits	12,123,142	2,280,815	442,855	554,754	251,853	969,726	16,623,145
Derivative financial instruments	139,026	59,212	-	-	-	45,936	244,174
Financial assets held under resale agreements	13,024,865	-	-	-	-	-	13,024,865
Financial investments at fair value through profit or loss	93,166,419	16,293,697	2,653,932	73,788	88,611	96,219	112,372,666
Financial assets measured at amortised cost	53,257,916	9,079,526	-	-	-	-	62,337,442
Debt instruments measured at fair value through other comprehensive income	107,091,071	48,669,815	-	4,532,219	1,396,669	3,741,870	165,431,644
Equity investments designated at fair value through other comprehensive income	17,061,555	1,411,427	529,573	-	-	-	19,002,555
Insurance contract assets	465,088	141,220	-	-	529	16,078	622,915
Reinsurance contract assets	20,129,484	9,436,738	27,359	2,404,532	127,542	580,826	32,706,481
Investment contract assets	8,382,466	-	-	-	-	-	8,382,466
Time deposits	9,062,567	13,234,990	-	183,341	16,597	-	22,497,495
Statutory deposits for insurance operations	21,426,657	-	-	-	-	-	21,426,657
Other financial assets	3,148,120	643,503	32,262	130,006	14,599	2,112,649	6,081,139
Total	358,478,376	101,250,943	3,685,981	7,878,640	1,896,400	7,563,304	480,753,644

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(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.3 Financial risk (continued)

(b) Market risk – Currency risk (continued)

	2025						Total
	RMB	USD	HKD	GBP	EUR	Others	
Financial liabilities at fair value through profit or loss	613,395	–	–	–	–	–	613,395
Derivative financial liabilities	156,061	–	–	–	–	10,445	166,506
Financial assets sold under repurchase agreements	46,846,751	6,983,272	–	–	–	110,875	53,940,898
Income tax payable	2,101,917	67,350	86,682	–	–	2,955	2,258,904
Investment contract liabilities	47,138,189	561,409	1,213,351	–	–	–	48,912,949
Insurance contract liabilities	210,518,786	40,083,410	7,586,115	3,517,838	2,576,941	6,813,633	271,096,723
Reinsurance contract liabilities	34,379	9,316	–	46	–	2,221	45,962
Notes and bonds payable	13,153,551	–	–	–	–	–	13,153,551
Lease liabilities	479,593	3,299	26,302	121,785	617	17,979	649,575
Other financial liabilities	13,485,061	223,367	161,829	1,322,063	532,115	82,154	15,806,589
Total	334,527,683	47,931,423	9,074,279	4,961,732	3,109,673	7,040,262	406,645,052

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45 RISK MANAGEMENT (continued)

45.3 Financial risk (continued)

(b) Market risk – Currency risk (continued)

	2024						
	RMB	USD	HKD	GBP	EUR	Others	Total
Cash and short-term time deposits	8,910,391	3,033,250	183,898	493,714	85,909	298,713	13,005,875
Derivative financial instruments	2,408	160,137	–	–	–	1,796	164,341
Financial assets held under resale agreements	6,828,588	–	–	–	–	–	6,828,588
Financial investments at fair value through profit or loss	98,077,535	17,380,934	2,449,463	3,077	9,774	202,958	118,123,741
Financial assets measured at amortised cost	62,693,790	11,683,943	–	–	–	–	74,377,733
Debt instruments measured at fair value through other comprehensive income	86,005,163	46,664,985	–	4,123,032	1,227,353	1,212,158	139,232,691
Equity investments designated at fair value through other comprehensive income	8,845,910	2,212,183	726,366	–	–	–	11,784,459
Insurance contract assets	352,909	141,780	1,705	–	–	13,966	510,360
Reinsurance contract assets	19,422,793	6,760,700	22,728	3,820,809	397,499	581,689	31,006,218
Investment contract assets	10,112,451	–	–	–	–	8,214	10,120,665
Time deposits	15,497,399	11,696,527	–	182,692	15,229	–	27,391,847
Statutory deposits for insurance operations	23,072,127	–	–	–	–	–	23,072,127
Other financial assets	3,202,986	271,598	64,179	173,969	11,122	1,610,312	5,334,166
Total	343,024,450	100,006,037	3,448,339	8,797,293	1,746,886	3,929,806	460,952,811

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.3 Financial risk (continued)

(b) Market risk – Currency risk (continued)

