中国太平洋保险
China Pacific Insurance

2026

Interim Report

(Stock Code: 02601)

中國太平洋保險(集團)股份有限公司
China Pacific Insurance (Group) Co.,Ltd.
(A joint stock company incorporated in the People's Republic of China with limited liability)

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Cautionary Statements:

Forward-looking statements included in this report, including future plans and development strategies, do not constitute a guarantee of the Company to investors. Investors and other related parties are advised to be mindful of the risk, and be aware of the difference between the Company's plans or projections and its commitments. You are advised to exercise caution.

Important information

I. The Company's 2026 Interim Report was considered and approved at the 25th session of the 10th Board of Directors on 27 August 2026, which 14 Directors were required to attend and all of them attended in person.

II. The 2026 Interim Financial Report of the Company has not been audited.

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

BOARD OF DIRECTORS

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Corporate information

Legal Name in Chinese:

中國太平洋保險 (集團) 股份有限公司 (" 中國太保 ")

Legal Name in English:

CHINA PACIFIC INSURANCE (GROUP) CO., LTD. ("CPIC")

Legal Representative: FU Fan

Board Secretary and Joint Company Secretary: SU Shaojun

Securities Representative: WANG Qian

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Investor Relations Dept. of the Company

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Place of Business in Hong Kong:

Suite 4301, 43/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong

Website: http://www.cpic.com.cn

Email: ir@cpic.com.cn

Selected Newspapers for Disclosure (A Share):

China Securities, Shanghai Securities and Securities Times

Announcements for A Share Published at:

http://www.sse.com.cn

Announcements for H Share Published at:

http://www.hkexnews.hk

Announcements for GDR Published at:

http://www.londonstockexchange.com

Report Available at: Investor Relations Dept. of the Company

Stock Exchange for A Share Listing:

The Shanghai Stock Exchange

Stock Name for A Share: 中国太保

Stock Code for A Share: 601601

Stock Exchange for H Share Listing:

The Stock Exchange of Hong Kong Limited

Stock Name for H Share: 中國太保

Stock Code for H Share: 02601

H Share Registrar:

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre,

183 Queen's Road East, Wanchai, Hong Kong

Stock Exchange for GDR Listing: London Stock Exchange

Stock Name for GDR: China Pacific Insurance (Group) Co., Ltd.

Trading symbol for GDR: CPIC

Accountant (A Share): Ernst & Young Hua Ming LLP

Office address: Level 17, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Ave. Dongcheng District, Beijing, PR China

Signing Certified Public Accountants:

WANG Ziqing, MO Aiqi

Accountant (H Share):

Ernst & Young Hua Ming LLP (Recognised PIE Auditor)

Office address: Level 17, Ernst & Young Tower, Oriental Plaza, No. 1 East Changan Ave. Dongcheng District, Beijing, PR China

Accountant (GDR): Ernst & Young Hua Ming LLP

Office address: Level 17, Ernst & Young Tower, Oriental Plaza, No. 1 East Changan Ave. Dongcheng District, Beijing, PR China

Signing Certified Public Accountants: WANG Ziqing

Definitions

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

"The Company", "the Group", "CPIC" or "CPIC Group"	China Pacific Insurance (Group) Co., Ltd.
"CPIC Life"	China Pacific Life Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC P/C"	China Pacific Property Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC AMC"	Pacific Asset Management Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC HK"	China Pacific Insurance Co., (H.K.) Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"Changjiang Pension"	Changjiang Pension Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC Fund"	CPIC Fund Management Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC Anxin Agricultural"	Pacific Anxin Agricultural Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC Health"	Pacific Health Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC Capital"	CPIC Capital Company Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC Technology"	Pacific Insurance Technology Co., Ltd., a wholly-owned subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC Life (HK)"	China Pacific Life Insurance (H.K.) Company Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"CPIC Investment (HK)"	CPIC Investment Management (H.K.) Company Limited, a subsidiary of China Pacific Insurance (Group) Co., Ltd.
"C-ROSS II"	China Risk Oriented Solvency System Phase II
"CBIRC"	Former China Banking and Insurance Regulatory Commission
"NFRA"	National Financial Regulatory Administration
"CSDC"	China Securities Depository and Clearing Corporation Limited
"CSRC"	China Securities Regulatory Commission
"SSE"	Shanghai Stock Exchange
"SEHK"	The Stock Exchange of Hong Kong Limited
"LSE"	London Stock Exchange
"PRC GAAP"	China Accounting Standards for Business Enterprises issued by Ministry of Finance of the People's Republic of China, and the application guide, interpretation and other related regulations issued afterwards
"New Accounting Standards"	The Accounting Standard for Business Enterprises Nos. 22, 23, 24, 37 and 25 promulgated and revised by the Ministry of Finance of the People's Republic of China in 2017 and 2020 sequentially
"Articles of Association"	The articles of association of China Pacific Insurance (Group) Co., Ltd.
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code for Securities Transactions"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Corporate Governance Code"	Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Substantial Shareholder"	Has the meaning given to it under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being a person who has an interest in the relevant share capital of the Company, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the Company
"GDR"	Global depositary receipts
"ESG"	Environmental, Social and Governance
"RMB"	Renminbi
"pt"	Percentage point

Key indicators

Unit: RMB million

Group operating income
212,136 +5.8%

Group OPAT attributable to shareholders of the parent
21,149 +6.2%

Group embedded value[note 1]
636,938 +3.8%

Group net profit attributable to shareholders of the parent
30,775 +10.4%

Group core solvency margin ratio
191% -15pt

Group comprehensive solvency margin ratio
255% -18pt

NBV of life business[note 1]
10,758 +12.7%

NBV margin of life business[note 1]
17.5% +2.5pt

Group comprehensive investment yield[note 3]
1.8% -0.6pt

Group total investment yield[note 3]
2.4% +0.1pt

Group net investment yield[note 3]
1.5% -0.2pt

Group number of customers ('000)
186,800

Insurance policies per customer
2.36

Underwriting combined ratio of P/C business[note 2]
95.1% -1.3pt

Interim cash dividend
RMB 0.42
per share (tax included)

Notes:

1. Consolidated data of CPIC Life and CPIC Life (HK).
2. Consolidated data of CPIC P/C, CPIC Anxin Agricultural and CPIC HK.
3. Net/total investment yield, or comprehensive investment yield was not annualised.

Key performance indicators

Unit: RMB million

Indicators	As at 30 June 2026/ for the period between January and June in 2026	As at 31 December 2025/ for the period between January and June in 2025	Changes (%)
Key value indicators			
Group embedded value[note 1]	636,938	613,365	3.8
Value of in-force business[note 1, 2]	250,765	240,698	4.2
Group net assets[note 3]	319,196	302,143	5.6
NBV of CPIC Life[note 1]	10,758	9,544	12.7
NBV margin of CPIC Life (%)[note 1]	17.5	15.0	2.5pt
Underwriting combined ratio of CPIC P/C (%)	95.0	96.3	(1.3pt)
Group comprehensive investment yield (%)[note 4]	1.8	2.4	(0.6pt)
Key operating indicators			
Insurance revenue	143,296	141,824	1.0
CPIC Life[note 1]	43,073	42,274	1.9
CPIC P/C	96,987	96,831	0.2
Group number of customers ('000)[note 5]	186,800	189,546	(1.4)
Average number of insurance policies per customer	2.36	2.35	0.4
Monthly average agent number ('000)	183	183	–
Surrender rate of CPIC Life (%)[note 1]	0.7	0.8	(0.1pt)
Total investment yield (%)[note 4]	2.4	2.3	0.1pt
Net investment yield (%)[note 4]	1.5	1.7	(0.2pt)
Third-party AuM[note 6]	907,818	854,075	6.3
Key financial indicators			
Net profit attributable to shareholders of the parent	30,775	27,885	10.4
CPIC Life[note 1]	24,030	20,699	16.1
CPIC P/C	6,072	5,733	5.9
Basic earnings per share (RMB)[note 3]	3.20	2.90	10.4
Net assets per share (RMB)[note 3]	33.18	31.41	5.6
Comprehensive solvency margin ratio (%)			
CPIC Group	255	273	(18pt)
CPIC Life	209	228	(19pt)
CPIC P/C	240	244	(4pt)

Notes:

1. Consolidated data of CPIC Life and CPIC Life (HK).
2. Based on the Group's share of value of in-force life insurance business after solvency.
3. Attributable to shareholders of the parent.
4. Net/total investment yield, or comprehensive investment yield was not annualised.
5. The Group number of customers refers to the number of applicants and insureds who hold at least one insurance policy within the insurance period issued by one or any of CPIC subsidiaries as at the end of the reporting period. In the event that the applicants and insureds are the same person, they shall be deemed as one customer.
6. Figures for the comparative period have been restated.

Core competitiveness

As a leading integrated insurance group in China, we stay focused on the core insurance business, put value and profitability first, with steady growth of overall business results, consolidation of market standing and significant improvement in value-creating capabilities; we continue to cement the foundation of sustainable development and make an increased contribution to China's social and economic development and people's well-being, with continued progress towards the vision of "a top-notch insurance and financial services group with market leadership and international competitiveness".

Focus

We stay focused on insurance, with continued enhancement of insurance professional expertise and balanced development of various business segments along the insurance value chain. We are well-positioned to leverage synergies across these business segments to meet customers' diverse needs. Our life/health insurance business is committed to improving people's welfare via diversified product offerings centring on wealth management, retirement and health protection; it builds competitive advantages in channel diversification, with marked improvement in customer resource management (CRM) capabilities, laying a solid foundation for sustainable value growth. The property and casualty insurance business, committed to the New Development Pattern, promotes product innovation in green insurance and technology insurance to better support major national initiatives such as Rural Revitalisation and Self-reliance and Strength in Science and Technology, further strengthens climate-related risk management capability and strives to improve the risk pricing & risk reduction system. As for investment, we adhere to prudent, value, long-term and responsible investing, continuously strengthen the long-term mechanism for asset liability management (ALM), with improved capabilities for cross-cycle asset allocation based on profiles of liabilities; our long-term investment yields have been consistently higher than the cost of liabilities, which underpins steady value growth and stable operation of the Company.

Prudence

We persist in sustainable development, with sound systems of corporate governance, performance evaluation and risk management. We continuously improve the corporate governance structure with legal entities shouldering the primary responsibility; optimise relevant rules and policies of Shareholders' Meeting, the Board of Directors and senior management to ensure a clear division of responsibilities, with coordinated operation of relevant governance bodies as well as checks and balances. We establish and refine the performance evaluation system and incentive & restraint mechanisms balancing short term and long term, development and risk management, deepen contract-based term management of senior executives, which cements the foundation of high-quality development and stimulates organisational vitality. We continuously improve the risk management system, adopt a tiered, differentiated and "look-through" approach towards risk management, strengthen early warning and monitoring of key risks, so as to ensure healthy, sustainable development of the Company.

Innovation

We are customer-oriented and forge ahead with transformation & innovation to foster new drivers for high-quality development. We diversify the health insurance product line-up, enhancing coverage of out-of-pocket medical expenses and sub-standard risks and stepping up long-term care insurance. We roll out innovative pension insurance products to meet customers' diverse needs for retirement provision. We strive to build an ecosystem of "preventive care, diagnosis, treatment, rehabilitation and elderly nursing" for better integration of insurance products and healthcare services to meet customers' needs across their entire life cycles. We advance an all-around digital transformation, which includes developing an enterprise-grade AI middle platform, strengthening data and knowledge supply, reinforcing AI security governance, and extending the reach of digital and intelligent solutions; in particular, we drive AI-powered process re-engineering and model innovation in areas of CRM, sales force empowerment, product innovation for AI-associated risks, cost reduction and operational efficiency improvement, as well as investment performance enhancement. All these efforts help with business value growth and core competitiveness of the Company.

Responsibility

We uphold the philosophy of "insurance for people", align ourselves with China's social and economic development, and strive to create value for customers, employees, shareholders and the society. We strengthen the system of consumer rights protection to enhance consumer experience, with progress in consumer rights protection demonstration zones and AI application. We optimise the HR management system, formulate medium – and long-term development plan for talent, uphold professionalism and strengthen the development of young talent; proceed with management succession at Group level and subsidiaries and step up talent pool development for succession planning, facilitate employees' career advancement to enhance their sense of fulfilment, belonging and satisfaction. We are committed to protecting shareholder interests, continue to improve transparency in information disclosure, formulate medium – to long-term shareholder dividend policy and increase the frequency of dividend distributions, so as to generate stable, sustainable and predictable returns to shareholders. We push for integration of ESG philosophies into the full process of business management, support green, low-carbon economic and social transition, cement our win-win cooperation with partners both upstream and downstream, so as to fulfil our corporate social responsibilities.

Honours and awards

- At the 2026 Financial Consumer Protection & Service Innovation Annual Cases Competition hosted by China Financial Media Corporation (CFMC), 7 cases from CPIC Group, CPIC P/C, CPIC Life, CPIC Health and Changjiang Pension were recognised as Exemplary Cases in Innovation of Financial Consumer Protection Mechanisms, Exemplary Cases in Financial Service Convenience, Annual Landmark Claims Cases of China's Insurance Industry, and Exemplary Cases in Financial Consumer Protection respectively; and at the 2026 Annual Insurance Product Awards hosted by CFMC, 3 products of CPIC Life including the CPIC Shengshi Hongyun Whole Life Insurance (Participating) won the Jin Kou Bei 2026 Annual Insurance Product Case Award, while CPIC Health's Shen Ai Bao product won the Annual Inclusive Insurance Product Award.

- CPIC won the Shareholder Returns Award at the 17th Tianma Awards for Investor Relations of Listed Companies sponsored by Securities Times.

- CPIC maintained an MSCI ESG AAA Rating (the highest level) in 2026, and its Wind ESG Rating was upgraded to AA, making it a leader in the Chinese insurance industry.

- CPIC P/C secured a top-three position in property casualty insurance rankings of the 2026 China Insurance Competitiveness Research Report, published by Tsinghua Financial Review of PBC School of Finance, Tsinghua University; in the 2026 Selection of Exemplary Cases in Innovative Development of China's Insurance Industry, which was also sponsored by Tsinghua Financial Review, CPIC AMC-Trina Rich Power New Energy Carbon Neutrality Inter-Institutional Green REITs (Rural Revitalisation) was named the Annual Green Finance Exemplary Case in the Insurance Industry.

- At the 2025 Sina Golden Kylin Insurance Industry Awards hosted by Sina Finance, CPIC Group was honoured with the Most Socially Responsible Insurance Group of the Year Award; CPIC P/C and CPIC Life received the Exemplary Green Finance Insurers of the Year Award and Excellence in Elderly Care Service of the Year Award respectively.

- CPIC Health won the Consumer Satisfaction Brand in the Insurance Industry at the 2026 China Brand Influence Evaluation – Consumer Satisfaction Evaluation, jointly sponsored by China Weekly Co., Ltd., the Discover Brands production team, and China Brand Influence Evaluation Office.

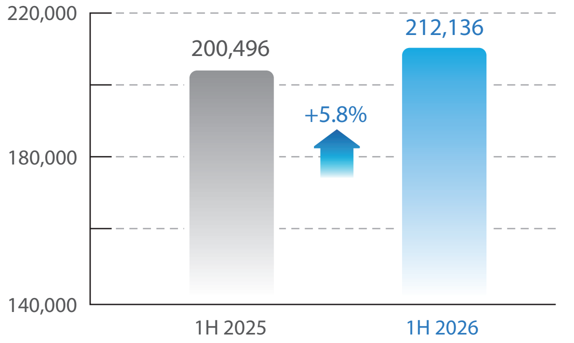
- At the 2026 Best of the Best Awards sponsored by the Asia Asset Management magazine, Changjiang Pension won the "China, Best Pension Manager" award, and its Golden Sunshine Collective Enterprise Annuity Scheme won the "China, Best Enterprise Annuity Scheme" award.

- At the 2025 Internal Audit Best Practices Recognition hosted by the China Institute of Internal Audit, two of CPIC's real-time audit monitoring case studies – Boosting Digital and AI-Powered Internal Audit Transformation with Research-Driven Audit and Application & Outcomes of a Digitally Empowered Real-Time Audit Monitoring Model – were included among Exemplary Cases in Digital and AI Applications in Internal Audit.

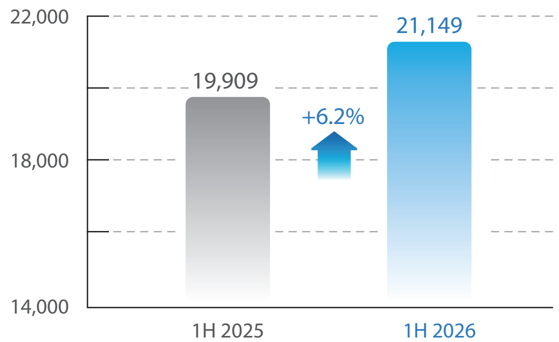
Chairman’s statement

Dear shareholders,

Group operating income Unit: RMB million



Group OPAT note 1 Unit: RMB million



The year 2026 marks the start of the 15th Five-Year Plan period. In the first half of the year, the international environment remained complex and volatile, with uncertainties and unpredictable factors intertwined. On the domestic front, China's economy maintained overall stability, with progress in industrial upgrade and increased demand for protection in people's livelihoods, which demonstrated sustained resilience. At the same time, while risk-free interest rates remained at low levels, the capital market experienced increased structural divergence and volatility, which, coupled with China's demographic shift, presented multiple challenges to the insurance industry in liabilities, asset allocation and value management. Amid the challenging political and economic landscape both at home and abroad, we pursued progress while maintaining stable business fundamentals, strived to improve quality and efficiency, consolidated our achievements in business development, strengthened the foundation of management, accelerated the shift in growth drivers, and delivered steady improvement in overall business performance.

In the first half of 2026, Group operating income amounted to RMB212.136 billion, up 5.8% year on year; Group net profit[note 1] totalled RMB30.775 billion, an increase of 10.4% from the same period of 2025; Group OPAT[note 1] reached RMB21.149 billion, up 6.2%; and as at the end of June 2026, Group net assets[note 1] stood at RMB319.196 billion, up 5.6% from the end of the preceding year.

Our life/health insurance business remained focused on value creation and stepped up the transition in distribution channels and products. In the first half of the year, NBV of life insurance[note 2] reached RMB10.758 billion, up 12.7% year on year, with an NBV margin of 17.5%, up 2.5pt. In the agency channel, we continued to strengthen agent capabilities so as to build a "career-based, professional, digitally-savvy and younger" sales force. In particular, we strived to enhance agent recruitment and development through better incentive mechanisms, training and coaching, and technological support. As a result, core manpower productivity continued to grow, with double-digit growth in both monthly average FYPs per core agent and monthly average FYC per core agent. As for the bancassurance channel, we accelerated the development of regular-premium business. Despite intensifying market competition, regular first-year premiums increased by 32.6% year on year, with growth in both the monthly average number of active bank outlets measured by regular-premium business and monthly average regular premiums from such outlets.

We delivered on our commitment to people's well-being via support for major national initiatives such as Healthy China, which also unlocked new growth drivers for our own development. In inclusive insurance, the number of people covered by government-backed LTCI programmes increased by nearly 22 million from the end of the previous year. In health insurance, we continued to optimise the Lan Yi Bao product suite for young customers, upgraded the Shen Ai Bao specialised insurance for individuals with pre-existing conditions, and achieved steady growth in new premiums from commercial health insurance. We also refined the health and elderly care system of "prevention, diagnosis, treatment, rehabilitation and old-age nursing". The use of these services by mid-to-high-end customers has been rising rapidly, and over 3,500 senior citizens are now residing in our retirement communities, pointing to an increasingly important role our health and elderly care system plays in driving core insurance business development.

Our property and casualty insurance business[note 3] strengthened underwriting discipline and promoted profitable premium growth. In the reporting period, direct written premiums from CPIC P/C reached RMB114.358 billion, up 1.4% year on year, while the underwriting combined ratio improved by 1.3pt year on year to 95.0%, representing

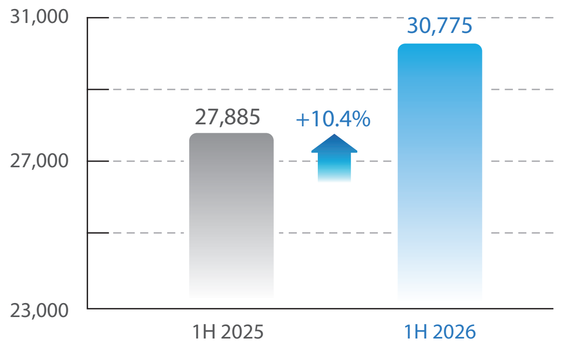
a significant improvement in underwriting profitability. In automobile insurance, we stepped up professional capacity-building across underwriting and claims management, established a new model covering the entire claims journey for bodily injuries and the full cycle of medical diagnosis and treatment, which improved customers' direct access to care providers; and ultimately the underwriting combined ratio improved by 0.7pt year on year; accelerated the development of systematic operating capabilities for NEV, continuously optimised claims cost management for NEV insurance to enhance its underwriting profitability. In non-auto insurance, we continued to implement targeted measures to eliminate or improve business with high claims ratios and advanced the development of an integrated risk reduction system of "prevention, mitigation, rescue and compensation", contributing to a marked improvement in operating results. In the first half of the year, the underwriting combined ratio of non-auto insurance was 95.3%, a substantial year-on-year improvement of 2.3pt, with major business lines – including health insurance, agricultural insurance, liability insurance and commercial property insurance – all achieving underwriting profitability.

We aligned ourselves with China's national strategies and stepped up efforts in technology insurance and green insurance to facilitate the development of China's modern industrial system. In the first half of 2026, premiums from technology insurance increased nearly 18% year on year, with the debut of multiple first-of-their-kind products in areas of biopharmaceuticals, low-altitude economy and embodied intelligence. We accelerated the development of green insurance in key areas such as renewable energy, ecological agriculture and zero-carbon industrial parks; premiums from green insurance continued to outpace those of the overall business, with its share of total premiums further increased.

We continued to optimise our SAA framework across market cycles. In a low-interest-rate environment, our new model for diversified asset liability matching has delivered initial results. Based on profiles of liabilities, we deepened asset liability management, ensuring that investment returns could cover the cost of liabilities. To achieve precise matching between assets and liabilities, we developed a new ALM methodology centring on "the net investment yield plus", which essentially seeks to establish an asset liability coordination framework across the full life cycle with products as the starting point. The framework enables multi-tiered monitoring and management of "costs and returns", and builds a margin of safety for asset liability matching. In the first half of 2026, amid low risk-free interest rates and structural divergence on

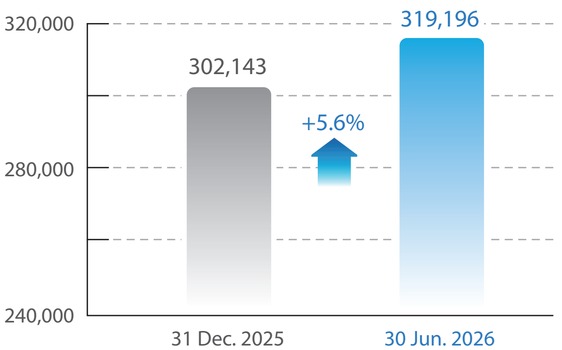
Group net profit note 1

Unit: RMB million



Group net assets note 1

Unit: RMB million



the equity market, we continued to optimise asset allocation, strengthened investment research capabilities and diversified sources of investment income. At the same time, we maintained stringent control of major, systemic risks and paid special attention to margin-of-safety management, which ensured resilient investment results. As of the end of June 2026, Group AuM[note 4] exceeded RMB4 trillion for the first time, representing an increase of 4.8% from the end of the previous year.

We continued to leverage the advantages of insurance funds as long-term money, strengthened investment research capabilities in emerging and future industries, steadily advanced investment in key sectors, and increased efforts to develop new alternative investment products. In the first half of the year, investments in technology and green sectors increased by more than 20% and 5%, respectively, from the end of the previous year, providing effective support for new quality productive forces.

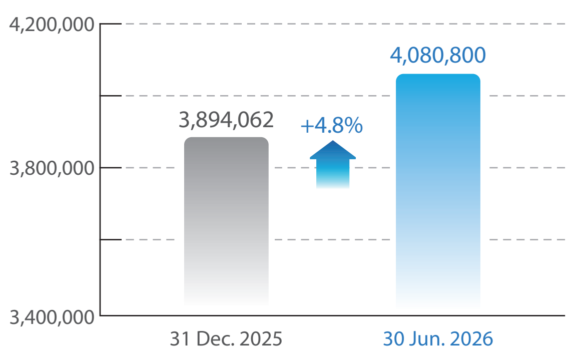
Nowadays, the world is undergoing profound changes unseen in a century. The international environment has become increasingly complex and challenging, and will remain so in the foreseeable future. Technology and the security of industrial and supply chains have been at forefront of strategic competition among major powers. China's economic restructuring is at a critical stage, and the full recovery of domestic demand will take more time. At the same time, the 15th Five-Year Plan calls for increased efforts in technological innovation, cultivation of new quality productive forces, protection of people's livelihoods and expansion of domestic demand, alongside continued progress in high-end manufacturing and AI-related industries and increased fiscal spending on areas such as social security and health care. These trends will create more opportunities for the insurance industry. Since the beginning of the year, the government has announced a series of plans and policies in areas such as agricultural and rural modernisation, carbon peaking and carbon neutrality, and the establishment of a new energy mix, among others. These initiatives have created a strategic platform for the insurance industry to leverage its unique role as a cushion of economic shocks and a social stabiliser, explore new solutions to meet risk management needs arising from new sectors, new forms of business and new operating models, expand the scope of its business and foster new engines of growth.

In the face of these challenges and opportunities, we will stay committed to the central insurance value proposition and adhere to the basics of the industry, which calls for a long-term perspective and a long-term thinking. We will navigate market cycles with confidence and consistent strategic execution, further optimise management of both assets and liabilities to enhance the foundations for value growth and high-quality development.

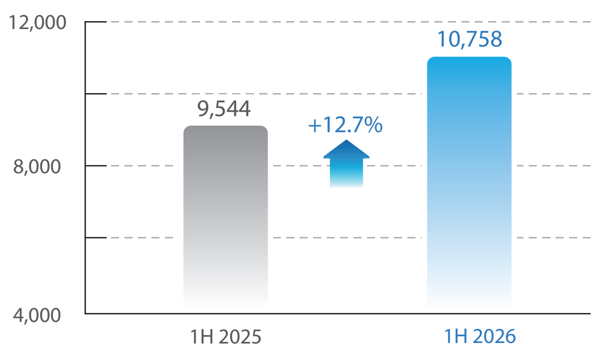
We will advance the implementation of our 15th Five-Year Plan and boost new growth drivers. Committed to serving national strategies, we will proactively support industrial development and people's livelihood, strengthen professional capabilities and the application of technology, and continue to deepen our presence in key areas including technology finance, green finance, pension finance and inclusive finance, and strive for substantial breakthroughs in these areas. We will also accelerate the implementation of the 3 key strategies, and advance core capability building. In

Group AuM note 4

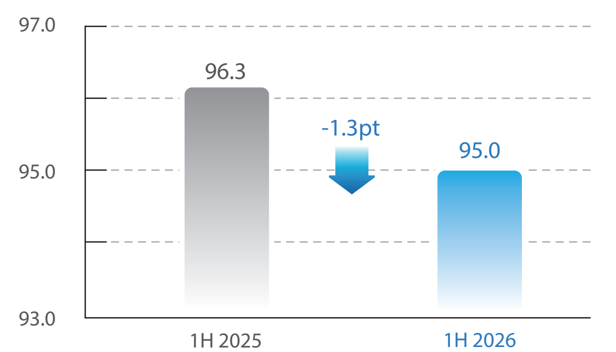
Unit: RMB million



NBV of life business [note 2] Unit: RMB million



Underwriting combined ratio of P/C business [note 3] Unit: %



health and retirement, we will closely monitor policy developments and accelerate innovation in commercial health insurance products; strengthen services for key accounts to promote steady growth in pension assets under management; improve the operating quality and efficiency of our health and elderly care services to support the development of the core insurance business. In internationalisation, we will expand and strengthen our Hong Kong operations, enhance overseas investment and research capabilities, and position our Hong Kong operations as a platform for accumulation of experience and build a talent pool for future business expansion. In "AI+," we will promote the development and large-scale deployment of more high-value applications based on insights into business needs, deepen research into risks associated with AI applications and develop innovative products and business models.

We will press ahead with high-quality development of our core businesses and comprehensively consolidate our market competitiveness. In the life insurance business, we will remain value-oriented and promote balanced, coordinated development across distribution channels and products. The agency channel, while maintaining the overall stability of the sales force, will continuously improve productivity; the bancassurance channel will deepen its strategic partnerships and cement its market position. Moreover, we will diversify product offerings, boost the sales of a wide spectrum of products and continuously optimise our business mix. As for property and casualty insurance, we will continue to put profitability first and accelerate the transition from traditional to new growth drivers. In auto insurance, we will further increase our market share while optimising the combined ratio, step up research into intelligent driving products, strengthen risk pricing capabilities, and secure the first-mover advantage in this emerging area; in non-auto insurance, we will improve our operational quality and efficiency, deepen the focus on profitable business, and accelerate the development of new growth drivers. As for asset management, we will proceed from the characteristics of insurance funds and continue to optimise the long-term ALM mechanism. In particular, we will seek the optimal balance between returns, risk, capital and duration, so as to provide strong support for the Company's long-term value creation. We will proactively adapt to market changes, improve mechanisms for research collaboration, enhance assessment of market trends and dynamics, diversify investment strategies, and generate sustainable investment returns.

The year 2026 marks our 35th anniversary. Thirty-five years ago, CPIC started off in a humble office in Shanghai. Capitalising on China's reform and opening-up and the rapid development of China's insurance market, it has since grown into an insurance and financial services group with more than RMB4 trillion in AuM and hundreds of thousands of employees and sales agents, providing services to around 180 million customers. In 2020, we became the first listed insurance company in China with shares trading simultaneously in Shanghai, Hong Kong and London, thanks to broad-based support from the capital markets both at home and abroad. By the end of 2025, our cumulative dividend payments had exceeded RMB130 billion, underscoring our commitment to sharing the gains of our development with all our shareholders. In 2026, we will implement interim dividend for the first time in our history, as part of our effort to further enhance the stability, sustainability and predictability of our dividends and deliver even greater returns to our shareholders and the society.

The past 35 years have been a journey of successes and milestones, though not without its fair share of twists and turns. At the beginning of a new journey, CPIC will continue to support China's modernisation drive. In particular, it will capture opportunities arising from the country's industrial upgrading, technological advancement and demographic shifts, strengthen its core business operations, build core competitiveness and move firmly towards the vision of "a top-notch insurance and financial services group with market leadership and international competitiveness". At the same time, CPIC will continue to create value for its shareholders, customers, employees and the society, scaling new heights and opening a new chapter in the new era.

Notes:

1. Attributable to shareholders of the parent.
2. Consolidated data of CPIC Life and CPIC Life (HK).
3. Refers only to CPIC P/C.
4. Figures for the same period of 2025 have been restated.

FU Fan

Chairman of the Board of Directors

CPIC Group

Operating results

1

Key accounting data and financial indicators of the Company as at period ends

Unit: RMB million

Key accounting data	January to June 2026	January to June 2025	Changes (%)
Operating income	212,136	200,496	5.8
Profit before tax	34,653	32,259	7.4
Net profit[note]	30,775	27,885	10.4
Net profit net of non-recurring profit or loss[note]	29,784	26,224	13.6
Net cash flows from operating activities	115,080	120,503	(4.5)
	30 June 2026	31 December 2025	Changes (%)
Total assets	3,279,391	3,144,767	4.3
Equity[note]	319,196	302,143	5.6

Note: Attributable to shareholders of the parent.

Unit: RMB

Key accounting indicators	January to June 2026	January to June 2025	Changes (%)
Basic earnings per share[note 1]	3.20	2.90	10.4
Basic earnings per share net of non-recurring profit or loss[note 1]	3.10	2.73	13.6
Diluted earnings per share[note 1]	2.95	2.90	1.7
Weighted average return on equity (%)[note 1]	9.7	9.6	0.1pt
Weighted average return on equity net of non-recurring profit or loss (%)[note 1]	9.4	9.0	0.4pt
Net cash flows per share from operating activities[note 2]	11.96	12.53	(4.5)
	30 June 2026	31 December 2025	Changes (%)
Net assets per share[note 1]	33.18	31.41	5.6

Notes:

1. Attributable to shareholders of the parent.
2. Calculated by the weighted average number of ordinary shares in issue.

2
Non-recurring items

Unit: RMB million

Non-recurring items	January to June 2026
Gains on disposal of non-current assets	17
Government grants recognised in current profit or loss	100
Other net non-operating income and expenses other than aforesaid items	(40)
Other items confirming to the definition of non-recurring profit or loss[note]	1,259
Effect of income tax relating to non-recurring profit or loss	(344)
Net non-recurring profit or loss attributable to non-controlling interests	(1)
Total	**991**

Note: The revaluation gains on the conversion value of convertible bonds issued by the Company and other impacts related to convertible bonds resulted in approximately RMB1,259 million in total.

3

Other key financial and regulatory indicators

Unit: RMB million

Indicators	30 June 2026/ January to June 2026	31 December 2025/ January to June 2025
The Group		
Investment assets[note 1]	3,172,982	3,039,987
Three-year average investment yield (%)	4.9	3.9
Insurance revenue	143,296	141,824
Insurance service expenses	119,071	120,169
Insurance contract liabilities	2,631,251	2,466,607
Liabilities for incurred claims	115,627	110,044
Liabilities for remaining coverage	2,515,624	2,356,563
Reinsurance contract assets	46,097	47,746
Allocation of reinsurance premiums	8,686	7,290
Recoveries of insurance service expenses from reinsurers	6,977	6,245
Insurance finance expenses for insurance contracts issued	49,907	40,698
Reinsurance finance income for reinsurance contracts held	512	715
CPIC Life[note 2]		
Contractual service margin of insurance contracts issued	364,308	352,981
Contractual service margin of the issued insurance contracts initially recognised in the period	11,512	10,821
CPIC P/C		
Three-year average underwriting combined ratio (%)[note 3]	96.2	97.1
Three-year average underwriting loss ratio (%)[note 4]	69.3	69.8

Notes:

1. Investment assets include cash at bank and on hand, etc.
2. Consolidated data of CPIC Life and CPIC Life (HK).
3. Underwriting combined ratio = (insurance service expenses + insurance finance income or expenses + changes in insurance premium reserves + (allocation of reinsurance premiums paid – recoveries of insurance service expenses from reinsurers – reinsurance finance income or expenses))/insurance revenue.
4. Underwriting loss ratio = (incurred claims + changes in liability for incurred claims + gains or losses on the onerous contracts + insurance finance income or expenses + changes in insurance premium reserves + (allocation of reinsurance premiums paid – recoveries of insurance service expenses from reinsurers – reinsurance finance income or expenses))/insurance revenue.

Review and analysis of operating results

1

Business overview

I. Key businesses

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

In the first half of 2026, China's insurance market [note] realised direct written premiums of RMB3.86 trillion, up by 3.2% from the same period of 2025. Of this, premiums from life/health insurance companies amounted to RMB2.87 trillion, a growth of 3.6%, and those from property and casualty insurance companies RMB0.98 trillion, up by 2.1%. Measured by direct written premiums, CPIC Life and CPIC P/C are both China's 3rd largest insurers for life and property and casualty insurance, respectively.

Note: Industry data are sourced from the official website of NFRA.

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

Unit: RMB million

Balance sheet items	30 June 2026	31 December 2025	Changes (%)	Main reason for the changes
Securities purchased under agreements to resell	47,450	24,512	93.6	Timing difference
Construction in progress	1,512	1,086	39.2	Purchase and construct properties
Deferred income tax assets	5,356	3,643	47.0	Increase in deductible temporary differences
Derivative financial liabilities	1,064	2,372	(55.1)	Impact of convertible bonds
Premium received in advance	6,171	20,237	(69.5)	Timing difference
Taxes payable	5,115	3,722	37.4	Timing difference
Insurance premium reserves	753	201	274.6	Timing difference
Other liabilities	70,318	52,603	33.7	Increase in dividends payable and payables related to asset-backed securities

Unit: RMB million

Income statement items	January to June 2026	January to June 2025	Changes (%)	Main reason for the changes
Investment income	33,631	21,671	55.2	Increase in gains from securities trading, etc.
Share of profits/(losses) of associates and joint ventures	686	(145)	(573.1)	Increase in net profits of associates and impact of change from a joint venture to a subsidiary
Gains arising from changes in fair value	2,985	5,856	(49.0)	Fluctuation of market value of financial assets at fair value through profit or loss due to capital market fluctuation
Exchange losses	(350)	(13)	2,592.3	Fluctuation of exchange rate
Taxes and surcharges	(343)	(216)	58.8	Change in business
Other operating expenses	(1,022)	(592)	72.6	Impact of change from a joint venture to a subsidiary
Other comprehensive income/(loss)	(2,677)	(27,500)	(90.3)	Change in fair value of financial investments at fair value through other comprehensive income due to capital market fluctuation

2

Performance overview

We stayed focused on the core business of insurance, pursued value growth and long-termism, and achieved further progress in high-quality development, with improving momentum in business performance and sustained growth in overall strength. CPIC Life deepened customer segmentation, optimised product offerings, enhanced foundations of channel development, and achieved continued business quality improvement and sustained value growth; CPIC P/C upgraded its CRM system, stepped up business quality control, with marked improvement in underwriting profitability and steady growth in premium income; in asset management, we persisted in ALM across market cycles, enhanced professional investment capabilities and delivered resilient investment results.