	2024						Total
	RMB	USD	HKD	GBP	EUR	Others	
Financial liabilities at fair value							
through profit or loss	543,263	–	–	–	–	–	543,263
Derivative financial liabilities	437,099	–	–	–	–	–	437,099
Financial assets sold under							
repurchase agreements	61,565,572	8,024,335	–	–	–	–	69,589,907
Income tax payable	2,484,875	29,224	16,654	–	–	–	2,530,753
Investment contract liabilities	40,000,075	566,424	1,238,451	–	–	–	41,804,950
Insurance contract liabilities	183,839,788	45,966,448	8,086,349	2,161,045	5,239,036	7,069,916	252,362,582
Reinsurance contract liabilities	94,857	2,439	–	21	2,720	3,621	103,658
Notes and bonds payable	13,153,508	–	–	–	–	–	13,153,508
Lease liabilities	604,011	749	34,157	148,107	2,758	26,074	815,856
Other financial liabilities	11,051,576	(39,576)	182,096	1,253,846	193,369	30,027	12,671,338
Total	313,774,624	54,550,043	9,557,707	3,563,019	5,437,883	7,129,638	394,012,914

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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45 RISK MANAGEMENT (continued)

45.3 Financial risk (continued)

(b) Market risk – Currency risk (continued)

Sensitivity analysis

The analysis below is performed for reasonable possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity resulting from changes in the fair value of monetary assets and liabilities that are sensitive to currency fluctuations. The impact disclosed by the Group takes into account the net amount after considering financial assets and insurance contract liabilities.

The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables have to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

Currency	Changes in exchange rate	Impact on profit before tax		Impact on equity	
		2025	2024	2025	2024
USD	+5%	2,595,405	2,162,191	1,999,482	1,704,600
USD	-5%	(2,595,405)	(2,162,191)	(1,999,482)	(1,704,600)
HKD	+5%	(295,894)	(341,787)	(202,061)	(229,101)
HKD	-5%	295,894	341,787	202,061	229,101
GBP	+5%	145,845	261,714	109,384	196,285
GBP	-5%	(145,845)	(261,714)	(109,384)	(196,285)
EUR	+5%	(60,664)	(184,550)	(45,498)	(138,412)
EUR	-5%	60,664	184,550	45,498	138,412

(c) Market risk – Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Since the Group hasn't issued any insurance contracts with participation features, there is no price risk for insurance contract liabilities from related asset. So the Group's price risk exposure mainly relates to the stock and fund investments whose values will fluctuate as a result of changes in market prices.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.3 Financial risk (continued)

(c) Market risk – Price risk (continued)

The Group uses VaR to measure the expected loss in respect of equity price risk for stock and fund investments measured at fair value.

The Group monitors the daily value fluctuation risk over a portent period of 1 day for going concern basis. Moreover, VaR is measured over a holding period of 250 trading days at a confidence level of 95% assumed under normal market condition.

Under normal market conditions, the impact on net equity of 1-day potential loss of equity investments such as stocks and investment funds is estimated using the VaR technique as follows (presented in negative value):

	2025	2024
Financial investments at fair value through profit or loss		
Equity shares	(428,095)	(343,119)
Investment funds	(216,104)	(261,114)
Subtotal	(644,199)	(604,233)
Equity investments designated at fair value through other comprehensive income		
Equity shares	(221,215)	(211,763)
Investment funds	–	–
Subtotal	(221,215)	(211,763)
Total	(865,414)	(815,996)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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45 RISK MANAGEMENT (continued)

45.4 Liquidity risk

Liquidity risk is the risk that the Group fails to obtain sufficient capital to pay off its matured liabilities. During normal operating activities, the Group reduces liquidity risk through matching the maturity date of investment assets with that of financial liabilities and insurance liabilities.

The Group's relevant departments and the asset management company are responsible for managing and monitoring daily liquidity risks, including analysis of liquidity ratio, establishment of short-term and long-term investment strategy and setting up of a liquidity warning system to ensure liquidity safety.

The tables below summarise the remaining contractual maturity profile of the financial assets and financial liabilities, the expected timing of insurance contract assets/liabilities and reinsurance contract assets/liabilities of the Group based on undiscounted cash flows.

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45 RISK MANAGEMENT (continued)

45.4 Liquidity risk (continued)

(a) Excluding insurance

	31 December 2025					Carrying amount
	Within 1 year or undated	1 to 2 years	2 to 5 years	More than 5 years	Total	
Assets:						
Cash and short-term time deposits	16,623,145	–	–	–	16,623,145	16,623,145
Derivative financial assets	244,174	–	–	–	244,174	244,174
Financial assets held under resale agreements	13,029,972	–	–	–	13,029,972	13,024,865
Financial assets measured at fair value through profit or loss	60,318,910	9,258,991	14,603,094	51,418,465	135,599,460	112,372,666
Financial assets at amortised cost	8,045,459	16,176,649	19,653,560	37,274,549	81,150,217	62,337,442
Debt instruments measured at fair value through other comprehensive income	24,811,880	16,006,081	46,596,461	119,203,295	206,617,717	165,431,644
Equity investments designated at fair value through other comprehensive income	14,787,720	370,167	3,298,283	1,286,561	19,742,731	19,002,555
Investment contract assets	(15,709,258)	(12,907,085)	(6,567,139)	171,171,862	135,988,380	8,382,466
Time deposits	10,200,146	3,618,309	9,951,758	–	23,770,213	22,497,495
Statutory deposits for insurance operations	11,027,817	3,626,106	6,022,685	1,789,465	22,466,073	21,426,657
Other financial assets	6,081,139	–	–	–	6,081,139	6,081,139
Total	149,461,104	36,149,218	93,558,702	382,144,197	661,313,221	447,424,248