I. Performance highlights

During the reporting period, Group operating income amounted to RMB212.136 billion, up by 5.8% year on year, of which, insurance revenue reached RMB143.296 billion, a growth of 1.0%. Group net profit[note 1] reached RMB30.775 billion, up by 10.4% year on year, with Group OPAT[notes 1,2] of RMB21.149 billion, a growth of 6.2%. Group EV[note 3] amounted to RMB636.938 billion, an increase of 3.8% from the end of 2025. Of this, Group value of in-force business[notes 3,4] amounted to RMB250.765 billion, up by 4.2%. Group net assets[note 1] stood at RMB319.196 billion, up by 5.6% from the end of 2025. Life insurance business[note 3] delivered RMB10.758 billion in new business value (NBV), up by 12.7% year on year, with an NBV margin of 17.5%, up by 2.5pt from the same period of 2025. Property and casualty insurance business[note 5] recorded an underwriting combined ratio of 95.1%, down by 1.3pt from the same period of 2025. Comprehensive investment yield[note 6] on Group investment assets went down by 0.6pt year on year to 1.8%.

Life insurance business[note 3] reported sustained NBV growth, with steady improvement in NBV margin

> NBV reached RMB10.758 billion, up by 12.7% year on year, with an NBV margin of 17.5%, up by 2.5pt.

> Written premiums amounted to RMB190.351 billion, down by 1.6% year on year. Of this, regular first-year premiums (FYPs) totalled RMB30.669 billion, up by 28.6%.

> OPAT of life insurance business reached RMB15.887 billion, a year-on-year growth of 5.9%; contractual service margin (CSM) amounted to RMB364.308 billion, up by 3.2% from the end of 2025.

> The agency channel maintained stable agent headcount, with continued productivity gains for core manpower; the share of variable products increased considerably, and policy persistency stayed at high levels.

Underwriting profitability of property and casualty business[note 5] improved significantly, with steady growth of premium income

> Underwriting combined ratio was 95.1%, down by 1.3pt year on year. Of this, underwriting loss ratio was 68.9%, down by 0.8pt; underwriting expense ratio 26.2%, down by 0.5pt.

> Direct written premiums amounted to RMB115.819 billion, a year-on-year increase of 1.4%.

> Auto insurance accelerated the development of systematic operational capabilities for NEV business, and non-auto business enhanced business quality control, with marked improvement in underwriting profitability.

Persisted in ALM and strategic asset allocation across market cycles, with resilient investment performance

> The share of debt category financial assets stood at 71.4%, down by 1.0pt from the end of 2025; that of equity category financial assets 17.1%, up by 0.4pt from the end of 2025, and of this, core equity[note 7] accounted for 13.9% of total investment assets, an increase of 0.5pt from the end of the preceding year.

> Comprehensive investment yield[note 6] of Group investment assets reached 1.8%, down by 0.6pt year on year; total investment yield[note 6] was 2.4%, up by 0.1pt, with net investment yield[note 6] of 1.5%, down by 0.2pt.

> Group assets under management (AuM)[note 8] amounted to RMB4,080.800 billion, an increase of 4.8% from the end of 2025. Of this, third-party AuM[note 8] amounted to RMB907.818 billion, a growth of 6.3%.

Notes:

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

II. Key performance indicators

Unit: RMB million

Indicators	As at 30 June 2026/ for the period between January and June in 2026	As at 31 December 2025/ for the period between January and June in 2025	Changes (%)
Key value indicators			
Group embedded value[note 1]	636,938	613,365	3.8
Value of in-force business[note 1, 2]	250,765	240,698	4.2
Group net assets[note 3]	319,196	302,143	5.6
NBV of CPIC Life[note 1]	10,758	9,544	12.7
NBV margin of CPIC Life (%)[note 1]	17.5	15.0	2.5pt
Underwriting combined ratio of CPIC P/C (%)	95.0	96.3	(1.3pt)
Group comprehensive investment yield (%)[note 4]	1.8	2.4	(0.6pt)
Key operating indicators			
Insurance revenue	143,296	141,824	1.0
CPIC Life[note 1]	43,073	42,274	1.9
CPIC P/C	96,987	96,831	0.2
Group number of customers ('000)[note 5]	186,800	189,546	(1.4)
Average number of insurance policies per customer	2.36	2.35	0.4
Monthly average agent number ('000)	183	183	–
Surrender rate of CPIC Life (%)[note 1]	0.7	0.8	(0.1pt)
Total investment yield (%)[note 4]	2.4	2.3	0.1pt
Net investment yield (%)[note 4]	1.5	1.7	(0.2pt)
Third-party AuM[note 6]	907,818	854,075	6.3
Key financial indicators			
Net profit attributable to shareholders of the parent	30,775	27,885	10.4
CPIC Life[note 1]	24,030	20,699	16.1
CPIC P/C	6,072	5,733	5.9
Comprehensive solvency margin ratio (%)			
CPIC Group	255	273	(18pt)
CPIC Life	209	228	(19pt)
CPIC P/C	240	244	(4pt)

Notes:

1. Consolidated data of CPIC Life and CPIC Life (HK).
2. Based on the Group's share of value of in-force life insurance business after solvency.
3. Attributable to shareholders of the parent.
4. Net/total investment yield, or comprehensive investment yield was not annualised.
5. The Group number of customers refers to the number of applicants and insureds who hold at least one insurance policy within the insurance period issued by one or any of CPIC subsidiaries as at the end of the reporting period. In the event that the applicants and insureds are the same person, they shall be deemed as one customer.
6. Figures for the comparative period have been restated.

3

Life/health insurance business

CPIC Life stayed committed to value growth, deepened customer segmentation, optimised product/service offering, consolidated foundations for channel development, and achieved continued improvement in business quality, sustained NBV growth and steady improvement in NBV margin. CPIC Health continued to enhance its specialised operational capabilities, with rapid growth of insurance revenue and net profit, pointing to improved development quality.

I. CPIC Life[note 1]

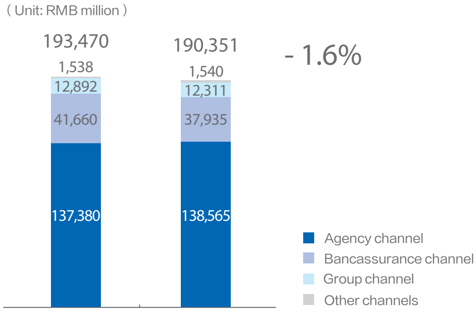
(I) Business analysis

CPIC Life achieved improvement in its key performance indicators, with steady growth in operating results for value and quality. In the first half of 2026, it reported RMB190.351 billion in written premiums, down by 1.6%. Of this, regular first-year premiums amounted to RMB30.669 billion, an increase of 28.6% year on year. EV amounted to RMB484.738 billion, up by 4.1% from the end of 2025; NBV reached RMB10.758 billion, a growth of 12.7% year on year, with an NBV margin of 17.5%, up by 2.5pt. Net profit reached RMB24.030 billion, a growth of 16.1% year on year, with OPAT of RMB15.887 billion, up by 5.9%.

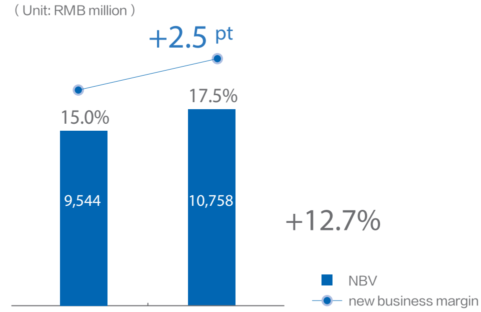
Overall, under the guidance of the philosophy of "creating value for customers with suitable products/services delivered by professional sales teams", the subsidiary continued to shore up the foundation for value growth. First, it stepped up customer segmentation to increase the share of higher-tier customers, which further optimised the customer mix; as a result, in the reporting period, the number of mid-tier customers[note 2] and above grew by 4.8% year on year, and accounted for 34.2% of total customers, up by 5.6pt. Of this, the agency channel focused on mid-tier[note 2] and high-net-worth (HNW) customers, with the number of these customers increasing by 8.8% and making up 35.0% of total customers, up by 7.9pt; the bancassurance channel continued to refine its CRM system for HNW customers, with the number of HNW customers[note 2] and above growing by 5.0% and representing 5.0% of total customers, up by 0.6pt. Second, it pressed ahead with channel diversification so as to build a professional sales force with distinctive strengths for sustained value growth. The agency channel recorded continued NBV growth, with steady improvement in core manpower productivity; the bancassurance channel saw a quarter-on-quarter pickup in NBV growth, with steady improvement in productivity of both bank outlets and sales teams; the group channel posted considerable value growth from work-site marketing. Third, it continued to improve its product/service system with multiple measures to optimise the business mix, including accelerating the development of variable products and stepping up promotion of commercial health insurance. In the reporting period, due to changing market environment and evolving customer needs, participating insurance as a share of total FYPs rose to 55.5%; commercial health insurance registered RMB3.682 billion in FYPs, up by 3.0% year on year. At the same time, to meet customers' needs throughout their life cycles, the company further optimised its health & elderly care service system integrating "preventive care, diagnosis, treatment, rehabilitation and old-age nursing", with the number of requests for access to health management services by mid-tier customers[note 2] and above increasing by 121.2% year on year in the first half of 2026, reflecting improved customer loyalty.

Notes:
1. Figures for CPIC Life include its subsidiary, CPIC Life (HK).
2. Mid-tier customers are defined as those with total payable premiums between RMB300,000 (inclusive) and RMB2.4 million on in-force new insurance policies during the current reporting period; HNW customers are defined as those with total payable premiums between RMB2.4 million (inclusive) and RMB10 million on in-force new insurance policies; and ultra-HNW customers are defined as those with total payable premiums of RMB10 million and above on in-force new insurance policies.

Written premiums of CPIC Life
(Unit: RMB million)



NBV and new business margin of CPIC Life
(Unit: RMB million)



1. Analysis by channels

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

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Written premiums	**190,351**	**193,470**	**(1.6)**
Agency channel	**138,565**	**137,380**	**0.9**
New policies	29,045	22,622	28.4
Regular premiums	17,347	14,077	23.2
Renewed policies	109,520	114,758	(4.6)
Bancassurance channel	**37,935**	**41,660**	**(8.9)**
New policies	21,531	29,038	(25.9)
Regular premiums	11,720	8,840	32.6
Renewed policies	16,404	12,622	30.0
Group channel	**12,311**	**12,892**	**(4.5)**
New policies	10,803	11,351	(4.8)
Regular premiums	890	610	45.9
Renewed policies	1,508	1,541	(2.1)
Other channels[note]	**1,540**	**1,538**	**0.1**

Note: Other channels refer to telemarketing and brokerage business.

(1) Agency channel

CPIC Life stepped up systematic capacity-building of its agency channel, with an aim to "stabilise growth and optimise agency force mix". In CRM, it diversified scenarios for customer engagement and interaction, achieved an upward shift in customer mix via customer segmentation; continued to provide tailor-made, differentiated products/services to meet diverse customer needs for wealth management, retirement provision and health protection; as for agency force restructuring, it focused on key regional markets, stepped up the development of high-performing agents and teams, so as to build an agency force of professional, career-based, digitally-savvy and younger agents. In the reporting period, the channel realised RMB138.565 billion in written premiums, a year-on-year growth of 0.9%. Of this, regular first-year premiums amounted to RMB17.347 billion, up 23.2%.

In the first half of 2026, monthly average number of agents reached 183,000, with a headcount of 185,000 as at the end of the reporting period, staying largely stable. Of this, core agent headcount stood at 45,000 on a monthly average basis, with monthly average FYPs per core agent of RMB101,646, up by 39.5% year on year; and monthly average FYC per core agent of RMB8,026, up by 12.7%, pointing to sustained productivity gains.

For 6 months ended 30 June	2026	2025	Changes (%)
Monthly average FYP per core agent (RMB)	101,646	72,870	39.5
Monthly average FYC per core agent (RMB)	8,026	7,120	12.7

(2) Bancassurance channel

Committed to value-oriented bancassurance, CPIC Life faithfully implemented the regulatory requirement for "consistency between filed and actual expenses" and continued to consolidate the channel's foundation for high-quality development. It cemented strategic cooperation with banks to improve the resilience of its partnerships. For joint-stock banks, the partnerships focused on "integration", underpinned by joint efforts in customer resource management and development of products/services; as for SOE banks, the priority was to achieve "breakthroughs" in partnerships, marked by steady increase in the share of regular first-year premiums. The channel also deepened customer segmentation, continued to diversify product/service offerings and upgraded the Jian Xiang Jia value-added service programme, as part of its effort to provide integrated services of "insurance + health management + elderly care" to meet diverse customer needs and enhance its competitive edge; it focused on building professionalism of sales teams, persisted in high-quality team building, team management and training, with improvement in productivity; enhanced digital & AI empowerment, with improved channel productivity, particularly in bank outlets and CRM. During the reporting period, the channel focused on business restructuring and accelerated the growth of regular premium business; as a result, it realised RMB37.935 billion in written premiums, down by 8.9% year on year, and of this, regular premiums from new policies amounted to RMB11.720 billion, up by 32.6%; measured by monthly average regular premiums, the number of active bank outlets[note] stood at 4,956 as of the end of June, 2026, up by 4.9%, and these outlets contributed an average of RMB289,000 in regular premiums per month[note], up by 4.1%.

Note: Figures are based on CPIC Life alone.

(3) Group channel

CPIC Life adhered to the business strategy of "fully leveraging strengths and balancing long-term and short-term business" for the group channel. In work-site marketing, we took a holistic approach to maximise value generation from individual customers; in corporate business, we focused on enhancing operating capabilities for key accounts in key industries and areas; as for inclusive insurance, we centred on improving people's well-being, and continued to expand its coverage. During the reporting period, the channel recorded RMB12.311 billion in written premiums, down by 4.5% from the same period of 2025. Of this, regular premiums from new policies amounted to RMB890 million, up by 45.9%, of which, those from work-site marketing reached RMB887 million, a growth of 46.3%; written premiums from new short-term business amounted to RMB1.740 billion, up by 5.0%; a total of 240 million insurance policies were issued under various inclusive insurance programmes.

2. Analysis by product types

In response to China's key national initiatives such as the pension finance reform and the Healthy China Strategy, and as part of the industry's broader effort to advance the "supply-side structural reform", CPIC Life seeks to align its product line-up and distribution network with evolving customer needs. In terms of product types, it proceeded with innovation in variable products, particularly in participating insurance. In the reporting period, written premiums from participating products amounted to RMB65.687 billion, a year-on-year growth of 76.1%, accounting for 55.5% of total first-year premiums. In terms of product function, the company further diversified product offerings. To meet customers' needs for pension finance, it promoted sales of commercial annuity, which generated regular FYPs of RMB11.563 billion, up by 71.6% year on year; to meet customers' needs for health protection, it was deeply involved in the administration of government-sponsored long-term care insurance (LTCI) programmes, while boosting the development of new LTCI products such as the Yi Hu and Xin product suites.

Aligned with customer needs across their life cycles, CPIC Life continued to improve its health & elderly care service system integrating "preventive care, diagnosis, treatment, rehabilitation and old-age nursing". Its health management service served over 29 million users cumulatively in the first half of 2026; it launched VIP Customer Club, which offered high-end physical check service, upgraded CPIC Blue Passport health management service programme and the Green Channel doctor appointment system, aiming to enhance experience of target customer segments and improve their loyalty; the Yuanshen Rehab hospitals in Xiamen and Ji'nan went operational. In elderly care, CPIC Life completed the construction of 15 CPIC Home retirement communities in 13 cities across China, spanning the gamut from independent living to nursing care; as of the end of the reporting period, the number of elderly residents exceeded 3,500; the company strived to differentiate in chronic care and specific disease management, particularly in dementia and rehab care, so as to sharpen its competitive edge in health & elderly care; upgraded the "Longevity Retreat" home-based care programme and expanded its service scope, which, coupled with the 235 brick-and-mortar smart experience centres, helped to empower the insurance business development.

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Written premiums	**190,351**	**193,470**	**(1.6)**
Traditional	90,502	123,250	(26.6)
Regular first-year premiums	3,528	13,725	(74.3)
Participating	65,687	37,299	76.1
Regular first-year premiums	27,142	10,128	168.0
Universal	24,780	23,046	7.5
Unit-linked	190	–	/
Short-term insurance	9,192	9,875	(6.9)

3. Policy persistency ratio

We intensified business quality control, and as a result, the 13-month policy persistency ratio of individual customers stood at 96.8%, an improvement of 0.2pt year on year; while the 25-month policy persistency ratio rose by 0.3pt year on year to 94.8%.

For 6 months ended 30 June	2026	2025	Changes
Individual customers 13-month persistency ratio (%)[note 1]	96.8	96.6	0.2pt
Individual customers 25-month persistency ratio (%)[note 2]	94.8	94.5	0.3pt

Notes:

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

4. Top 10 regions for written premiums

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

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Written premiums	**190,351**	**193,470**	**(1.6)**
Jiangsu	23,431	23,230	0.9
Zhejiang	19,240	19,918	(3.4)
Henan	14,325	14,430	(0.7)
Shandong	13,226	14,165	(6.6)
Guangdong	13,113	11,662	12.4
Shanghai	11,537	12,041	(4.2)
Hebei	8,428	9,858	(14.5)
Hubei	7,038	7,157	(1.7)
Shanxi	6,802	7,302	(6.8)
Beijing	6,507	7,585	(14.2)
Subtotal	123,647	127,348	(2.9)
Others	66,704	66,122	0.9

(II) Profit analysis

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Insurance service performance and others	**15,757**	**15,148**	**4.0**
Insurance revenue	43,073	42,274	1.9
Insurance service expenses	(26,326)	(26,337)	(0.0)
Total investment income[note 1]	56,118	46,746	20.0
Finance underwriting gains/(losses)[note 2]	(47,341)	(39,646)	19.4
Investment performance	**8,777**	**7,100**	**23.6**
Pre-tax profit	**24,534**	**22,248**	**10.3**
Income tax	(504)	(1,549)	(67.5)
Net profit	**24,030**	**20,699**	**16.1**

Notes:

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

Insurance revenue for the reporting period was RMB43.073 billion, up by 1.9% from the same period of 2025. Insurance revenue is recognised based on the insurance contract service provided during the current reporting period and strips out investment components[note].

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

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Insurance revenue	**43,073**	**42,274**	**1.9**
Long-term insurance	37,689	36,654	2.8
Short-term insurance	5,384	5,620	(4.2)

Insurance service expenses amounted to RMB26.326 billion, the same as that for the same period of 2025. Insurance service expenses include claims payment and other related expenses incurred during the period, excluding investment components.

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Insurance service expenses	**26,326**	**26,337**	**(0.0)**
Long-term insurance	21,095	20,871	1.1
Short-term insurance	5,231	5,466	(4.3)

Investment performance for the reporting period amounted to RMB8.777 billion, up by 23.6% year on year. The metric is defined as the part of investment income in excess of the return required by reserves. It grew as a result of increase in the scale of investment assets, among others.

As a result, in the first half of 2026, CPIC Life achieved a net profit of RMB24.030 billion, up by 16.1% year on year.

II. CPIC Health

During the reporting period, in line with the strategy of "new products, new channels and new technology", CPIC Health strengthened its specialised operational capabilities and sustained positive momentum in overall business performance. It delivered RMB5.079 billion in gross written premiums, up by 12.2% year on year. Under the new accounting standards, it reported RMB2.213 billion in insurance revenue, a growth of 30.6% year on year, with net profit of RMB241 million, up by 517.9%, testifying to improved development quality.

The subsidiary upheld the value proposition of "products are service" and strived to provide customers with caring, professional health protection and related services via innovation. It strengthened its proprietary distribution networks, leveraged a range of channels such as live streaming, content marketing, online empowerment and offline collaboration to continuously enhance its ability to acquire customers independently. As a result, its young and family customer segments grew rapidly, with online customers reaching 3.68 million. To address customers' diverse protection needs, the company upgraded its Lan Yi Bao product suite and capitalised on its network of healthcare providers to sharpen the competitiveness of its offerings for mid-tier and HNW customers; embedded AI capabilities across the entire process of insurance purchase and services, as part of its effort to explore a new paradigm for integration of AI with health insurance. In response to needs of the elderly for nursing care, CPIC Health launched Hu Shen Jia, an innovative commercial long-term care insurance product. In addition, it upgraded Shen Ai Bao – a commercial health insurance product specifically designed for tumor recurrence in patients with pre-existing conditions, which further expanded coverage for specific types of diseases.

In partnership business, CPIC Health leveraged its professional expertise to support CPIC P/C and CPIC Life in health insurance product development, customer services and operation. It stepped up collaboration with CPIC Life, realised brand sharing of Lan Yi Bao, and launched Zhi Zun Quan Qiu, a mid-to-high-end medical insurance product to facilitate CPIC Life's efforts to upgrade its customer mix; in cooperation with CPIC P/C, it launched Quan Jia Bao, a mass-market medical insurance product for household coverage, which helped to improve the penetration of health insurance among auto insurance customers.

4 Property and casualty insurance

CPIC P/C pursued progress while ensuring stable business fundamentals, proactively supported China's national strategies and the social governance system, stepped up risk prevention, enhanced protection for people's well-being, and delivered steady growth of premium income. It focused on customer resource management, enhanced business quality control and achieved marked improvement in underwriting profitability. Auto insurance continued with professional system-building for underwriting and claims management, accelerated systematic development of new energy vehicles (NEV) operational capabilities, with sustained improvement in profitability; non-auto insurance focused on key sectors, stepped up professional capacity-building and optimised the risk reduction system, with continued progress in high-quality development. CPIC Anxin Agricultural and CPIC HK both realised steady business development.

I. CPIC P/C

(I) Business analysis

During the reporting period, CPIC P/C recorded direct written premiums of RMB114.358 billion, up by 1.4% from the same period of 2025, with insurance revenue of RMB96.987 billion, a growth of 0.2% year on year. It posted underwriting profits of RMB4.817 billion, a growth of 35.7% year on year, with an underwriting combined ratio of 95.0%, down by 1.3pt year on year. Of this, underwriting loss ratio stood at 68.7%, down by 0.8pt; underwriting expense ratio 26.3%, down by 0.5pt.

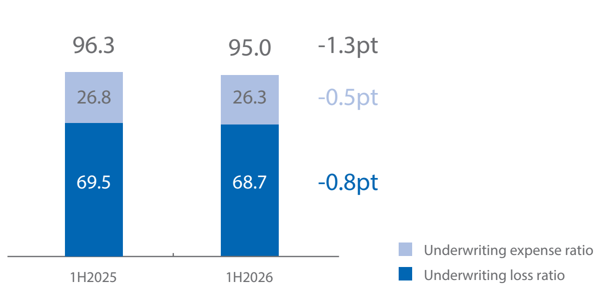
1. Analysis by lines of business

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Direct written premiums	**114,358**	**112,760**	**1.4**
Automobile insurance	53,719	53,606	0.2
Compulsory automobile insurance	14,484	14,300	1.3
Commercial automobile insurance	39,235	39,306	(0.2)
Non-automobile insurance	60,639	59,154	2.5
Health insurance	17,137	15,519	10.4
Agricultural insurance	14,064	14,293	(1.6)
Liability insurance	13,713	12,865	6.6
Commercial property insurance	3,992	5,081	(21.4)
Others	11,733	11,396	3.0

Underwriting combined ratio of CPIC P/C

Unit: %



(1) Automobile insurance

The automobile insurance business put profitability first, built capabilities for differentiated pricing, intensified claims cost control of bodily injuries and strived to enhance direct access to repair networks. It worked to upgrade the CRM system, deepened digitalisation and AI empowerment and continued to improve business quality, with steady growth of premium income and further improvement in underwriting profitability. In the meantime, the company actively supported NEV manufacturers in their overseas expansion, expanded its overseas partnerships, and provided risk coverage for the globalisation of Chinese automakers.

In the first half of 2026, CPIC P/C reported direct written premiums of RMB53.719 billion from the automobile business, a growth of 0.2% year on year; it made vigorous effort to drive the growth of private vehicle business, with its share increasing by 0.3pt. Underwriting combined ratio of the automobile business stood at 94.6%, down by 0.7pt from the same period of 2025, and of this, underwriting loss ratio was 72.9%, staying flat, and underwriting expense ratio 21.7%, down by 0.7pt. Premiums from the NEV business amounted to RMB12.812 billion, up by 20.9% year on year, and accounted for 23.9% of total auto premiums, with notable improvement in underwriting profitability.

(2) Non-automobile insurance

In the first half of 2026, CPIC P/C continued to deploy resources in high-tech and other key industries, tapped the potential of emerging industries and business scenarios such as biomedicine, high-end manufacturing and commercial aerospace, deepened CRM, accelerated the development of a professional service system, pushed for an upgrade from single insurance coverage to integrated “insurance + service” solutions, and fostered new drivers of growth in non-auto business. At the same time, while enhancing business quality control, it advanced the integrated risk reduction system of “prevention, reduction, relief and compensation”, strengthened risk prevention and mitigation, promoted standardised catastrophe response mechanisms, which contributed to a notable improvement in operating quality. During the reporting period, it posted RMB60.639 billion in direct written premiums from non-auto insurance, up by 2.5% year on year. Underwriting combined ratio of non-auto business stood at 95.3%, down by 2.3pt.

In health insurance, we accelerated the growth of commercial business, stepped up health insurance product development for individual customers, strengthened penetration of mid to high end medical insurance among corporate clients, and continued to optimise the business mix to meet diverse needs of customers for health protection. Meanwhile, we were deeply involved in the development of a multi-tiered medical security system, conducting government-sponsored health insurance business in over 200 cities across the country, serving more than 200 million people; we also launched LTCI programmes in 37 cities. During the reporting period, health insurance reported RMB17.137 billion in direct written premiums, a growth of 10.4% year on year, with an underwriting combined ratio of 98.3%, down by 1.0pt year on year.

In agricultural insurance, we stayed committed to rural revitalisation, continued to expand the coverage and raise the protection levels of full-cost indemnity insurance and crop revenue insurance of the 3 staple crops and other important agricultural products, and diversified offerings of speciality agricultural products; pressed ahead with precise underwriting and precise claims settlement, delivered professional value-added services for disaster prevention and loss mitigation, and substantially improved the quality and efficiency of claims services. During the reporting period, due to an increased share of commercial business in certain regional markets, the business line delivered RMB14.064 billion in direct written premiums, down by 1.6% year on year, with an underwriting combined ratio of 96.2%, down by 2.6pt.

The liability insurance business strived to support the modernisation of state governance, accelerated product development for new technologies and new business types, and enhanced professional service capabilities and operational efficiency. We launched multiple industry-first products for sectors such as artificial intelligence, low-altitude economy and integrated circuits; improved occupational injury protection for new urban residents and workers in new forms of employment. We adhered to a prudent business strategy, implemented targeted actions to eliminate/improve business with high claims ratios, so as to enhance the overall performance of the business line. During the reporting period, liability insurance delivered RMB13.713 billion in direct written premiums, up by 6.6% year on year, with an underwriting combined ratio of 99.0%, down by 0.4pt.

The commercial property insurance business made great efforts to support the real economy. While consolidating its position in traditional business, it vigorously explored business opportunities in emerging sectors. In the meantime, it advanced the integration of risk reduction, u/w and claims management, focusing particularly on the control of risk accumulation in high risk regions, as well as high fire risk industries, so as to improve the business mix. In the first half of 2026, the business line generated RMB3.992 billion in direct written premiums, down by 21.4% year on year, with an underwriting combined ratio of 90.5%, down by 2.3pt.

(3) Key financials of major business lines

Unit: RMB million

For 6 months ended 30 June 2026				
Name of insurance	**Direct written premiums**	**Amounts insured**	**Underwriting profit**	**Underwriting combined ratio (%)**
Automobile insurance	53,719	59,932,966	3,010	94.6
Health insurance	17,137	230,645,208	99	98.3
Agricultural insurance	14,064	381,890	297	96.2
Liability insurance	13,713	2,627,443,824	121	99.0
Commercial property insurance	3,992	12,832,546	351	90.5

2. Top 10 regions for premium income

CPIC P/C derived RMB74.396 billion in direct written premiums from the top 10 regional markets, accounting for 65.1% of total premiums, up by 0.1pt year on year.

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Direct written premiums	**114,358**	**112,760**	**1.4**
Guangdong	14,512	14,415	0.7
Jiangsu	13,156	13,178	(0.2)
Zhejiang	10,656	10,779	(1.1)
Shanghai	8,803	8,183	7.6
Shandong	5,814	5,809	0.1
Sichuan	4,954	4,699	5.4
Hunan	4,431	4,253	4.2
Beijing	4,293	4,197	2.3
Hubei	4,028	3,613	11.5
Hebei	3,749	4,159	(9.9)
Subtotal	74,396	73,285	1.5
Others	39,962	39,475	1.2

3. Premium income by channels

Direct written premiums by channels during the reporting period are set out below.

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Direct written premiums	**114,358**	**112,760**	**1.4**
Agency	59,268	60,293	(1.7)
Direct	35,404	35,594	(0.5)
Brokerage	19,686	16,873	16.7

(II) Profit analysis

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Insurance revenue	96,987	96,831	0.2
Insurance service expenses	(89,558)	(91,183)	(1.8)
Net income/(losses) from reinsurance contracts held[note 1]	(1,020)	(829)	23.0
Underwriting finance losses and others[note 2]	(1,592)	(1,269)	25.5
Underwriting profit	**4,817**	**3,550**	**35.7**
Underwriting combined ratio (%)	95.0	96.3	(1.3pt)
Total investment income[note 3]	**3,314**	**4,151**	**(20.2)**
Net of other income and expenses	(503)	(445)	13.0
Pre-tax profit	**7,628**	**7,256**	**5.1**
Income tax	(1,556)	(1,523)	2.2
Net profit	**6,072**	**5,733**	**5.9**

Notes:

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

Insurance revenue for the reporting period amounted to RMB96.987 billion, up by 0.2% year on year, mainly due to overall business growth. Of this, insurance revenue of automobile insurance reached RMB55.273 billion, up by 2.5%, and that of non-auto insurance RMB41.714 billion, a decrease of 2.8%.

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Insurance revenue	**96,987**	**96,831**	**0.2**
Automobile insurance	55,273	53,931	2.5
Non-automobile insurance	41,714	42,900	(2.8)

Insurance service expenses for the reporting period amounted to RMB89.558 billion, down by 1.8% year on year, mainly driven by optimised business mix. Of this, insurance service expenses of automobile insurance reached RMB51.614 billion, up by 1.5%, and that of non-auto insurance RMB37.944 billion, a decrease of 6.0% year on year.

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Insurance service expenses	**89,558**	**91,183**	**(1.8)**
Automobile insurance	51,614	50,836	1.5
Non-automobile insurance	37,944	40,347	(6.0)

Net losses from reinsurance contracts held amounted to RMB1.020 billion, an increase by RMB191 million year on year, largely due to the impact of the scale and mix of ceded business, and loss ratios of related business.

Underwriting finance losses and others amounted to RMB1.592 billion, up by 25.5% year on year, mainly because of growth in business volume, which resulted in an increase in insurance contract liabilities, which, in turn, led to a rise in the time value of liabilities.

Total investment income for the reporting period totalled RMB3.314 billion, down by 20.2% year on year, mainly as a result of reduced gains from fair value change on a volatile capital market.

As a result, in the first half of 2026, CPIC P/C reported a net profit of RMB6.072 billion, up by 5.9% from the same period of 2025.

II. CPIC Anxin Agricultural

CPIC Anxin Agricultural positions itself as an urban agricultural insurance brand and pursues specialised and differentiated operation. To ensure stable fundamentals of agricultural insurance, it strived to increase the share of government-sponsored business to optimise the business mix. On top of this, it expanded into new areas of sannong (i.e., agriculture, rural areas and farmers), such as rural development, rural governance, farmers' income growth, farmers' household property, accident and health, so as to support China's Rural Revitalisation Initiative and its effort to become an agricultural powerhouse. In the first half of 2026, it recorded RMB1.273 billion in direct written premiums, up by 2.7% year on year; and of this, agricultural insurance reported direct written premiums of RMB915 million, up by 1.7%. Insurance revenue amounted to RMB1.168 billion, up by 1.1%, with an underwriting combined ratio of 99.5%, down by 1.4pt. Net profit amounted to RMB106 million, an increase of 7.6% year on year.

III. CPIC HK

CPIC HK is strategically positioned as a springboard for international business, a launch pad for product and service innovation, and a demonstration zone for coordinated business development of China's mainland and overseas markets. It plays an active role in Hong Kong's economic development by providing insurance coverage for major infrastructure projects, supporting the programme of "Southbound Travel for Guangdong Vehicles", and rolling out customised cross-border insurance solutions. In parallel, it deepened its footprint in global markets, with a focus on Southeast Asia, continuously enhanced service network to support Chinese enterprises as they expand worldwide. As at 30 June 2026, total assets of the company stood at RMB1.618 billion, with net assets of RMB438 million. Direct written premiums for the reporting period amounted to RMB188 million, with an underwriting combined ratio of 96.9%, and a net profit of RMB50 million.

5

Asset management

We persisted in long-term, value, prudent and responsible investing, further enhanced Strategic Asset Allocation (SAA) across market cycles in conformity with ALM principles, conducted disciplined yet flexible Tactical Asset Allocation (TAA), and continued to build capabilities in professional investment research, risk control and compliance management via digital empowerment. We exercised stringent control of credit risk and continued with efforts to optimise duration match and mitigate the interest risk; made effort to ensure a safety margin and effective drawdown control in a highly-volatile equity market, and at the same time seized investment opportunities to generate stable, sustainable returns on equity assets.

I. Group AuM

As of the end of June 2026, Group AuM totalled RMB4,080.800 billion, rising by 4.8% from the end of 2025. Of this, Group in-house investment assets amounted to RMB3,172.982 billion, a growth of 4.4%, and third-party AuM RMB907.818 billion, an increase of 6.3%, with a management fee income of RMB1.205 billion, up by 5.9% year on year.

Unit: RMB million

	30 June 2026	31 December 2025	Changes (%)
Group AuM[note]	**4,080,800**	**3,894,062**	**4.8**
Group in-house investment assets	3,172,982	3,039,987	4.4
Third-party AuM[note]	907,818	854,075	6.3
CPIC AMC	231,621	245,395	(5.6)
Changjiang Pension	540,422	476,867	13.3
CPIC Fund[note]	120,589	119,152	1.2
CPIC Capital	1,250	1,205	3.7
CPIC Investment (HK)	13,936	11,456	21.6

Note: Figures for the comparative period were restated.

II. Group in-house investment assets

In the first half of 2026, against the backdrop of China's industrial upgrade and increasing exports, the country's economic recovery demonstrated great resilience, with sufficient liquidity on the financial markets. New quality productive forces, such as artificial intelligence, semiconductors and chips, added impetus to China's economic growth. The equity markets presented structural opportunities. While the A-share market continued its slow bull run with marked divergence across sectors, the H-share market was relatively weak. Risk-free interest rates stayed at low levels amid fluctuations; the bond market remained steady, underpinned by accommodative monetary policy and sustained institutional investor demand.

In recent years, we have been exploring a new approach towards ALM, i.e., multi-dimensional matching of assets and liabilities, and have initially developed a new ALM method known as "net investment yield plus". Considering a wide range of factors such as product management, investment management, financial and capital management, the approach seeks to establish a unified platform of systems with standardised terminology and unified management tools to achieve close coordination of assets and liabilities.

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

Committed to driving value growth via investment, we proceeded with capacity-building in professional investment management, optimised and maintained a rigorous, standardised investment management system and explored a wide range of new strategies including overseas investment, multi-dimensional investment strategies and innovative investment instruments; coordinated improving asset allocation capabilities with strengthening capital constraints so as to cement the foundation of capital and investment management in all respects; further improved credit risk early-warning and mitigation to enhance overall risk management; continued to incorporate ESG philosophies into investment management processes and revised guidelines for investment stewardship; stepped up green investment, and advanced the SAA framework for climate resilience, as part of our efforts to establish a climate risk measurement system for specific categories of financial assets.