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

45 RISK MANAGEMENT (continued)

45.4 Liquidity risk (continued)

(a) Excluding insurance (continued)

	31 December 2025					Carrying amount
	Within 1 year or undated	1 to 2 years	2 to 5 years	More than 5 years	Total	
Liabilities:						
Financial liabilities measured at fair value through profit or loss	613,395	–	–	–	613,395	613,395
Derivative financial liabilities	166,506	–	–	–	166,506	166,506
Financial assets sold under repurchase agreements	53,955,375	–	–	–	53,955,375	53,940,898
Income tax payable	2,258,904	–	–	–	2,258,904	2,258,904
Investment contract liabilities	(4,922,473)	(2,939,338)	(1,537,959)	182,391,045	172,991,275	48,912,949
Notes and bonds payable	388,000	388,000	9,000,500	5,636,000	15,412,500	13,153,551
Lease liabilities	305,746	179,526	192,414	7,548	685,234	649,575
Other financial liabilities	15,649,819	7,846	23,538	125,386	15,806,589	15,806,589
Total	68,415,272	(2,363,966)	7,678,493	188,159,979	261,889,778	135,502,367

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45 RISK MANAGEMENT (continued)

45.4 Liquidity risk (continued)

(a) Excluding insurance (continued)

	31 December 2024					Carrying amount
	Within 1 year or undated	1 to 2 years	2 to 5 years	More than 5 years	Total	
Assets:						
Cash and short-term time deposits	13,005,875	–	–	–	13,005,875	13,005,875
Derivative financial assets	164,341	–	–	–	164,341	164,341
Financial assets held under resale agreements	6,828,588	–	–	–	6,828,588	6,828,588
Financial assets measured at fair value through profit or loss	56,049,094	8,846,116	20,741,695	58,012,082	143,648,987	118,123,741
Financial assets at amortised cost	9,546,127	10,265,826	32,308,834	46,090,573	98,211,360	74,377,733
Debt instruments measured at fair value through other comprehensive income	25,963,241	23,619,866	39,049,019	77,499,326	166,131,452	139,232,691
Equity investments designated at fair value through other comprehensive income	11,539,687	180,421	31,715	298,894	12,050,717	11,784,459
Investment contract assets	(2,458,315)	(12,800,517)	(27,573,543)	205,686,454	162,854,079	10,120,665
Time deposits	13,198,572	5,293,732	10,843,658	–	29,335,962	27,391,847
Statutory deposits for insurance operations	6,853,754	11,003,912	6,469,946	–	24,327,612	23,072,127
Other financial assets	5,327,087	7,079	–	–	5,334,166	5,334,166
Total	146,018,051	46,416,435	81,871,324	387,587,329	661,893,139	429,436,233

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45 RISK MANAGEMENT (continued)

45.4 Liquidity risk (continued)

(a) Excluding insurance (continued)

	31 December 2024				Total	Carrying amount
	Within 1 year or undated	1 to 2 years	2 to 5 years	More than 5 years		
Liabilities:						
Financial liabilities measured at fair value through profit or loss	543,263	–	–	–	543,263	543,263
Derivative financial liabilities	437,099	–	–	–	437,099	437,099
Financial assets sold under repurchase agreements	69,601,056	–	–	–	69,601,056	69,589,907
Income tax payable	2,530,753	–	–	–	2,530,753	2,530,753
Investment contract liabilities	(5,321,950)	(7,307,026)	(12,014,873)	207,346,746	182,702,897	41,804,950
Notes and bonds payable	476,000	516,000	1,673,833	14,776,000	17,441,833	13,153,508
Lease liabilities	117,973	160,733	441,808	110,060	830,574	815,856
Other financial liabilities	12,507,613	7,571	22,713	133,441	12,671,338	12,671,338
Total	80,891,807	(6,622,722)	(9,876,519)	222,366,247	286,758,813	141,546,674

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45 RISK MANAGEMENT (continued)

45.4 Liquidity risk (continued)

(b) Insurance

	31 December 2025						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	
Undiscounted remaining net contractual cash flows arising from insurance contract assets	(415,642)	16,437	324,373	196,680	88,466	416,206	626,520
Undiscounted remaining net contractual cash flows arising from reinsurance contract assets	(11,393,829)	(3,962,612)	(2,555,434)	1,248,006	(1,453,545)	137,274,380	119,156,966
Total	(11,809,471)	(3,946,175)	(2,231,061)	1,444,686	(1,365,079)	137,690,586	119,783,486
Undiscounted remaining net contractual cash flows arising from insurance contract liabilities	67,671,755	7,276,974	15,580,721	15,871,234	26,098,086	142,528,537	275,027,307
Undiscounted remaining net contractual cash flows arising from reinsurance contract liabilities	53,061	866	(2,442)	(294)	(252)	(203)	50,736
Total	67,724,816	7,277,840	15,578,279	15,870,940	26,097,834	142,528,334	275,078,043