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

(I) Group consolidated investment portfolios

Unit: RMB million

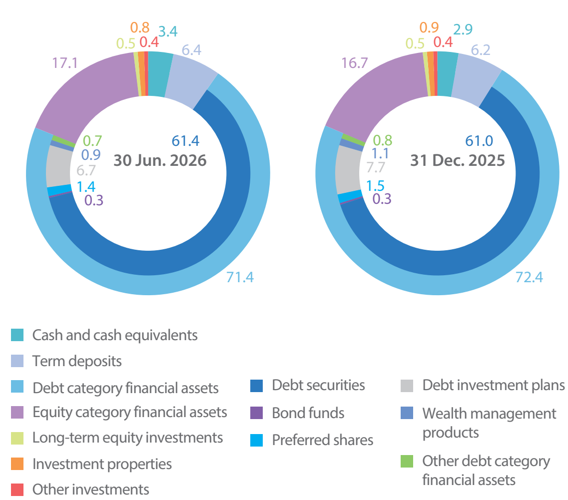
	30 June 2026	Share (%)	31 December 2025	Share (%)
Group investment assets (total)	**3,172,982**	**100.0**	**3,039,987**	**100.0**
By investment category				
Cash and cash equivalents	106,900	3.4	87,301	2.9
Term deposits	202,053	6.4	187,310	6.2
Debt category financial assets	2,266,800	71.4	2,203,807	72.4
– Debt securities	1,949,642	61.4	1,855,656	61.0
– Bond funds	11,076	0.3	10,029	0.3
– Preferred shares	43,312	1.4	44,658	1.5
– Debt investment plans[note 1]	211,937	6.7	235,481	7.7
– Wealth management products[note 2]	28,272	0.9	34,091	1.1
– Others	22,561	0.7	23,892	0.8
Equity category financial assets	542,897	17.1	507,319	16.7
– Stocks	371,297	11.7	337,654	11.1
– Equity funds	71,036	2.2	71,062	2.3
– Wealth management products[note 2]	18,695	0.6	23,110	0.8
– Others	81,869	2.6	75,493	2.5
Long-term equity investments	15,328	0.5	14,616	0.5
Investment properties	26,655	0.8	28,147	0.9
Other investments[note 3]	12,349	0.4	11,487	0.4
By accounting measurement				
Financial assets at amortised cost[note 4]	46,640	1.5	52,601	1.7
Financial assets at fair value through other comprehensive income[note 5]	2,012,137	63.4	1,948,239	64.1
Financial assets at fair value through profit or loss[note 6]	755,950	23.8	714,873	23.5
Long-term equity investments	15,328	0.5	14,616	0.5
Others[note 7]	342,927	10.8	309,658	10.2

Notes:

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

Group consolidated investment portfolios

Unit: %



1. By investment category

As of the end of the reporting period, the share of debt securities investments was 61.4%, an increase of 0.4pt from the end of 2025. Of this, treasury bonds, local government bonds and financial bonds issued by government-sponsored banks made up 46.4% of total investment assets. The duration on fixed income assets reached 11.7 years, the same as that at the end of 2025. Moreover, 97.8% of enterprise bonds and financial bonds issued by non-government-sponsored banks had an issuer/debt rating of AA or above. Of this, the share of AAA reached 96.7%. We boasted a professional internal credit-rating team and sound credit risk management systems covering the entire bond securities investment process, namely, before, during and after the investment. We continued to improve the Group-wise integrated credit-rating management system, evaluated the credit-ratings of both the debt and debt issuers and identified the credit risk based on our internal credit-rating systems, while considering other factors such as macroeconomic conditions and external credit-ratings in order to make well-informed investment decisions. At the same time, to pro-actively control the credit risk of the stock of bond holdings, we followed a uniform and standardised set of regulations and procedures, combining both regular and unscheduled follow-up tracking post the investment. Our corporate/enterprise bond holdings spread over a wide range of sectors with good diversification effect; we set great store by credit risk management, strictly control the exposure to the real estate and other related sectors, and carefully select investment targets to ensure that risks are manageable. Overall, the debt issuers of our investments all had sound financial strength, with credit risk under control.

The share of equity category financial assets stood at 17.1%. Of this, stocks and equity funds accounted for 13.9% of total investment assets, up by 0.5pt from the end of 2025. On the back of disciplined yet flexible TAA processes, we continued with resource realignment for investment research and the building of investment research platforms, enhanced tracking and analysis of market conditions through the TAA system to support decision-making; conducted pro-active management of equity assets, strengthened the core share-dividend strategy while developing diverse satellite strategies as a "top-up". All these efforts helped us achieve solid investment returns.

As of the end of the reporting period, non-public financing instruments (NPFIs) totalled RMB245.084 billion, accounting for 7.7% of total investment assets. While ensuring full compliance with regulatory requirements and internal risk control policies, we persisted in prudent management as is inherently required of insurance companies, staying highly selective of debt issuers and projects. The underlying projects spread across sectors like infrastructure, communications & transport, and non-bank financial institutions, which were geographically concentrated in China's economically prosperous areas such as Beijing, Henan, Hubei, Sichuan, Shandong, Zhejiang, Jiangsu and Fujian, etc.

Overall, we maintained sound credit risk control of our NPFI holdings. 96.8% of NPFIs had external credit-ratings, and of these, the share of AAA reached 96.5%, and that of AA+ and above 96.8%. 77.2% of NPFIs were exempt from debt issuer external credit-ratings, and the rest was secured with credit-enhancing measures such as guarantee or pledge of collateral, with the overall credit risk under control.

Mix and distribution of yields of non-public financing instruments

Sectors	Share of investments (%)	Nominal yield (%)	Average duration (year)	Average remaining duration (year)
Infrastructure	38.4	4.2	8.7	4.5
Communications & transport	27.7	4.1	9.3	4.7
Non-bank financial institutions	19.5	3.4	5.0	3.7
Real estate	5.8	3.8	13.9	10.4
Energy and manufacturing	3.4	3.8	11.5	7.9
Others	5.2	4.1	9.0	4.6
Total	**100.0**	**4.0**	**8.6**	**4.8**

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

2. By accounting methods

Under the New Accounting Standards, investment assets of the Company are mainly classified into 3 categories: financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and others. The share of financial assets at fair value through other comprehensive income fell by 0.7pt from the end of 2025, mainly because of decreased share of debt investment plans in the category; that of financial assets at fair value through profit or loss rose by 0.3pt from end of the year, mainly due to increase in the share of stock investment in the category; the proportion of financial assets at amortised cost dropped by 0.2pt, largely because of reduced share of debt investment plans in the category; the share of long-term equity investments stayed the same as that at the end of 2025; that of others rose by 0.6pt, mainly as a result of an increase in the share of cash and cash equivalents in the category.

(II) Group consolidated investment income

For the reporting period, net investment income totalled RMB42.768 billion, up by 0.5% from the same period of 2025. This stemmed mainly from increased interest income. Total investment income amounted to RMB66.022 billion, up by 16.1% year on year, mainly attributable to a steep rise in gains from securities trading. As a result, total investment yields reached 2.4%, up by 0.1pt year on year.

Unit: RMB million

For 6 months ended 30 June	2026	2025	Changes (%)
Interest income	30,123	29,061	3.7
Dividend income[note 1]	12,220	13,195	(7.4)
Rental income from investment properties	425	311	36.7
Net investment income	**42,768**	**42,567**	**0.5**
Gains from securities trading	20,725	7,018	195.3
Gains arising from changes in fair value [note 2]	1,726	5,856	(70.5)
Impairment losses of investment assets	117	(10)	(1,270.0)
Other income[note 3]	686	1,458	(52.9)
Total investment income	**66,022**	**56,889**	**16.1**
Net investment yield (%)[note 4]	1.5	1.7	(0.2pt)
Total investment yield (%)[note 4]	2.4	2.3	0.1pt
Comprehensive investment yield (%)[notes 4,5]	1.8	2.4	(0.6pt)

Notes:

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

III. Third-party AuM

Group third-party AuM amounted to RMB907.818 billion, and of this, that of CPIC AMC totalled RMB231.621 billion, with a share of 25.5%; and that of Changjiang Pension RMB540.422 billion, accounting for 59.5%.

(I) CPIC AMC

In the first half of 2026, benchmark interest rates remained low, while the equity market exhibited pronounced divergence. CPIC AMC adopted a strategy-driven approach and strived to diversify its asset allocation, and maintained stability in overall third-party business. As of the end of the reporting period, its third-party AuM amounted to RMB231.621 billion, a decrease from the end of 2025.

With regard to alternative investment, the company fully complied with regulatory requirements, put risk prevention first, and took stringent measures to control the quality of projects. While stabilising traditional business, it also strived to expand into emerging sectors to accelerate business transformation. It stepped up the development of green finance, registered and launched the wind power debt investment plan in Guizhou. It continued to support the real economy and accelerated its asset securitisation business, with breakthroughs in ABS products on the Shenzhen Stock Exchange; launched the industry's first asset-backed special plan for real estate that integrated the themes of both carbon neutrality and rural revitalisation, as well as the first inter-institutional REITs product for affordable rental housing of listed companies. In the first half of 2026, the company ranked among the top insurance asset managers in terms of the number and issuance volume of innovative products; and led the industry in new issuances of exchange-traded ABS products, indicating solid progress in business expansion in emerging sectors and transformation of alternative investment business.

As for portfolio asset management products and third-party dedicated accounts, during the reporting period, CPIC AMC stayed aligned with the central value proposition of asset management business, focused on core strategies, continued to optimise the business mix, and ensured consistency in business strategy execution. While maintaining the focus on dividend-value and "fixed income +" strategies, it seized market structural opportunities for yield enhancement, expanded the line-up of low-volatility products and proactively mitigated pressures on liquidity management products. As of the end of the reporting period, the subsidiary reported RMB199.173 billion in AuM under third-party portfolio asset management products and dedicated accounts combined, a decline from the end of 2025.

(II) Changjiang Pension

During the reporting period, Changjiang Pension committed itself to China's strategic priority on pension finance, stayed focused on the core business of pension fund management, continued to build integrated investment research and management capabilities, enhanced standards for customer service and refined operations. As at 30 June 2026, its third-party assets under trustee management amounted to RMB657.050 billion, up by 13.9% from the end of 2025; third-party assets under investment management reached RMB540.422 billion, up by 13.3% from the end of 2025.

The subsidiary deepened its presence in pension fund management business, and continued to enhance its overall competitiveness. It maintained industry leadership in the scale and cumulative investment performance of credit bond portfolios for basic pension funds, with an increasingly diversified product portfolio. Measured by 3-year cumulative investment yields, it also maintained an industry-leading position in the investment performance of enterprise annuity business, ranking 3rd place in industry for both single-plan and collective-plan fixed income portfolios, and ranking 4th place for single-plan cum rights portfolios, which was a marked improvement from before. The company made substantial progress in pension business development, successfully acquired mandates of multiple enterprise annuity plans of large SOEs, serving either as investment managers or trustees. At the same time, in response to the call of the government to enhance the quality and coverage of enterprise annuity programmes, and building on the success of its Talent Enterprise Annuity Plan in Lingang New Area and the automatic enrollment mechanism for enterprise annuities in Xiong'an New Area, it has been exploring additional business opportunities in multiple provinces/municipalities, particularly in business model innovations for workers in new forms of employment.

Changjiang Pension also mobilised resources to empower its third-party asset management business. It leveraged its strengths in annuity investment to diversify its strategy offerings, with breakthroughs in equity strategies and steady improvement in product performance; it also systematically built a diversified system of portfolio-based asset management products.

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Analysis of specific items

I. Items concerning fair value accounting

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

II. Structured entities controlled by the Company

The structured entities controlled by the Company are detailed in note IV-2 of financial statements.

III. Solvency

As per regulatory requirements, we calculate and disclose our core capital, actual capital, minimum required capital and solvency margin ratios. As at 30 June 2026, the solvency margin ratios of the Group, CPIC Life, CPIC P/C, CPIC Health, and CPIC Anxin Agricultural were all above regulatory minimum levels.

Unit: RMB million

	30 June 2026	31 December 2025	Reasons of change
CPIC Group			
Core capital	442,375	450,600	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	588,356	596,647	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	231,123	218,444	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	191	206	
Comprehensive solvency margin ratio (%)	255	273	
CPIC Life			
Core capital	280,750	292,993	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	411,097	425,176	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	196,240	186,103	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	143	157	
Comprehensive solvency margin ratio (%)	209	228	

Unit: RMB million

	30 June 2026	31 December 2025	Reasons of change
CPIC P/C			
Core capital	65,633	63,335	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	79,857	76,143	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	33,268	31,203	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	197	203	
Comprehensive solvency margin ratio (%)	240	244	
CPIC Health			
Core capital	3,700	3,763	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	4,806	4,566	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	2,353	2,094	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	157	180	
Comprehensive solvency margin ratio (%)	204	218	
CPIC Anxin Agricultural			
Core capital	2,797	2,929	Change in interest rates, capital market fluctuations and profit for the period
Actual capital	3,100	3,182	Change in interest rates, capital market fluctuations and profit for the period
Minimum required capital	948	917	Growth of insurance business and changes to asset allocation
Core solvency margin ratio (%)	295	319	
Comprehensive solvency margin ratio (%)	327	347	

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

IV. Insurance contract liabilities

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

As at 30 June 2026, the remaining balance of LRC amounted to RMB2,515.624 billion, representing an increase of 6.7% from the end of 2025. The remaining balance of LIC amounted to RMB115.627 billion, up by 5.1% from the end of 2025. The rise in insurance contract liabilities was mainly caused by business growth and accumulation of insurance liabilities.

Unit: RMB million

	31 December 2025	Change during the period	30 June 2026
Total insurance contract liabilities	**2,466,607**	**164,644**	**2,631,251**
Liabilities for remaining coverage	2,356,563	159,061	2,515,624
Excluding loss component	2,341,068	159,435	2,500,503
Loss component	15,495	(374)	15,121
Liabilities for incurred claims	110,044	5,583	115,627
Total insurance contract liabilities	**2,466,607**	**164,644**	**2,631,251**
Component not measured by PAA	2,317,714	158,691	2,476,405
Component measured by PAA	148,893	5,953	154,846

V. Reinsurance business

We determine retained insured amounts and reinsurance ratio according to insurance regulations and our business development and risk management needs. To lower the concentration risk of reinsurance, we also entered into reinsurance agreements with various industry-leading reinsurance companies. The criteria for the selection of reinsurance companies include their financial strength, professional expertise, service level, claims settlement efficiency and price. Generally speaking, we prefer domestic and overseas reinsurance/insurance companies with proven records and in compliance with regulatory regulations, including international reinsurance companies with ratings of A – or above. Our reinsurance partners mainly include China Reinsurance (Group) Corporation and its subsidiaries, i.e., China Property & Casualty Reinsurance Company Ltd. and China Life Reinsurance Company Ltd., Swiss Reinsurance Company Ltd and Munich Reinsurance Company.

VI. Main subsidiaries & associates and equity participation

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

Unit: RMB million

Company	Main business scope	Registered capital	Group shareholding[note 2]	Total assets	Net assets	Operating income	Operating profit	Net profit
China Pacific Property Insurance Co., Ltd.	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by CBIRC.	19,948	98.5%	264,550	72,058	100,647	7,614	6,072
China Pacific Life Insurance Co., Ltd.	Personal lines insurance including life insurance, health insurance, accident insurance, etc. denominated in RMB or foreign currencies; reinsurance of the above said insurance; statutory life/health insurance; agency and business relationships with domestic and overseas insurers and organisations, loss adjustment, claims and other business entrusted from overseas insurance organisations; insurance funds investment as prescribed by Insurance Law of the PRC and relevant laws and regulations; international insurance activities as approved; other business as approved by CBIRC.	8,628	98.3%	2,857,994	183,133	100,983	24,405	23,908

Unit: RMB million

Company	Main business scope	Registered capital	Group shareholding[note 2]	Total assets	Net assets	Operating income	Operating profit	Net profit
Changjiang Pension Insurance Co., Ltd.	Outsourced money management business denominated in RMB or foreign currencies for the purpose of pension provisions; asset management of owner's equity funds denominated in RMB or foreign currencies; advisory business pertaining to asset management; other business as approved by NFRA; other business as approved by other departments of the State Council.	3,000	61.1%	7,826	4,443	987	488	366
Pacific Asset Management Co., Ltd.	Asset management of owner's equity funds and insurance funds; outsourcing of fund management; advisory services relating to asset management; other asset management business as allowed by the PRC laws and regulations.	2,100	99.7%	6,174	4,925	811	502	404
Pacific Health Insurance Co., Ltd.	Health and accident insurance denominated in RMB or foreign currencies; health insurance sponsored by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance; health insurance-related advisory and agency business; insurance funds investment as approved by PRC laws and regulations; other business as approved by CBIRC.	3,600	99.7%	12,414	3,846	2,648	312	241
Pacific Anxin Agricultural Insurance Co., Ltd.	Agricultural insurance; property indemnity insurance; liability insurance; statutory liability insurance; credit and guarantee insurance; short-term health insurance and accident insurance; property insurance relating to rural areas and farmers; reinsurance of the above said insurance; insurance agency business.	1,080	66.8%	6,012	2,995	1,296	108	106
CPIC Fund Management Co., Ltd.	Fund management business; the launch of mutual funds and other business as approved by competent authorities of the PRC.	150	50.8%	1,059	826	276	77	58

Notes:

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

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

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

VIII. Gearing ratio

	30 June 2026	31 December 2025	Changes
Gearing ratio (%)[note]	90.3	90.4	(0.1pt)

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

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Outlook

I. Market environment and trends

Since the start of 2026, the international landscape has remained complex and volatile, with a slow-down of global economic growth amid rising uncertainties and unpredictable factors. China's economy, however, has maintained overall stability, underpinned by its vast market, comprehensive industrial system and growing capacity for innovation – all of which provided a solid foundation for steady economic development. While China steadily advances its modernisation and works to build itself into a financial powerhouse, industrial upgrading and demographic shifts are profoundly reshaping the demand for insurance services. At the same time, widespread adoption of artificial intelligence is accelerating the industry's transformation. All of these have created a strategic window of opportunities for the insurance sector. Given its focus on preventing risks, strengthening regulation and promoting high-quality development, the industry has been improving its regulatory framework, with the promulgation of a series of new regulations such as the requirement for "consistency between filed and actual expenses", asset liability management and product suitability. These measures will steer the market toward more rational competition and healthy development, and will help to accelerate the shift of the industry's development model from one that is centred on speed and volume to one that rests on value and efficiency, ultimately paving the way for the industry's high-quality development.

II. Business strategies and plans

We will adhere to the principle of "pursuing progress while ensuring stability and improving quality and efficiency", proactively align with China's development agenda, fulfil our mission and responsibilities as an insurer, particularly in terms of support for efforts to boost technological innovation, accelerate green and low-carbon development and improve people's welfare; continue to enhance our product and service offerings, play our due role as a provider of patient capital, and make every effort to strengthen our support for China's economic and social development. Staying committed to high-quality development, we will deepen reforms in an all-around way and promote the transition from traditional to new growth drivers. We will refine the ALM framework and concentrate on implementing the 3 key strategies of "Healthcare & Retirement," "Internationalisation" and "AI+"; improve operational quality and efficiency through professional and precise management, achieve a better balance between significant bottom-line improvement and reasonable top-line growth, in a bid to transform ourselves into a top-notch insurance and financial services group with market leadership and international competitiveness.

III. Major risks and mitigating measures

In 2026, global economic recovery will be faced with uncertainties. On the domestic front, while its economic development stays largely on track, China still faces multiple headwinds from sluggish demand recovery, volatile capital markets and structural divergences. Interest rates are likely to continue their downward trend and stay at low levels, equity markets will be marked by divergence across sectors, and the scarcity of corporate/enterprise bond assets is set to persist – all of which pose complex challenges for asset liability management. A rapidly aging population is another challenge for insurers, particularly in areas such as actuarial pricing, front-line risk control, long-term asset liability management, and service system optimisation. Climate change is leading to more frequent and intense extreme weather events, adding upward pressure on insurers' combined ratios. At the same time, while increased application of large AI models in core business scenarios boosts operational efficiency and enhances customer experience, it may also be associated with emerging risks in data security and algorithmic ethics, which calls for further improvement in insurers' risk management capabilities.

In response to these trends and dynamics, the Company will continue to balance development and security while guarding against major systemic risks. First, we will adhere to value-oriented strategies, step up coordination of assets and liabilities, and strengthen our operational resilience across market cycles. Second, we will continue to enhance our enterprise risk management (ERM) system, and in particular, improve risk management support for business innovation and business model shifts, so as to safeguard high-quality development. Third, we will conduct forward-looking research into risks associated with digitalisation, AI and other emerging sectors, in a bid to improve our ability to identify and assess risks in AI application and data security, and enhance the overall effectiveness of risk management.

Embedded value

1

Independent Actuarial Review Opinion on Embedded Value

To: China Pacific Insurance (Group) Co., Ltd.
Board of Directors

Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch ("WTW" or "we") has been engaged by China Pacific Insurance (Group) Company Limited ("CPIC Group") to review the embedded value information of CPIC Group as of 30 June 2026.

This review opinion is addressed solely to CPIC Group in accordance with the terms of our engagement letter, and sets out the scope of our work and our conclusions. To the fullest extent permitted by applicable law, we do not accept or assume any responsibility, duty of care or liability to anyone other than CPIC Group for or in connection with our review work, the opinions we have formed, or for any statement set forth in this report.

Scope of work

WTW's scope of work comprised:

> a review of the methodology used to develop the embedded value of CPIC Group and the value of half year's sales of China Pacific Life Insurance Co., Ltd. ("CPIC Life") and China Pacific Life Insurance (H.K.) Co., Ltd. ("CPIC Life (HK)") as of 30 June 2026. For the business in Mainland China, the methodology is subject to the requirements of the "CAA Standards of Actuarial Practice: Appraisal of Embedded Value" issued by the China Association of Actuaries ("CAA") in November 2016. For the business in Hong Kong, traditional deterministic discounted cash flow approach has been used for embedded value valuation. Capital requirement is determined based on the Hong Kong Risk-Based Capital regulatory regime, and being considered in the value of in force business and the adjusted net worth;

> a review of the economic and operating assumptions used to develop CPIC Group's embedded value and the value of half year's sales of CPIC Life and CPIC Life (HK) as of 30 June 2026;

> a review of the results of CPIC Group's calculation of the value of in-force business, the value of half year's sales of CPIC Life and CPIC Life (HK), the results of the analysis of movement of embedded value of CPIC Group, and the sensitivity results of the value of in-force business and value of half year's sales of CPIC Life and CPIC Life (HK).

Opinion

As a result of our review of the embedded value of CPIC Group as of 30 June 2026 and the value of half year's sales of CPIC Life and CPIC Life (HK) prepared by CPIC Group, WTW has concluded that:

> The methodology used is consistent with industry practice in each respective market as regards to a traditional deterministic discounted cash flow approach. For the business in Mainland China, the methodology is also consistent with the requirements of the "Appraisal of Embedded Value" standard issued by the CAA;

> The operating assumptions have been set with appropriate regard to past, current and expected future experience;

> The economic assumptions have been set with regard to current market information.

WTW has performed reasonableness checks and analysis of CPIC Group's embedded value and the value of half year's sales of CPIC Life and CPIC Life (HK) as of 30 June 2026, and WTW has concluded that these results have been determined in a manner consistent with the methodology and assumptions described in the Embedded Value Section of CPIC Group's 2026 interim report and that the aggregate results are reasonable in this context.

WTW confirms that the results shown in the Embedded Value Section of CPIC Group's 2026 interim report are consistent with those reviewed by WTW.

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

For and on behalf of WTW
Mark Lim, FIA
7 August 2026

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2026 Embedded Value Interim Report of CPIC Group

I. Background

In order to provide investors with an additional tool to understand our economic value and business results, we have prepared CPIC Group Embedded Value as at 30 June 2026 in accordance with the disclosure rules set by the China Securities Regulatory Commission ("CSRC") for publicly listed insurer and, for the business in Mainland China only, the "CAA Standard of Actuarial Practice: Appraisal of Embedded Value" issued by the China Association of Actuaries ("CAA") in 2016 (thereafter referred to as "Appraisal of Embedded Value" standard) and have disclosed information relating to our group embedded value in this section. We have engaged Willis Towers Watson, an independent firm of consultants, to review the reasonableness of the valuation methodology, the valuation assumptions as well as the valuation results, and to issue their independent embedded value review report, which is contained in our 2026 interim report.

The Group Embedded Value is defined as the sum of the Group Adjusted Net Worth and the value of in force business of CPIC Life and CPIC Life (HK) attributable to the shareholders of CPIC Group. The value of in force business and the value of half year's sales of CPIC Life and CPIC Life (HK) are defined as the discounted value of the projected stream of future after-tax distributable shareholder profits for existing business in force at the valuation date and for half year's sales in the 6 months immediately preceding the valuation date, where distributable shareholder profits are determined based on policy liability, required capital in excess of policy liability and minimum capital requirement quantification standards prescribed by the regulatory. Embedded value does not allow for any value attributable to future new business sales.

The value of in force business and the value of half year's sales of CPIC Life and CPIC Life (HK) are determined by using a traditional deterministic discounted cash flow methodology. This methodology makes implicit allowance for the risk of investment guarantees and policyholder options, asset/liability mismatch risk, credit risk and the economic cost of capital through the use of a risk-adjusted discount rate.

The embedded value and the value of half year's sales provide valuable information to investors in two aspects. First, the value of in force business of CPIC Life and CPIC Life (HK) represents the total amount of after-tax distributable shareholder profits in present value terms, which can be expected to emerge over time, in accordance with the assumptions used. Second, the value of half year's sales of CPIC Life and CPIC Life (HK) provides an indication of the value created for investors by current new business activity and hence the potential value of the business. However, the information on embedded value and the value of half year's sales should not be viewed as a substitute of other financial measures on the Company. Investors should not make investment decisions based solely on embedded value and the value of half year's sales information.

The embedded value is an estimation of a component of an insurance company's economic value using actuarial techniques, based on a series of assumptions. As there is uncertainty in selecting assumptions, estimates of embedded value could vary materially as key assumptions are changed, and future actual experience would differ from assumed valuation assumption. Therefore, special care is advised when interpreting embedded value results.

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

The table below shows the Group Embedded Value of CPIC Group as at 30 June 2026, and the value of half year's sales of CPIC Life and CPIC Life (HK) in the 6 months to 30 June 2026.

Unit: RMB million

Valuation Date	30 June 2026	31 December 2025[note 2]
Group Adjusted Net Worth	**386,172**	**372,667**
Adjusted Net Worth of Life Business	229,616	220,599
Value of In Force Business Before Cost of Required Capital Held	267,674	257,228
Cost of Required Capital	(12,553)	(12,348)
Value of In Force Business After Cost of Required Capital Held	255,122	244,880
CPIC Group's Equity Interest in Life Business	98.29%	98.29%
Value of In Force Business After Cost of Required Capital Held attributable to the shareholders of CPIC Group	**250,765**	**240,698**
Group Embedded Value	**636,938**	**613,365**
Life Business Embedded Value	484,738	465,479

Valuation Date	30 June 2026	30 June 2025[note 3]
Value of Half Year's Sales Before Cost of Required Capital Held	11,323	10,331
Cost of Required Capital Held	(564)	(787)
Value of Half Year' s Sales After Cost of Required Capital Held	**10,758**	**9,544**

Notes:

1. Figures may not be additive due to rounding.
2. Results in column "31 December 2025" are those reported in the 2025 annual report.
3. Results in column "30 June 2025" are those reported in the 2025 interim report.

The Group Adjusted Net Worth represents the shareholder net equity of the Company, inclusive of adjustments of the value of certain assets to market value and adjusted for the relevant differences, such as difference between reserves and policy liabilities valued under "Appraisal of Embedded Value" standard published by the CAA. It should be noted that the Group Adjusted Net Worth incorporates the shareholder net equity of the Company as a whole (including CPIC Life, CPIC Life (HK) and other operations of the Company), and the value of in force business and the value of half year's sales are of CPIC Life and CPIC Life (HK). The Group Embedded Value also does not include the value of in force business that is attributable to minority shareholders of CPIC Life and CPIC Life (HK).

III. Key Valuation Assumptions

In determining the embedded value as at 30 June 2026, we have assumed the Company continues to operate on a going concern basis under the current economic and regulatory environment in Mainland China market and Hong Kong market. For the business in Mainland China, policy liability and required capital have been calculated according to relevant requirements described in "Appraisal of Embedded Value" standard published by the CAA. The various operational assumptions are mainly based on the results of experience analyses, together with reference to the overall experience of the insurance industry in Mainland China market and Hong Kong market, as well as with regard to expected future operating experience. As such, these assumptions represent our best estimate of the future based on information currently available at the valuation date.

The following describes the key assumptions used in determining the value of in force business and the value of half year's sales of CPIC Life as at 30 June 2026:

1. Risk Discount Rate

The risk discount rate used to determine the value of in force business and the value of half year's sales of CPIC Life is 8.5% per annum for traditional insurance, and 7.5% per annum for non-traditional insurance including participating and universal insurance.

2. Investment Returns

The investment returns for long term business of CPIC Life are assumed to be 4.0% in 2026 and 4.0% per annum thereafter. The investment return for short term business is based on the recent one-year bank deposit benchmark interest rate as published by the People's Bank of China before the valuation date.

The assumptions of long term business have been derived based on the current capital market environment, our current and expected future asset mix and the assumed investment returns for each major class of assets.

3. Mortality

Mortality assumptions have been developed based on industrial experience table or pricing assumptions, considering mortality experience analysis and expectation of future mortality trends, and vary by product. For business of CPIC Life, the industrial experience table is China Life Insurance Mortality Table (2010-2013).

4. Morbidity

Morbidity assumptions have been developed based on industrial experience table or pricing assumptions, considering morbidity experience analysis and expectation of future morbidity trends, taking into considering deterioration of morbidity rates in the long term, and vary by product. For business of CPIC Life, the industrial experience table is China Life Insurance Morbidity Table.

5. Lapse and Surrender Rates

Assumptions have been developed based on lapse and surrender experience analysis, and expectation of future trends, and assumptions vary by pricing interest rates, product types, premium payment periods and distribution channels.

6. Expense

Unit cost assumptions have been developed based on the results of an analysis of CPIC Life's past non-commission related expenses and future expectations. Future inflation of 2.5% per annum in respect of per policy expenses is also assumed.

7. Policyholder Dividend

Policyholder dividends have been developed by investment return and dividend policy, considering the reasonable expectations from policyholders etc. of the participating business, and vary by product.

8. Tax Rate

For CPIC Life, tax has been assumed to be payable at 25% of profits. The proportion of investment income assumed to be exempt from income tax is 20% for all future years. The tax exemption assumptions are based on our current and expected future asset mix and assumed investment returns for each major class of assets.

In addition, the tax of the accident business is based on related tax regulation.

IV. New Business Volumes and Value of Half Year's Sales

The table below shows the volume of new business sold in terms of first year annual premium and value of half year's sales after cost of required capital held based on valuation assumptions by the end of 2025.

Unit: RMB million

	First Year Annual Premium (FYAP) in the First Half of Year		Value of Half Year's Sales After Cost of Required Capital Held	
	2026	2025	2026	2025
Total	**61,384**	**63,448**	**10,758**	**9,544**
Of which: Agency channel	28,038	21,693	7,066	5,724
Bancassurance channel	21,552	29,039	3,221	3,604

V. Analysis of change in embedded value

The following table shows the change in the Group Embedded Value from 31 December 2025 to 30 June 2026.

Unit: RMB million

No.	Item	Value	Comments
1	Embedded Value of the life business at 31 December 2025	**465,479**	Results reported in the 2025 annual report
2	Expected Return on Embedded Value	13,908	Expected returns on the 2025 embedded value and the value of half year's sales in first half of 2026
3	Value of Half Year's Sales	10,758	Value of half year's sales in respect of new business written in the 6 months prior to 30 June 2026
4	Investment Experience Variance	4,183	Reflects the difference between actual and assumed investment return in first half of 2026
5	Operating Experience Variance	676	Reflects the difference between actual and assumed operating experience
6	Change in methodology, assumptions and models	90	Reflects assumption and methodology changes, together with model enhancements
7	Diversification effects	912	Changes in diversification benefits on cost of required capital from new business and different business mix
8	Change in market value adjustment	(2,510)	Reflects the change in value of certain assets not valued on a market value basis
9	Shareholder Dividends	(8,973)	Shareholder dividends distributed to shareholders of CPIC Life
10	Others	216	
11	Embedded Value of the life business at 30 June 2026	**484,738**	
12	Adjusted net worth of other businesses as at 31 December 2025	**165,495**	
13	Change in Adjusted Net Worth before payment of shareholder dividends to shareholders of CPIC Group	14,989	
14	Shareholder dividends	(11,063)	Dividend distributed to shareholders of CPIC Group
15	Change in market value adjustment	99	Reflects the change in value of assets not valued on a market value basis

Unit: RMB million

No.	Item	Value	Comments
16	Adjusted net worth of life businesses as at 30 June 2026	**169,519**	
17	Minority interests relating to equity and market value adjustments	(17,319)	Minority interests on Embedded Value as at 30 June 2026
18	**Group Embedded Value as at 30 June 2026**	**636,938**	
19	**Embedded Value as at 30 June 2026 per share (RMB)**	**66.21**	

Note: Figures may not be additive due to rounding.

VI. Sensitivity Analysis

In consideration of the uncertainties as to future experience, we have evaluated the sensitivity of the value of in force business and the value of half year's sales as at 30 June 2026 to changes in key assumptions. In determining the sensitivity results, only the relevant cash flow assumption and risk discount rate assumption has been changed, while all other assumptions have been left unchanged.

Alternative sensitivity scenarios are shown for the following:

- Risk discount rate "+/- 50 basis points"
- Investment return "+/- 50 basis points"
- Mortality "+/- 10%"
- Morbidity "+10%"
- Lapse and surrender rates "+/- 10%"
- Expenses "+10%"

The following table shows the sensitivity results of the value of in force business and the value of half year's sales after cost of required capital held.

Unit: RMB million

	Value of In Force Business After Cost of Required Capital Held	Value of Half Year's Sales After Cost of Required Capital Held
Base	**255,122**	**10,758**
Risk discount rate "+50 basis points"	244,405	10,237
Risk discount rate "-50 basis points"	266,666	11,323
Investment return "+50 basis points"	325,038	12,575
Investment return "-50 basis points"	185,684	8,972
Mortality "+10%"	253,679	10,709
Mortality "-10%"	256,559	10,809
Morbidity "+10%"	246,534	10,690
Lapse and surrender rates "+10%"	259,042	10,773
Lapse and surrender rates "-10%"	251,067	10,750
Expenses "+10%"	251,289	10,436

Corporate governance

1

Implementation of final dividend

The Company distributed a cash dividend of RMB1.15 per share (tax included) in accordance with the "Resolution on Profit Distribution Plan for the Year of 2025" approved at the 2025 AGM. The implementation of this distribution plan was completed in July 2026.

2

Interim profit distribution

The Company's 2025 AGM reviewed and approved the Proposal on Authorisation to the Board of Directors to determine the interim profit distribution plan for 2026, and authorised the Board to formulate and implement 2026 interim dividend, subject to satisfaction of conditions for profit distribution.

The Board passed a resolution on 27 August 2026 to distribute the 2026 interim dividend to the shareholders of the Company. The interim profit distribution for 2026 is made based on the reviewed financial statements of the parent company. An interim cash dividend of RMB0.42 per share (tax included) will be distributed based on the total share capital of 9,620,341,455 shares, the amount of dividend in aggregate will be RMB4,040,543,411.10. No capital reserve was transferred to the share capital during the reporting period. It is expected that the payment of the dividend will be made on or about 23 October 2026 to the shareholders.

As for the information necessary to enable holders of listed securities of the Company to obtain any relief from taxation, please refer to the Announcement of Unaudited Interim Results for the Six Months Ended 30 June 2026 published by the Company on the website of SEHK (www.hkexnews.hk).

After cash dividend distribution, there will be no significant impact on the Group's solvency ratio, and still meeting the requirements of regulators.

The profit distribution plan complies with the Articles of Association, and was formulated on the basis of proper decision-making procedures and mechanisms, considering opinions of the Company's independent non-executive directors and offering protection of the legitimate rights and interests of its minority shareholders.

3

Shareholders' meetings

Information of the shareholders' meetings of the Company during the reporting period is set out in the Section "Corporate governance".

4

Fulfilment of the undertakings

During the reporting period, there were no undertakings the Company was required to disclose.

5

Material litigations and arbitrations

During the reporting period, the Company did not engage in any material litigation or arbitration which was required to be disclosed.

6

Penalties and subsequent rectification

During the reporting period, there were no penalties or subsequent rectification the Company was required to disclose.

7

Fulfilment of obligations

During the reporting period, the Company had no outstanding obligations such as unfulfilled obligations under rulings by courts of laws or payment in arrears involving large amounts.

8

Capital occupation

During the reporting period, there was no non-operating occupation of capital of the Company by controlling shareholders or other related parties.

9

Guarantee contracts

During the reporting period, the Company did not enter into any guarantee contract that violated laws, administrative regulations or the external guarantee resolution procedures prescribed by the CSRC.

10

Share option scheme

During the reporting period, the Company did not have any share option scheme, employee stock ownership plan, or other employee incentive measure which required disclosure.

11

Connected transactions

On 29 April 2025, the Company entered into a framework agreement in respect of the continuing connected transactions with Hwabao Trust Co., Ltd. (華寶信託有限責任公司) ("Hwabao Trust"), Hwabao WP Fund Management Co., Ltd. (華寶基金管理有限公司) (formerly known as Fortune SG Fund Management Co., Ltd. (華寶興業基金管理有限公司) ("Hwabao Fund") and Hwabao Securities Co., Ltd. (華寶證券股份有限公司) ("Hwabao Securities") (collectively referred to as the "Hwabao Parties"), with an initial term from 1 January 2025 to 31 December 2025. Upon expiration of the initial term, the framework agreement shall automatically be renewed for a term of one year, and there shall not be more than two automatic renewals. Pursuant to the framework agreement, the Group and the Hwabao Parties have agreed to enter into transactions, including sale and purchase of bonds, pledge-style repo, subscription and redemption of securities investment funds, purchase of other financial products approved by the NFRA, including trust plans, insurance asset management products, wealth management plans of commercial banks and special asset management plans of securities companies along with sales of financial products. Hwabao Investment Co., Ltd. ("Hwabao Investment") is a substantial shareholder of the Company, and Hwabao Securities is a subsidiary of Hwabao Investment. Hwabao Trust, Hwabao Fund and Hwabao Investment are under common control of China Baowu Steel Group Corporation Limited ("Baowu Steel"). The ultimate beneficial owner of Hwabao Investment and Baowu Steel is the State-owned Assets Supervision and Administration Commission of the State Council. During the reporting period, the transactions contemplated under the aforementioned framework agreement between the Company and the Hwabao Parties constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

Such transactions under the framework agreement are only subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules. After the auditors finish the annual review of the continuing connected transactions, the Company will disclose the relevant details in the annual report.

12

Material contracts

Entrusted investment management. Investment is one of the main businesses of the Company, and the Company mainly adopts a model of entrusted investment management. At present, a diversified investment management structure has been developed which is based on the internal managers within CPIC and supplemented by external managers. The internal investment managers mainly include CPIC AMC and Changjiang Pension; external investment managers include professional investment management agencies such as fund companies and securities firms and asset management companies. The Company selects investment managers based on the investment objectives and risk characteristics of a specific account or asset class, as well as investment manager's capabilities, and appropriately mitigates risks through the diversification and decentralisation of asset types, investment strategies, and investment managers. The Company signs an entrusted investment management agreement with the investment managers, and guides their investment behaviour through investment guidelines, dynamic tracking communication, performance evaluation and other measures, and take targeted risk management measures based on the profile of investment assets.