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45 RISK MANAGEMENT (continued)

45.4 Liquidity risk (continued)

(b) Insurance (continued)

	31 December 2024						Total
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	
Undiscounted remaining net contractual cash flows arising from insurance contract assets	(131,668)	167,179	100,541	468,587	209,928	805,842	1,620,409
Undiscounted remaining net contractual cash flows arising from reinsurance contract assets	8,252,529	(13,588,648)	(7,557,681)	(1,758,177)	1,530,241	123,793,053	110,671,317
Total	8,120,861	(13,421,469)	(7,457,140)	(1,289,590)	1,740,169	124,598,895	112,291,726
Undiscounted remaining net contractual cash flows arising from insurance contract liabilities	79,922,306	21,361,627	9,750,049	3,626,115	11,021,035	116,918,171	242,599,303
Undiscounted remaining net contractual cash flows arising from reinsurance contract liabilities	78,542	2,516	(1,321)	(2)	–	–	79,735
Total	80,000,848	21,364,143	9,748,728	3,626,113	11,021,035	116,918,171	242,679,038

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46 FAIR VALUE

Financial assets and liabilities measured at fair value

	Fair value as at 31 December 2025	Fair value measurements as at 31 December 2025		
		Level 1	Level 2	Level 3
Assets				
Financial assets measured at fair value through profit or loss				
– Fixed maturity investment	59,230,531	615,650	55,192,471	3,422,410
– Equity securities	53,142,135	32,337,840	16,608,769	4,195,526
Debt instruments measured at fair value through other comprehensive income	165,431,644	4,000,748	161,430,896	–
Equity investments designated at fair value through other comprehensive income	19,002,555	13,757,159	5,117,382	128,014
Derivative financial assets	244,174	–	244,174	–
Total assets	297,051,039	50,711,397	238,593,692	7,745,950
Liabilities				
Financial liabilities measured at fair value through profit or loss	(613,395)	–	–	(613,395)
Derivative financial liabilities	(166,506)	–	(166,506)	–
Total liabilities	(779,901)	–	(166,506)	(613,395)

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46 FAIR VALUE (continued)

Financial assets and liabilities measured at fair value (continued)

	Fair value as at 31 December 2024	Fair value measurements as at 31 December 2024		
		Level 1	Level 2	Level 3
Assets				
Financial assets measured at fair value through profit or loss				
– Fixed maturity investment	67,850,177	1,045,487	61,748,527	5,056,163
– Equity securities	50,273,564	32,267,107	13,646,774	4,359,683
Debt instruments measured at fair value through other comprehensive income	139,232,691	2,774,931	136,457,760	–
Equity investments designated at fair value through other comprehensive income	11,784,459	9,257,925	2,410,175	116,359
Derivative financial assets	164,341	–	157,411	6,930
Total assets	269,305,232	45,345,450	214,420,647	9,539,135
Liabilities				
Financial liabilities measured at fair value through profit or loss	(543,263)	–	–	(543,263)
Derivative financial liabilities	(437,099)	–	(437,099)	–
Total liabilities	(980,362)	–	(437,099)	(543,263)

Valuation techniques and inputs used in Level 2 fair value measurements

For the year ended 31 December 2025, the Group has no financial instruments transferred from the level 1 to the level 2 (the year ended 31 December 2024: Nil), and no financial instruments transferred from the level 2 to the level 1 (the year ended 31 December 2024: Nil).

For the year ended 31 December 2025, the Group has no financial assets transferred from the level 3 to the level 2 (the year ended 31 December 2024: RMB303,934 thousand), the Group has no financial liabilities transferred from the level 3 to the level 2 (the year ended 31 December 2024: RMB305,508 thousand), and no financial instruments transferred from the level 2 to the level 3 (the year ended 31 December 2024: Nil).

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46 FAIR VALUE (continued)

Reconciliation of movements in Level 3 financial instruments measured at fair value

	Financial investments at fair value through profit or loss	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Derivative financial assets	Derivative financial liabilities	Financial liabilities at fair value through profit or loss
1 January 2025	9,415,846	–	116,359	6,930	–	(543,263)
Additions	249,562	–	–	–	–	–
Disposals/expired	(2,018,821)	–	–	(6,930)	–	–
Transfer to Level 3	87,770	–	–	–	–	–
Transfer out from Level 3	–	–	–	–	–	–
Gains/(losses) through profit or loss	(116,421)	–	–	–	–	(70,132)
Gains/(losses) through other comprehensive income	–	–	11,655	–	–	–
31 December 2025	7,617,936	–	128,014	–	–	(613,395)