Save as disclosed above, during the reporting period, the Company did not have any material contracts which were required to be disclosed.

13

Bonds Convertible into the Company's H Shares

On 18 September 2025, the Company issued an aggregate principal amount of HK$15,556,000,000 zero coupon convertible bonds convertible into the Company's H shares due 2030 (the "Convertible Bonds"), with an initial conversion price of HK$39.04 per H Share. The Convertible Bonds have been listed and traded on the SEHK since 19 September 2025. Pursuant to the terms and conditions of the Convertible Bonds, taking into account the final dividend declared by the Company for the year ended 31 December 2025, the conversion price of the Convertible Bonds has been adjusted to HK$37.51 per H Share with effect from 22 June 2026.

As of 30 June 2026, the total outstanding principal amount of the Convertible Bonds was HK$15,556,000,000. No conversion right of the Convertible Bonds was exercised, and neither any holder of the Convertible Bonds nor the Company exercised any redemption right during the reporting period.

Assuming that the Convertible Bonds had been fully converted on 30 June 2026, the dilutive effect on the number of issued shares of the Company and the shareholding structure of the Company at that time would be as follows:

	Shareholding structure before full conversion of the Convertible Bonds		Shareholding structure after full conversion of the Convertible Bonds at the Conversion Price	
	Number of Shares	Approximate percentage of total issued Shares	Number of Shares	Approximate percentage of total issued Shares
Holders of A Shares	6,845,041,455	71.15%	6,845,041,455	68.21%
Holders of H Shares	2,775,300,000	28.85%	2,775,300,000	27.66%
Bondholders	–	–	414,716,075	4.13%
Total issued Shares	**9,620,341,455**	**100.00%**	**10,035,057,530**	**100.00%**

Please refer to Note V-32 to the financial statements for the impact on earnings per share as if the Convertible Bonds had been fully converted.

In view of the Group's financial and liquidity position, the Company expects to have the ability to fulfil its redemption obligation under the Convertible Bonds.

For the holders of the Convertible Bonds, when the Company's share price approaches the prevailing conversion price in the future, conversion or redemption based on the internal rate of return on the Convertible Bonds will be equally profitable.

14

Use of Proceeds

Use of Proceeds Received from Issuance of GDRs

The Company completed the initial offering of its GDRs on 22 June 2020, and partially exercised over-allotment on 9 July 2020. A total of 111,668,291 GDRs were issued through the initial offering and the over-allotment at the price of USD17.60 per GDR, and the total proceeds raised were USD1,965,361,921.60. The differences between the beginning and ending balances of unused proceeds were mainly attributable to the proceeds used during the reporting period, the interest income generated by the raised funds, project repayment income, etc. As of the end of the reporting period, the use of proceeds was as stated in the prospectus.

As of the end of the reporting period, details of use of the above-said proceeds are as follows:

<table>
<tr><th>Total proceeds raised</th><th>Proceeds unused as at the beginning of the reporting period</th><th>The intended use of proceeds raised</th><th>Proceeds used during the reporting period</th><th>Proceeds unused as at the end of the reporting period</th><th>Plan for use of the unused funds</th></tr>
<tr><td rowspan="3">USD 1,965,361,921.60</td><td rowspan="3">USD473,653,284.50, HKD76,992.20 and RMB 764,443,824.44[note]</td><td>(1) 70% or more of the net proceeds will be used for gradually developing the Group's businesses overseas, in the form of equity investments, partnerships and alliances, and mergers and acquisitions in both developed and emerging markets, supporting core insurance business growth.</td><td>–</td><td rowspan="3">USD251,621,555.70, HKD76,992.20 and RMB 1,679,022,855.71[note]</td><td rowspan="3">(i) Less than USD79.5 million will be used to subscribe to the fund interests of HTCP CAPITAL LPF (泰保新經濟有限合夥基金); (ii) Approximately RMB0.7 billion will be used to fulfil the subsequent capital contribution obligations arising from participation in the establishment of Shanghai Health and Elderly Care Development (Group) Co., Ltd (上海市健康養老發展(集團)有限公司); (iii) Less than RMB297 million will be used to subscribe for shares in Nanjing CPIC Phase II Health Care Industry Fund Management Partnership (Limited Partnership) (南京太保二期大健康產業基金管理合夥企業(有限合夥)) (iv) Less than RMB238 million will be used to subscribe for shares in CPIC Health Industry Private Investment Fund (Shanghai) Partnership (Limited Partnership) 太保大健康產業私募投資基金(上海)合夥企業(有限合夥))
(v) The remaining will be used in line with the Company's business development and market situation.</td></tr>
<tr><td>(2) Up to 30%, or the remainder of the net proceeds, will be used for developing an overseas investment platform to invest in innovative businesses, such as healthcare, elderly care, and technology, leveraging CPIC's offshore investment capabilities.</td><td>–</td></tr>
<tr><td>If the Company deems that the plan in any particular areas described above to be unachievable, the corresponding intended portion of the proceeds will be used to replenish its capital and for general corporate purposes.</td><td>Approximately USD90,972,551.24 (RMB649 million, or 4.63% of the total proceeds), has been used for general purposes.</td></tr>
</table>

Note: The balance of the raised funds that have been settled and not yet used.

Use of Proceeds Received from Issuance of Convertible Bonds

The Company has completed the issue of HK$15,556,000,000 zero coupon bonds due 2030 on 18 September 2025. The Company intends to apply the net proceeds of approximately HK$15,479.6 million from the issue of the 2025 Convertible Bonds for (i) development of insurance business; (ii) implementation of strategic development initiatives in health service & elderly care, AI+, internationalisation; and (iii) general corporate purpose, including supplementing working capital.

As at 30 June 2026, the Company has not yet utilised the net proceeds from the issuance of the Convertible Bonds. There has been no change to the intended use of net proceeds as previously disclosed. The Company expects to fully utilize the net proceeds in accordance with such intended use within five years from the date of issuance of the Convertible Bonds. In 2026, based on the actual needs of business development and strategic implementation, the Company plans to utilize, in aggregate, no more than HK$350 million of the net proceeds in accordance with the aforesaid intended use, of which no more than HK$343 million will be used to support the implementation of the Company's three major strategies, namely, health service & elderly care, AI+, and internationalisation; and no more than HK$7 million will be used for the construction of the Company's risk reduction framework to support the development of its core insurance business.

The Company will strictly use the proceeds in accordance with regulatory requirements, fulfil the necessary regulatory procedures, and ensure lawful and compliant use. For further details, please refer to the announcements of the Company dated 11 September 2025 and 18 September 2025.

15

Review of accounts

The audit and related party transactions control committee of the Company has reviewed the principal accounting policies of the Company and the unaudited financial statements for the six months ended 30 June 2026 in the presence of internal and external auditors.

16

Interests and short positions of directors and senior management in shares, underlying shares or debentures

So far as the directors of the Company are aware, as at 30 June 2026, the following directors or senior management of the Company had an interest or short position in shares, underlying shares or debentures of the Company which was required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company or which was required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions.

Name	Position	Capacity	Type of shares	Number of shares	Percentage of shareholdings in the class of shares issued (%)	Percentage of the total shares issued (%)
FU Fan	Chairman and an executive director	Beneficial owner	H shares	240,400 (L)	0.01 (L)	0.00 (L)
ZHAO Yonggang	Executive director and president	Beneficial owner	A shares	12,900 (L)	0.00 (L)	0.00 (L)

(L) denotes a long position

The detailed shareholdings of directors and senior management are set out in the section "Changes in the share capital and shareholders' profiles" of this report. Save as disclosed in this report, as of the end of the reporting period, the directors of the Company were not aware that there was any directors or senior management of the Company who had any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company or which was required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions.

17

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

So far as the directors of the Company are aware, as at 30 June 2026, the following persons (excluding the directors or senior management of the Company) had an interest or short position in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which, pursuant to Section 336 of the SFO, shall be entered in the register maintained by the Company:

Name of substantial shareholders	Capacity	Type of shares	Number of shares	Percentage of shareholdings in the class of shares issued (%)[note 1]	Percentage of the total shares issued (%)[note 1]
中國平安保險（集團）股份有限公司[note 2]	Interest of corporation controlled by 中國平安保險（集團）股份有限公司	H shares	335,393,200 (L)	12.08 (L)	3.49 (L)
中國平安人壽保險股份有限公司[note 2]	Beneficial owner	H shares	308,909,800 (L)	11.13 (L)	3.21 (L)
Ping An Asset Management Co., Ltd.	Investment manager	H shares	277,637,600 (L)	10.00 (L)	2.89 (L)
JPMorgan Chase & Co.[note 3]	Beneficial owner	H shares	79,828,990 (L) 72,199,449 (S)	2.88 (L) 2.60 (S)	0.83 (L) 0.75 (S)
	Investment manager	H shares	92,826,378 (L) 6,938,400 (S)	3.34 (L) 0.25 (S)	0.96 (L) 0.07 (S)
	Person having a security interest in shares	H shares	4,026,250 (L)	0.15 (L)	0.04 (L)
	Approved lending agent	H shares	130,307,381 (L) 130,307,381 (P)	4.70 (L) 4.70 (P)	1.35 (L) 1.35 (P)
上海國際集團有限公司[note 4]	Beneficial owner	H shares	192,068,400 (L)	6.92 (L)	2.00 (L)
	Interest of corporation controlled by 上海國際集團有限公司	H shares	6,428,400 (L)	0.23 (L)	0.07 (L)
	Beneficial owner	A Shares	97,128,700 (L)	1.42 (L)	1.01 (L)
	Interest of corporation controlled by 上海國際集團有限公司	A Shares	642,954,107 (L)	9.39 (L)	6.68 (L)
BlackRock, Inc.[note 5]	Interest of corporation controlled by BlackRock, Inc.	H shares	152,194,182 (L) 14,951,800 (S)	5.48 (L) 0.54 (S)	1.58 (L) 0.16 (S)

(L) denotes a long position; (S) denotes a short position; (P) denotes a lending pool

Notes:

1. As at 30 June 2026, the Company issued a total of 9,620,341,455 shares, including 6,845,041,455 A shares and 2,775,300,000 H shares.
2. Pursuant to Part XV of the SFO, as at 30 June 2026, 中國平安保險（集團）股份有限公司 is deemed or taken to be interested in a total of 335,393,200 H shares (long position) of the Company. The details of the shareholding interests of the company directly or indirectly controlled by 中國平安保險（集團）股份有限公司 are set out below:

Name of controlled company	Number of shares
中國平安人壽保險股份有限公司	301,714,200 (L)
平安養老保險股份有限公司	4,992,200 (L)
中國平安財產保險股份有限公司	28,686,800 (L)

3. Pursuant to Part XV of the SFO, as at 30 June 2026, JPMorgan Chase & Co. is deemed or taken to be interested in a total of 306,988,999 H shares (long position) (representing approximately 3.19% of the total issued shares of the Company), 79,137,849 H shares (short position) (representing approximately 0.82% of the total issued shares of the Company) and 130,307,381 H shares (lending pool) of the Company. The details of the shareholding interests of the companies directly or indirectly controlled by JPMorgan Chase & Co. are set out below:

Name of controlled company	Number of shares
JPMorgan Asset Management (China) Company Limited	443,000 (L)
JPMorgan Asset Management (Taiwan) Limited	1,881,600 (L)
J.P. Morgan SE	3,206,684 (L)
J.P. MORGAN MARKETS LIMITED	27,000 (L)
J.P. Morgan Securities LLC	2,510,987 (L) 2,152,381 (S)
Highbridge Capital Management, LLC	13,960,040 (L) 6,938,400 (S)
JPMORGAN ASSET MANAGEMENT (UK) LIMITED	3,778,159 (L)
J.P. Morgan Investment Management Inc.	18,365,699 (L)
J.P. Morgan Prime Inc.	75,195 (L) 75,195 (S)
JPMorgan Chase Bank, National Association	134,167,061 (L)
J.P. Morgan Alternative Asset Management, Inc.	11,800 (L)
JPMorgan Asset Management (Asia Pacific) Limited	50,521,600 (L)
J.P. MORGAN SECURITIES PLC	78,040,174 (L) 69,971,873 (S)
JPMorgan Asset Management Holdings Inc.	88,961,898 (L) 6,938,400 (S)
JPMorgan Chase Holdings LLC	91,575,080 (L) 9,165,976 (S)
JPMorgan Asset Management (Asia) Inc.	52,403,200 (L)
J.P. Morgan International Finance Limited	81,246,858 (L) 69,971,873 (S)
JPMorgan Chase Bank, National Association	81,246,858 (L) 69,971,873 (S)
J.P. MORGAN FINANCIAL INVESTMENTS LIMITED	27,000 (L)
J.P. Morgan Broker-Dealer Holdings Inc.	2,586,182 (L) 2,227,576 (S)
JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED	3,778,159 (L)
J.P. Morgan Securities LLC	75,195 (L) 75,195 (S)
J.P. MORGAN CAPITAL HOLDINGS LIMITED	78,040,174 (L) 69,971,873 (S)

(L) denotes a long position; (S) denotes a short position

4. Pursuant to Part XV of the SFO, as at 30 June 2026, 上海國際集團有限公司 is deemed or taken to be interested in a total of 198,496,800 H shares (long position) (representing approximately 2.06% of the total issued shares of the Company) and 740,082,807 A shares (long position) (representing approximately 7.69% of the total issued shares of the Company) of the Company. The details of the shareholding interests of the company directly or indirectly controlled by 上海國際集團有限公司 are set out below:

Name of controlled company	Number of shares
上海國際集團(香港)有限公司	6,428,400 (L)
上海國有資產經營有限公司	609,929,956 (L)
上海國鑫投資發展有限公司	33,024,151 (L)

(L) denotes a long position

5. Pursuant to Part XV of the SFO, as at 30 June 2026, BlackRock, Inc. is deemed or taken to be interested in a total of 152,194,182 H shares (long position) and 14,951,800 H shares (short position) of the Company. The details of the shareholding interests of the companies directly or indirectly controlled by BlackRock, Inc. are set out below:

Name of controlled company	Number of shares
BlackRock Finance, Inc.	152,194,182 (L) 14,951,800 (S)
Trident Merger, LLC	1,074,000 (L)
BlackRock Investment Management, LLC	904,600 (L)
BlackRock Investment Management, LLC	169,400 (L)
BlackRock Holdco 2, Inc.	151,120,182 (L) 14,951,800 (S)
BlackRock Financial Management, Inc.	150,425,382 (L) 5,660,000 (S)
BlackRock Financial Management, Inc.	694,800 (L) 9,291,800 (S)
BlackRock Holdco 4, LLC	89,361,910 (L) 2,460,600 (S)
BlackRock Holdco 6, LLC	89,361,910 (L) 2,460,600 (S)
BlackRock Delaware Holdings Inc.	89,361,910 (L) 2,460,600 (S)
BlackRock Institutional Trust Company, National Association	27,098,710 (L) 2,460,600 (S)
BlackRock Fund Advisors	62,263,200 (L)
BlackRock Capital Holdings, Inc.	5,678,372 (L) 2,564,200 (S)
BlackRock Advisors, LLC	5,678,372 (L) 2,564,200 (S)
BlackRock International Holdings, Inc.	55,385,100 (L) 635,200 (S)
BR Jersey International Holdings L.P.	53,370,143 (L) 599,000 (S)
BlackRock Lux Finco S.à r.l.	2,574,881 (L)
BlackRock Japan Holdings GK	2,574,881 (L)
BlackRock Japan Co., Ltd.	2,574,881 (L)
BlackRock Holdco 3, LLC	44,970,199 (L) 599,000 (S)
BlackRock Canada Holdings ULC	2,014,957 (L) 36,200 (S)
BlackRock Asset Management Canada Limited	2,014,957 (L) 36,200 (S)
BlackRock Australia Holdco Pty. Ltd.	1,286,000 (L)
BlackRock Investment Management (Australia) Limited	1,286,000 (L)
BlackRock (Singapore) Holdco Pte. Ltd.	7,113,944 (L)
BlackRock HK Holdco Limited	6,456,126 (L)
BlackRock Asset Management North Asia Limited	3,881,245 (L)
BlackRock Cayman 1 LP	44,970,199 (L) 599,000 (S)
BlackRock Cayman West Bay Finco Limited	44,970,199 (L) 599,000 (S)
BlackRock Cayman West Bay IV Limited	44,970,199 (L) 599,000 (S)

Name of controlled company	Number of shares
BlackRock Group Limited	44,970,199 (L) 599,000 (S)
BlackRock Finance Europe Limited	7,108,496 (L)
BlackRock (Netherlands) B.V.	86,400 (L)
BlackRock (Netherlands) B.V.	1,812,296 (L)
BlackRock Advisors (UK) Limited	17,800 (L)
BlackRock International Limited	239,400 (L)
BlackRock Group Limited-Luxembourg Branch	37,622,303 (L) 599,000 (S)
BlackRock Luxembourg Holdco S.à r.l.	37,622,303 (L) 599,000 (S)
BlackRock Investment Management Ireland Holdings Unlimited Company	35,800,913 (L)
BlackRock Asset Management Ireland Limited	35,800,913 (L)
BLACKROCK (Luxembourg) S.A.	1,784,990 (L) 599,000 (S)
BlackRock Investment Management (UK) Limited	1,298,800 (L)
BlackRock Investment Management (UK) Limited	3,893,200 (L)
BlackRock (Netherlands) B.V. – German Branch – Frankfurt BlackRock	86,400 (L)
BlackRock Asset Management Deutschland AG	86,400 (L)
BlackRock Fund Managers Limited	1,298,800 (L)
BlackRock Life Limited	239,400 (L)
BlackRock (Singapore) Limited	657,818 (L)
BlackRock UK Holdco Limited	36,400 (L)
BlackRock Asset Management Schweiz AG	36,400 (L)
EG Holdings Blocker, LLC	904,600 (L)
Amethyst Intermediate, LLC	904,600 (L)
Aperio Holdings, LLC	904,600 (L)
Aperio Holdings, LLC	904,600 (L)
Aperio Group, LLC	904,600 (L)

(L) denotes a long position; (S) denotes a short position

Save as disclosed above, as at 30 June 2026, the directors of the Company were not aware that there was any other person (other than the directors or senior management of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required, pursuant to Section 336 of the SFO, to be entered in the register maintained by the Company.

Specifics on the shareholdings by the Company's top 10 shareholders are set out in the section "Changes in the Share Capital and Shareholders' Profile" of this report.