	Financial investments at fair value through profit or loss	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Derivative financial assets	Derivative financial liabilities	Financial liabilities at fair value through profit or loss
1 January 2024	10,936,351	–	106,107	72,318	(305,508)	(444,374)
Additions	229,728	–	–	6,930	–	–
Disposals/expired	(1,138,144)	–	–	–	–	–
Transfer to Level 3	–	–	–	–	–	–
Transfer out from Level 3	(231,616)	–	–	(72,318)	305,508	–
Gains/(losses) through profit or loss	(380,473)	–	–	–	–	(98,889)
Gains/(losses) through other comprehensive income	–	–	10,252	–	–	–
31 December 2024	9,415,846	–	116,359	6,930	–	(543,263)

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

46 FAIR VALUE (continued)

Financial assets and liabilities carried at other than fair value

	31 December 2025		The fair value hierarchy as at 31 December 2025		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets					
Financial assets measured at amortised cost	62,337,442	66,507,150	–	46,783,533	19,723,617
Liabilities					
Notes payable	13,153,551	13,241,833	–	13,241,833	–

	31 December 2024		The fair value hierarchy as at 31 December 2024		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets					
Financial assets measured at amortised cost	74,377,733	81,264,919	–	50,693,212	30,571,707
Liabilities					
Notes payable	13,153,508	13,643,624	–	13,643,624	–

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

46 FAIR VALUE (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

	Fair value as at 31 December 2025	Valuation techniques	Inputs	Range/weighted average	Relationships between fair value	Observable/ Unobservable
Financial assets measured at fair value through profit or loss	7,617,936					
Equity securities	4,195,526					
Comparable companies approach	310,895	Comparable companies approach	Liquidity discount	17% – 35%	The higher the liquidity discount, the lower the fair value	Unobservable
Net asset value method	3,843,511	Net asset value method	Net asset	NA	NA	Unobservable
Recent financing price	5,128	Recent financing price	NA	NA	NA	Unobservable
Discounted cash flow method	35,992	DCF	Discount rate	7.73% – 24.41%	The higher the discount rate, the lower the fair value	Unobservable
Debt securities	3,422,410					
Discounted cash flow method	3,422,410	DCF	Discount rate	1.24% – 4.48%	The higher the discount rate, the lower the fair value	Unobservable
Equity investments designated at fair value through other comprehensive income	128,014					
Net asset value method	128,014	Net asset value method	Net asset	NA	NA	Unobservable

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

46 FAIR VALUE (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

	Fair value as at 31 December 2024	Valuation techniques	Inputs	Range/weighted average	Relationships between fair value	Observable/ Unobservable
Financial assets measured at fair value through profit or loss	9,415,846					
Equity securities	4,359,683					
Comparable companies approach	186,974	Comparable companies approach	Liquidity discount	16% – 35%	The higher the liquidity discount, the lower the fair value	Unobservable
Net asset value method	3,912,592	Net asset value method	Net asset	NA	NA	Unobservable
Recent financing price	202,162	Recent financing price	NA	NA	NA	Unobservable
Discounted cash flow method	57,955	DCF	Discount rate	8.61% – 15.85%	The higher the discount rate, the lower the fair value	Unobservable
Debt securities	5,056,163					
Discounted cash flow method	5,056,163	DCF	Discount rate	0.87% – 5.87%	The higher the discount rate, the lower the fair value	Unobservable
Equity investments designated at fair value through other comprehensive income	116,359					
Net asset value method	116,359	Net asset value method	Net asset	NA	NA	Unobservable

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

47 CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to focus on the balance between risk and profit, to ensure that the Group meets the external capital requirements and maintains a sound solvency margin ratio to support its business development and maximise profit for shareholders, by pricing products and services commensurately with the level of risk and by accessing to finance at a reasonable cost.

The Group regularly reviews and manages its capital structure to achieve the most ideal capital structure and maximum returns to the shareholders. Factors taken into consideration include future capital requirement, capital efficiency, actual and expected profitability, expected cash flows and expected capital expenditure of the Group. The Group makes adjustments to the capital structure in light of changes in economic conditions.

The Group has formally implemented China Risk Oriented Solvency System Phase 2 since 1 January 2022 by reference to the 'Notice on the Formal Implementation of China Risk Oriented Solvency System Phase 2 by CIRC'. The Group adjusted the objective, policy and process of capital management.

Comprehensive and core solvency adequacy ratios are defined as actual capital and core capital divided by the minimum capital requirements, respectively. Comprehensive and core solvency adequacy ratio have to be higher than 100% and 50% respectively for compliance with the solvency requirements. The solvency positions of the Group and the Company as at the fourth quarter of 2025 meet the above regulatory requirements.

48 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS

(1) Ultimate parent company

The direct controlling shareholder and the ultimate parent company of the Company are respectively Central Huijin Investment Co., Ltd. and China Investment Corporation.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

48 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

(2) Significant related parties

Name of significant related party	Relationship with the Company
CEB	Associate
China Agricultural Reinsurance Co., Ltd.	Associate

(3) Transactions with related parties except for key management personnel

(a) Significant related-party transactions between the Group and CEB is as follows:

	2025	2024
Interest income	1,785	3,094
Premium income	185	89
Claims payments	752,711	642,396
Fees and commissions	32	11

During the year ended 31 December 2025, the Group received the dividends from China Everbright Bank of RMB438,458 thousand (the year ended 2024: RMB401,340 thousand).

Significant related-party transactions between the Group and China Agricultural Reinsurance Co., Ltd. are as follows:

	2025	2024
Premium income	(132,226)	1,228,482
Premiums ceded to reinsurers	363,549	352,148
Reinsurance expenses	(28,784)	243,042
Reinsurance commissions income	77,899	70,391
Claims payments	210,167	6,693,174
Reinsurance claims recovery	274,540	259,032

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

48 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

(3) Transactions with related parties except for key management personnel (continued)

(b) The balances of significant related-party transactions between the Group and CEB is as follows:

	2025	2024
Cash and short-term time deposits	184,822	198,243

The balances of significant related-party transactions between the Group and China Agricultural Reinsurance Co., Ltd. are as follows:

	2025	2024
Reinsurance receivables/(payables)	1,015,218	(231,976)

(4) Key management personnel remuneration:

	2025	2024
Salaries, allowances and benefits in kind	4,638	4,881
Discretionary bonuses	4,251	4,550
Employer's contribution to a retirement benefit scheme	1,537	1,535
Total	10,426	10,966

The final compensation for the Company's key management personnel for the years ended 31 December 2024 and 31 December 2025 is still in the process of confirmation in accordance with the regulations of the relevant PRC authorities and will be disclosed as required once determined.

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

48 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

(5) Transactions with state-owned entities in the PRC

The Company is a state-owned enterprise which is subject to the control of the State Council of the PRC government. The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the government through its authorities, affiliates or other organisations (collectively the “state-owned entities”). The Group’s key business is primary insurance and reinsurance related business and therefore the business transactions with other state-owned entities are primarily related to insurance, reinsurance and investment activities, including but not limited to insurance, reinsurance, provision of asset management or other services, and the sale, purchase, and redemption of bonds or equity instruments.

Management considers that transactions with state-owned entities are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those state-owned entities are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are state-owned entities.

Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group.

As at the 31 December 2025, most of bank deposits of the Group were with state-owned banks, and the issuers of corporate bonds and subordinated bonds held by the Group were mainly state-owned enterprises (31 December 2024: same). For the year ended 31 December 2025, a large portion of its reinsurance business of the Group was with state-owned insurance companies (the year ended 31 December 2024: same).

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

49 CONTINGENCIES

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. The adverse effects of these contingencies and legal proceedings mainly involve claims on the Group's insurance contracts and reinsurance contracts. The Group has considered possible losses caused by such litigations when measuring insurance contract liabilities. At 31 December 2025, certain subsidiaries of the Group were involved in such legal proceedings, and the amounts for specific legal claims may be significant and the legal proceedings are still in progress. While the outcomes of such contingencies and legal proceedings cannot be determined at present, based on the current available information, the Group believes that they did not have a material adverse impact on the financial position as at 31 December 2025 and operating results of the Group for the twelve months ended 31 December 2025.

As at 31 December 2025, the Group had issued the following guarantees:

- (1) As at 31 December 2025, the Company provided maritime guarantee of RMB1,065 million (31 December 2024: RMB1,393 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.
- (2) As at 31 December 2025, CRIHL provided letter of credit to Lloyd's to support Syndicate 1084's and Syndicate 1176's underwriting business of GBP600 million totally (31 December 2024: GBP600 million).
- (3) As at 31 December 2025, CRIHL entered into one Tier 1 securities lending arrangement for Funds at Lloyd's with one financial institution (31 December 2024: two). The facility totals GBP120 million (31 December 2024: GBP100 million and USD75 million).

50 COMMITMENTS

Capital commitments

	31 December 2025	31 December 2024
Contracted for		
– Intangible assets commitments	45,720	28,298
– Property and equipment commitments	1,233	9,868
– Investment commitments	719,501	951,913
Total	766,454	990,079

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

51 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY

(1) Company-level statement of financial position

	31 December 2025	31 December 2024
Assets		
Cash and short-term time deposits	916,664	990,178
Financial assets held under resale agreements	539,975	216,997
Financial investments:		
Financial assets measured at fair value through profit or loss	3,512,499	4,562,306
Financial assets measured at amortized cost	2,689,520	2,769,931
Debt instruments measured at fair value through other comprehensive income	10,745,769	8,760,813
Equity investments designated at fair value through other comprehensive income	—	286,403
Insurance contract assets	24,789	24,258
Reinsurance contract assets	186,262	681,172
Investment contract assets	7,332	7,332
Time deposits	1,630,730	1,379,460
Statutory deposits for insurance operations	9,778,761	10,549,505
Investment properties	800,039	835,417
Property and equipment	215,337	240,544
Right-of-use assets	8,963	15,325
Intangible assets	42,364	41,063
Investments in subsidiaries and associates	45,609,275	46,752,682
Deferred tax assets	120,612	20,002
Other assets	77,257	223,314
Total assets	76,906,148	78,356,702

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

51 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

(1) Company-level statement of financial position (continued)

	31 December 2025	31 December 2024
Liabilities and equity		
Liabilities		
Financial assets sold under repurchase agreements	3,085,064	4,016,344
Income tax payable	9,078	217,891
Investment contract liabilities	737,429	489,179
Insurance contract liabilities	8,690,904	8,648,704
Reinsurance contract liabilities	13,525	7,974
Lease liabilities	9,012	14,953
Deferred tax liabilities	–	358,756
Other liabilities	1,117,551	997,040
Total liabilities	13,662,563	14,750,841
Equity		
Share capital	42,479,808	42,479,808
Reserves	15,065,258	14,560,466
Retained earnings	5,698,519	6,565,587
Total equity	63,243,585	63,605,861
Total liabilities and equity	76,906,148	78,356,702

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

Zhuang Qianzhi
Director

Zhu Xiaoyun
Director

Tian Meipan
Chief Financial Officer
Chief Actuary

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

51 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

(2) Company-level statement of changes in equity

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Catastrophic loss reserve	Retained earnings	Total
As at 1 January 2025	42,479,808	7,004,643	53,944	3,577,033	3,577,033	347,813	6,565,587	63,605,861
1. Total comprehensive income								
Net profit	-	-	-	-	-	-	1,705,529	1,705,529
Other comprehensive income	-	-	48,397	-	-	-	-	48,397
2. Appropriation of profits								
Distributions to shareholders	-	-	-	-	-	-	(2,123,990)	(2,123,990)
Appropriations to surplus reserve	-	-	-	204,691	-	-	(204,691)	-
Appropriation for general risk reserve	-	-	-	-	204,691	-	(204,691)	-
Appropriation for Catastrophic loss reserve	-	-	-	-	-	86,043	(86,043)	-
Disposal of equity investments designated at fair value through other comprehensive income	-	-	(46,818)	-	-	-	46,818	-
Others	-	7,788	-	-	-	-	-	7,788
As at 31 December 2025	42,479,808	7,012,431	55,523	3,781,724	3,781,724	433,856	5,698,519	63,243,585

FINANCIAL STATEMENTS AND NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

51 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

(2) Company-level statement of changes in equity (continued)

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Catastrophic loss reserve	Retained earnings	Total
As at 1 January 2024	42,479,808	7,004,643	166,868	3,282,780	3,282,780	278,229	5,978,549	62,473,657
1. Total comprehensive income								
Net profit	-	-	-	-	-	-	2,867,058	2,867,058
Other comprehensive income	-	-	49,298	-	-	-	-	49,298
2. Appropriation of profits								
Distributions to shareholders	-	-	-	-	-	-	(1,784,152)	(1,784,152)
Appropriations to surplus reserve	-	-	-	294,253	-	-	(294,253)	-
Appropriation for general risk reserve	-	-	-	-	294,253	-	(294,253)	-
Appropriation for Catastrophic loss reserve	-	-	-	-	-	69,584	(69,584)	-
Disposal of equity investments designated at fair value through other comprehensive income	-	-	(162,222)	-	-	-	162,222	-
As at 31 December 2024	42,479,808	7,004,643	53,944	3,577,033	3,577,033	347,813	6,565,587	63,605,861

52 NON-ADJUSTING POST BALANCE SHEET DATE EVENTS

Dividends

On 30 March 2026, the Board of Directors of the Company proposed a final dividend of RMB0.0691 per ordinary share (tax inclusive) and is subject to the approval of shareholders of the Company at the 2025 annual general meeting.

53 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

CHINA REINSU



RANCE



DEFINITIONS

“Articles of Association”	the articles of association of our Company as adopted at our shareholders’ meeting held on 28 November 2025 and approved by the National Financial Regulatory Administration on 23 January 2026
“Belt and Road”	the Silk Road Economic Belt and 21st-Century Maritime Silk Road
“Board of Directors” or “Board”	the board of directors of our Company
“Board of Supervisors”	the former board of supervisors of our Company
“C-ROSS”	China Risk Oriented Solvency System, which is China’s second generation insurance solvency regulation system
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Central Huijin”	Central Huijin Investment Ltd.
“Chaucer”	the collective name of CRIHL, CIC and CRAH
“China Continent Insurance”	China Continent Property & Casualty Insurance Company Ltd. (中國大地財產保險股份有限公司), a subsidiary of the Company incorporated in the PRC on 15 October 2003. The Company holds 64.3% of its shares
“China Everbright Bank”	China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司), a joint stock limited liability company incorporated in the PRC
“China Re AMC”	China Re Asset Management Company Ltd. (中再資產管理股份有限公司), a subsidiary of the Company incorporated in the PRC on 18 February 2005. The Company holds 70% of its shares, and China Re P&C, China Re Life and China Continent Insurance hold 10% of its shares respectively
“China Re CRM”	China Re Catastrophe Risk Management Company Ltd. (中再巨災風險管理股份有限公司), a subsidiary of the Company incorporated in the PRC on 7 August 2018. The Company holds 51.87% of its shares and China Re P&C holds 25.34% of its shares

DEFINITIONS

“China Re DT”	China Reinsurance Digital Technology Co., Ltd. (中再保數字科技有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 10 October 2023
“China Re HK”	China Reinsurance (Hong Kong) Company Limited (中國再保險(香港)股份有限公司), a subsidiary of China Re Life licensed and incorporated by Hong Kong Insurance Authority on 16 December 2019
“China Re Life”	China Life Reinsurance Company Ltd. (中國人壽再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 16 December 2003
“China Re P&C”	China Property and Casualty Reinsurance Company Ltd. (中國財產再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 15 December 2003
“China Re UK”	China Re UK Limited, a wholly-owned subsidiary of the Company incorporated in England and Wales on 28 September 2011
“CIC”	Chaucer Insurance Company Designated Activity Company, a company registered in the Republic of Ireland
“CNIP”	China Nuclear Insurance Pool. CNIP was established in 1999 and the Group Company has been the management institution and chairman company of CNIP from its establishment date to November 2016. Starting from November 2016, the management institution of CNIP changed from the Group Company to China Re P&C
“Company”, “China Re” or “Group Company”	China Reinsurance (Group) Corporation (中國再保險(集團)股份有限公司)
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
“CRAH”	China Re Australia HoldCo Pty Ltd, a company registered in Australia, the former name of which is Hanover Australia HoldCo Pty Ltd

DEFINITIONS

“CRIHL”	China Re International Holdings Limited, a company registered in England and Wales, the former name of which is The Hanover Insurance International Holdings Limited
“Director(s)”	the director(s) of the Company
“Group” or “we”	our Company and its subsidiaries (except where the context requires otherwise)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huatai Insurance Agency”	Huatai Insurance Agency and Consultant Service Limited (華泰保險經紀有限公司), a subsidiary of the Company incorporated in the PRC on 1 March 1993. The Company holds 52.5% of its shares
“Latest Practicable Date”	20 April 2026, being the latest practicable date for the inclusion of certain information in this report prior to its publication
“Listing Date”	26 October 2015, being the date on which the H shares of the Company became listed on the Hong Kong Stock Exchange
“Lloyd’s”	The Society of Lloyd’s, a global leading specialised P&C and liability insurance market
“Ministry of Finance”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“Model Code for Securities Transactions”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as enacted by the Standing Committee of the Eighth National People’s Congress of the PRC on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“PRC Insurance Law”	the Insurance Law of the PRC (《中華人民共和國保險法》), as enacted by the Standing Committee of the Eighth National People’s Congress of the PRC on 30 June 1995 and effective on 1 October 1995, as amended, supplemented or otherwise modified from time to time
“Reporting Period”	since 1 January 2025 until 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Supervisor(s)”	the former supervisor(s) of the Company

CORPORATE INFORMATION

REGISTERED NAMES

Legal Chinese name: 中國再保險(集團)股份有限公司

Chinese abbreviation: 中國再保

Legal English name: China Reinsurance
(Group) Corporation

English abbreviation: China Re

REGISTERED OFFICE AND HEADQUARTERS

No. 11 Jinrong Avenue, Xicheng District,
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1618, Sun Hung Kai Centre,
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PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

CLASS OF SHARES

H shares

STOCK NAME

China Re

STOCK CODE

1508

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

<http://www.chinare.com.cn>

INVESTOR RELATIONS DEPARTMENT

Office of the Board of Directors

Telephone: (8610) 66576880

Email: IR@chinare.com.cn

LEGAL REPRESENTATIVE

Mr. Zhuang Qianzhi

SECRETARY TO THE BOARD¹

Vacant

AUTHORISED REPRESENTATIVES

Mr. Zhuang Qianzhi

Ms. Chung Man Nar Mona

JOINT COMPANY SECRETARIES

Mr. Cao Shunming

Ms. Chung Man Nar Mona

AUDITORS

Domestic auditor:

KPMG Huazhen LLP

Overseas auditor:

KPMG

(Certified Public Accountants and Registered PIE Auditor)

ACTUARIAL CONSULTANT

Ernst & Young (China) Advisory Limited

HONG KONG LEGAL ADVISER

Clifford Chance

UNIFIED SOCIAL CREDIT CODE

9110000010002371XD

Note: 1. Mr. Cao Shunming was appointed as the Board Secretary of the Company on 28 February 2026, and he shall formally assume office upon his qualification being approved by the National Financial Regulatory Administration.

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Empower your insurance by expertise



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