18

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

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

Changes in the share capital and shareholders’ profiles

1

Changes in share capital

The table below shows the Company's share capital as at the end of the reporting period:

Unit: share

	Before change		Increase or decrease (+ or -)					After change	
	Amount	Percentage (%)	New shares issued	Bonus shares	Transfer from reserves	Others	Sub-total	Amount	Percentage (%)
1. Shares with selling restrictions									
(1) State-owned shares	–	–	–	–	–	–	–	–	–
(2) State-owned enterprises shares	–	–	–	–	–	–	–	–	–
(3) Other domestic shares	–	–	–	–	–	–	–	–	–
held by									
legal entities	–	–	–	–	–	–	–	–	–
natural persons	–	–	–	–	–	–	–	–	–
(4) Foreign shares	–	–	–	–	–	–	–	–	–
held by									
legal entities	–	–	–	–	–	–	–	–	–
natural persons	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–	–
2. Shares without selling restrictions									
(1) Ordinary shares denominated in RMB	6,845,041,455	71.15	–	–	–	–	–	6,845,041,455	71.15
(2) Domestically listed foreign shares	–	–	–	–	–	–	–	–	–
(3) Overseas listed foreign shares (H share)	2,775,300,000	28.85	–	–	–	–	–	2,775,300,000	28.85
(4) Others	–	–	–	–	–	–	–	–	–
Total	9,620,341,455	100.00	–	–	–	–	–	9,620,341,455	100.00
3. Total number of shares	9,620,341,455	100.00	–	–	–	–	–	9,620,341,455	100.00

2 Shareholders

(I) Number of shareholders and their shareholdings

As at the end of the reporting period, the Company had no shares with selling restrictions.

Unit: share

Total number of shareholders as at the end of the reporting period: 128,438 (including 124,870 A shareholders and 3,568 H shareholders)

Shares held by top 10 shareholders as at the end of the reporting period

Name of shareholders	Nature of shareholders	Percentage of the shareholding	Total number of shares held	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up period	Type of shares
HKSCC Nominees Limited	Overseas legal entity	28.82%	2,772,801,017	+38,000	–	–	H Share
Shenergy (Group) Co., Ltd.	State-owned legal person	14.05%	1,352,129,014	–	–	–	A Share
Hwabao Investment Co., Ltd.	State-owned legal person	13.35%	1,284,277,846	–	–	–	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned legal person	6.34%	609,929,956	–	–	–	A Share
Shanghai Haiyan Investment Management Company Limited	State-owned legal person	4.87%	468,828,104	–	–	–	A Share
HKSCC	Others	2.47%	238,020,463	+67,601,239	–	–	A Share
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal person	1.52%	146,539,460	–	–	–	A Share
China Securities Finance Co., Ltd.	Others	1.47%	141,090,934	-129,998,909	–	–	A Share
Shanghai International Group Corporation Limited	State-owned legal person	1.01%	97,128,700	–	–	–	A Share
Yunnan Hehe (Group) Co., Ltd.	State-owned legal person	0.95%	91,868,387	–	–	–	A Share
Description of the stock repurchase accounts of the top 10 shareholders	None.						
Description of the aforesaid shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	Entrusted by its parent company, China Baowu Steel Group, Hwabao Investment Co., Ltd. exercises the voting rights corresponding to 68,818,407 ordinary shares (A share) of China Baowu Steel Group. Apart from this, the Company is not aware of any other proxy voting rights, entrusted voting rights, and waiver of voting rights of the aforesaid shareholders.						
Description of related relations or concerted actions among the aforesaid shareholders	HKSCC Nominees Limited and HKSCC are related, as the former is a wholly-owned subsidiary of the latter. Shanghai State-Owned Assets Operation Co., Ltd. is a wholly-owned subsidiary of Shanghai International Group, they act in concert. As is confirmed by relevant shareholders regarding the Company's inquiry, the Company is not aware of any other related relations or concerted actions among the above-mentioned shareholders.						
Description of securities margin trading and refinancing business by top 10 shareholders and top 10 shareholders without selling restrictions	None.						

Notes:

1. As at the end of the reporting period, the Company did not issue any preferred shares.
2. The shareholding of the top 10 shareholders is based on the lists of registered shareholders provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch (A share) and Computershare Hong Kong Investor Services Limited (H share) respectively. The nature of A shareholders is the same as the nature of their accounts registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch.
3. The shares held by HKSCC Nominees Limited are held on behalf of its clients. As SEHK does not require such shareholders to disclose to HKSCC Nominees Limited whether the shares held by them are subject to pledge or lock-up period, HKSCC Nominees Limited is unable to calculate, or make available such data. Pursuant to Part XV of the SFO, a Substantial Shareholder is required to give notice to SEHK and the Company on the occurrence of certain events including a change in the nature of its interest in shares such as the pledging of its shares. As at the end of the reporting period, the Company is not aware of any such notices from Substantial Shareholders under Part XV of the SFO.
4. HKSCC is the nominal holder of shares traded through Shanghai-Hong Kong Connect Programme.

(II) Controlling shareholders or de facto controllers

The ownership structure of the Company is diversified. The ultimate controllers of the Company's major shareholders do not exercise control over the Company and the Company has no controlling shareholder, nor de facto controllers.

3

Shareholdings of the Company's directors and senior management

Unit: share

Name	Position	Type of shares	Shareholding at the beginning of the reporting period	Increase in shareholding during the reporting period	Decrease in shareholding during the reporting period	Shareholding at the end of the reporting period	Reason for the change
FU Fan	Chairman, executive director	H share	220,400	20,000	–	240,400	Second market transaction
ZHAO Yonggang	Executive director, president	A share	12,900	–	–	12,900	–
YU Bin	Vice president	A share	5,900	–	–	5,900	–
		H share	169,800	–	–	169,800	–
MA Xin	Vice president	A share	15,000	–	–	15,000	–
		H share	142,000	–	–	142,000	–
ZHANG Yuhua	Market development director	A share	–	12,800	–	12,800	Second market transaction

Directors and senior management

1

Directors

As of the end of the reporting period, the Company had 15 Directors. Among them, there were 2 Executive Directors, i.e., Mr. FU Fan and Mr. ZHAO Yonggang; 7 Non-executive Directors, namely, Mr. HUANG Dinan, Ms. LU Qiaoling[note], Mr. WANG Tayu, Ms. WANG Yuhua, Mr. CHEN Ran, Mr. ZHOU Donghui, and Mr. John Robert DACEY; 5 Independent Non-executive Directors, Ms. CHEN Xin, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I David, and Mr. WONG Hin Wing; and 1 Employee Director, Ms. ZHOU Liyun. Relevant changes during the reporting period were as follows:

Name	New Position assumed	Notes
WONG Hin Wing	Independent Non-executive Director	In August 2025, Mr. WONG Hin Wing was elected as Independent Non-executive Director of the 10th Board of Directors of the Company at the Company's first extraordinary general meeting of 2025. In January 2026, the appointment qualification of Mr. WONG Hin Wing to serve as Independent Non-executive Director of the Company was approved by the NFRA.
ZHOU Liyun	Employee Director	In November 2025, Ms. ZHOU Liyun was elected as Employee Director of the 10th Board of Directors at the 1st session of the 5th Employees' Representatives Congress of the Company. In June 2026, the appointment qualification of Ms. ZHOU Liyun to serve as Employee Director of the Company was approved by the NFRA.

Name	Positions vacated	Notes
JIANG Xuping	Independent Non-executive Director	As of August 2025, Mr. JIANG Xuping had served as Independent Non-executive Director of the Company for six years. Mr. JIANG continued to perform his duties until the qualification of the new independent non-executive director was approved by the NFRA. In January 2026, Mr. WONG Hin Wing's appointment qualification was approved by the NFRA and he officially succeeded Mr. JIANG Xuping as the Independent Non-executive Director of the 10th Board of Directors of the Company, and Mr. JIANG Xuping ceased to serve as Independent Non-Executive Director of the Company.

Note: On 11th August 2026, due to her age, Ms LU Qiaoling resigned as vice chairwoman, non-executive director of the Company, and as a member of the Strategic and Investment Decision-Making & ESG Committee of the Board.

2

Senior management

As of the end of the reporting period, the Company had 12 members of senior management. They were Mr. FU Fan, Chairman; Mr. ZHAO Yonggang, President; Mr. YU Bin and Mr. MA Xin, Vice Presidents; Mr. SU Gang, Vice President and Finance Responsible Person; Mr. WANG Mingchao, Vice President and HR Director; Mr. ZHANG Weidong, Chief Internal Auditor, Internal Audit Responsible Person and General Counsel; Mr. CHEN Wei, Chief Compliance Officer and Chief Risk Officer; Mr. SU Shaojun, Board Secretary; Mr. ZHANG Yuhua, Market Development Director; Mr. WANG Lei, Chief Information Officer and Mr. LIU Long, Chief Investment Officer. Relevant changes during the reporting period were as follows:

Name	Positions assumed	Notes
CHEN Wei	Chief Compliance Officer	In February 2026, Mr. CHEN Wei was appointed as Chief Compliance Officer of the Company at the 20th session of the 10th Board of Directors of the Company.
LIU Long	Chief Investment Officer	In December 2025, Mr. LIU Long was appointed as Chief Investment Officer of the Company at the 19th session of the 10th Board of Directors of the Company. In April 2026, the appointment qualification of Mr. LIU Long was approved by the NFRA.
WANG Mingchao	Vice President	In May 2026, Mr. WANG Mingchao was appointed as Vice President of the Company at the 23rd session of the 10th Board of Directors of the Company. In June 2026, the appointment qualification of Mr. WANG Mingchao was approved by the NFRA.

Name	Positions vacated	Notes
CHEN Wei	Compliance Responsible Person	In February 2026, due to work change, Mr. CHEN Wei ceased to serve as Compliance Responsible Person of the Company.
SU Gang	Chief Investment Officer	In April 2026, due to work change, Mr. SU Gang ceased to serve as Chief Investment Officer of the Company.

3

Changes in the information about the Company's Directors and Senior Management

During the reporting period, in January 2026, Ms. LU Qiaoling ceased to serve as Director of Hwabao (Shanghai) Equity Investment Fund Management Co., Ltd. In April 2026, Mr. WANG Tayu, Non-executive Director of the Company, began to serve as Deputy General Manager of Shanghai International Group Co., Ltd.; In May 2026, Mr. WANG Tayu ceased to serve as Investment Director of Shanghai International Group Co., Ltd., and ceased to serve as Party Secretary and Chairman of Shanghai International Group Investment Co., Ltd. In May 2026, Ms. CHEN Xin, Independent Non-executive Director of the Company, began to serve as member of the Advisory Committee of the International Business School of Xi'an Jiaotong-Liverpool University. In June 2026, Mr. CHEN Ran, Non-executive Director of the Company, ceased to serve as deputy general manager of Baowu Intelligent Equipment Co., Ltd., and began to serve as member of the Standing Committee of the Pu'er Municipal CPC Committee and Deputy Mayor (on secondment) of the People's Government of Pu'er. In June 2026, Mr. WONG Hin Wing, Independent Non-executive Director of the Company, began to serve as member of the Council of Hong Kong Metropolitan University. In January 2026, Mr. SU Gang, Vice President and Finance Responsible Person of the Company, ceased to serve as Director of Changjiang Pension. In May 2026, Mr. ZHANG Weidong, Chief Internal Auditor, Internal Audit Responsible Person and General Counsel of the Company, ceased to serve as Director of CPIC Health.

Corporate governance

1

Corporate governance

The Company has established a corporate governance system comprising the Shareholders' Meeting, the Board of Directors, and the senior management in accordance with the provisions of relevant laws and regulations such as the Company Law of the PRC, the Securities Law of the PRC, the Insurance Law of the PRC and Hong Kong Listing Rules, and has established a coordinated operational mechanism with checks and balances across the governing body, the decision-making body, the supervisory body and the executive body. The Company improves its corporate governance structure by constant optimisation of its Group management structure, realignment of internal resources and increased interaction with the capital market.

Under the Articles of Association, the main responsibilities of the Shareholders' Meeting are: elect and replace directors other than those who are employees of the Company and decide their remuneration; consider and approve profit distribution plans and loss compensation plans of the Company; adopt proposals regarding increase or decrease in the registered capital of the Company and any merger, separation, dissolution or liquidation or change of corporate form of the Company; consider and approve the listing of all or any part of the shares on stock exchanges as well as any proposed issuance of bonds or other securities of the Company; adopt proposals regarding engagement, dismissal of the accountant firm of the Company which conducts statutory audits of the Company on a regular basis; amend the Articles of Association.

Under the Articles of Association, the Board of Directors exercises, among others, the following powers: to convene shareholders' meetings and implement their resolutions; determine the business and operational plan and investment plan of the Company; determine annual financial budgets and financial accounts of the Company; formulate profit distribution and loss compensation plans of the Company; formulate proposals on increase or decrease in the registered share capital, issuance of bonds, or listing of other securities of the Company; appointment or dismissal of President, appointment or dismissal of Board Secretary based on Chairman's nomination, appointment or dismissal of Chief Internal Auditor and Internal Audit Responsible Person based on nomination of Chairman or the Audit and Related Party Transactions Control Committee, appointment or dismissal of Vice President, Chief Actuary, General Counsel, Finance Responsible Person, Chief Compliance Officer and other senior executives based on President's nomination and determine their remuneration, performance incentives or impose disciplinary measures; and develop the basic policies and systems of the Company.

As of the end of the reporting period, the Company had 15 Directors, including 2 Executive Directors, 7 Non-executive Directors, 5 Independent Non-executive Directors and 1 Employee Director.[note] The number of directors and composition of the Board of Directors are in compliance with regulatory rules and requirements.

During the reporting period, the Company held 1 shareholders' meeting and 4 Board meetings. Relevant resolutions were announced on the websites of the SSE and SEHK, and relevant information disclosure media in accordance with regulatory requirements.

On 10 June 2026, the Company held its 2025 Annual Shareholders' Meeting, at which resolutions including the Resolution on the Report of Board of Directors for 2025 of China Pacific Insurance (Group) Co., Ltd., the Resolution on the 2025 Annual Profit Distribution Plan of China Pacific Insurance (Group) Co., Ltd., and the Resolution on the Engagement of External Auditors for 2026 of China Pacific Insurance (Group) Co., Ltd. were considered and approved. The shareholders attending the meeting held a total of 5,712,046,986 voting shares, accounting for 59.37% of the Company's total voting shares. All the resolutions of this meeting were passed (for details, please refer to the announcements published on the websites of SSE, SEHK, LSE and the Company).

At present, there are 5 special committees under the Board of Directors of the Company, namely, the Strategic and Investment Decision-Making & ESG Committee, the Audit and Related Party Transactions Control Committee, the Nomination and Remuneration Committee, the Risk Compliance Committee, and the Technological Innovation and Consumer Rights Protection Committee. These special committees conduct in-depth research on professional topics and put forward recommendations to the Board of Directors.

During the reporting period, the Strategic and Investment Decision-Making & ESG Committee held 3 meetings, at which directors expressed views and made recommendations on important matters such as profit distribution and the Sustainable Development Report for 2025.

During the reporting period, the Audit and Related Party Transactions Control Committee held 6 meetings and reviewed resolutions including the 2025 Annual Report, the First Quarter Report of 2026, and the Proposal on Amendments to Policies on Performance Evaluation and Accountability of Directors of the Company. The Committee discussed and agreed with the external auditors on the schedule for audit of the financial report of the Company for the year 2025, based on overall requirements for the preparation of the annual report of the Company. It held a meeting to review the financial statements prepared by the Company and issued a written opinion on it before the external auditors commenced their work on-site. While maintaining adequate and timely communication with the external auditors, it held a meeting to conduct a second review of the financial report of the Company after issuance of preliminary audit opinions by the external auditors. The Committee then issued its written opinion on the report and agreed to submit it to the Board of Directors for consideration.

During the reporting period, the Nomination and Remuneration Committee convened 4 meetings and reviewed such matters as the Resolution on Performance Appraisal Results for 2025, and the Resolution on the 2026 Annual Performance Appraisal Plan of the Company.

During the reporting period, the Risk Compliance Committee convened 3 meetings and reviewed resolutions including the 2025 Annual Solvency Report, the 2025 Annual Compliance Report, and the 2025 Annual Risk Assessment Report of the Company, among others.

During the reporting period, the Technological Innovation and Consumer Rights Protection Committee held 3 meetings and reviewed resolutions including the Resolution on the 2025 Consumer Rights Protection Work Report and Priorities for Consumer Rights Protection for 2026, and the Resolution on the Information Technology Outsourcing Strategy and Major Outsourcing Items of the Company. The Group Internal Audit Centre conducted a dedicated audit of the Company’s consumer protection work for 2025, and assessed the overall performance in this area. The audit found that the Group and its relevant subsidiaries have established a consumer protection management system and organisational framework, with clearly defined internal control processes and division of responsibilities. They have dynamically implemented measures such as public opinion monitoring, emergency response, and dispute resolution; continuously strengthened the effectiveness of internal training; and stepped up financial education outreach to the public across multiple dimensions. They have also deepened their commitment to consumer services, introduced new and practical measures that will directly benefit communities, and steadily advanced the development of a comprehensive “consumer protection+” framework, embedding a consumer-protection culture into day-to-day management. The audit further recommended that the Group enhance the incentive and accountability mechanism for assessment of consumer protection performance of its subsidiaries.

The 10th Board of Directors of the Company has 5 Independent Non-executive Directors, which consist of professionals in accounting, finance, auditing and legal affairs. The proportion of Independent Non-executive Directors exceeds one-third of all board members, in compliance with applicable regulatory requirements and the provisions of the Articles of Association.

The Company's Independent Non-executive Directors possess the required expertise and work experience and are able to perform their duties strictly in accordance with the requirements of applicable laws and regulations, regulatory documents, the Articles of Association and Provisions on Performance of Duties by Independent Non-executive Directors. They have made comments and suggestions on a wide range of aspects such as corporate governance, business operation, risk management and internal control. They have faithfully performed their duties, played a meaningful role and offered an independent and impartial perspective in the Company's decision making process, and safeguarded the interests of the Company and all shareholders, particularly minority shareholders.

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

The Company has adopted and implemented the Model Code for Securities Transactions for the securities transactions of its directors. After specific inquiry by the Company, all of its directors confirmed that they complied with the Code of Conduct set out under the Model Code for Securities Transactions throughout the reporting period. During the reporting period, the Company was not aware of any activities of its directors that were not in full compliance with the Model Code for Securities Transactions.

Under the Articles of Association, the Company's senior management exercises the following powers: organise the implementation of Board resolutions and report to the Board of Directors; be responsible for the Company's business management, organise the implementation of the Company's annual business plan and investment plan; draft the organisational plan and develop the basic management systems of the Company; formulate the Company's basic rules; appoint or dismiss managers other than those that fall within the remit of the Board of Directors; other powers granted by the Articles of Association and Board of Directors; and other duties prescribed by insurance regulators or the law.

As of the end of the reporting period, the Company had 12 members of senior management. According to the Articles of Association, the Company's senior management includes Executive Director, President, Vice President, Chief Actuary, Chief Internal Auditor, General Counsel, Board Secretary, Finance Responsible Person, Chief Compliance Officer, Internal Audit Responsible Person, as well as other management personnel as determined by the Board of Directors. Please refer to the "Directors and senior management" section of this report for details.

Note: On 11th August 2026, due to her age, Ms LU Qiaoling resigned as vice chairwoman, non-executive director of the Company, and as a member of the Strategic and Investment Decision-Making & ESG Committee of the Board.

2

Investor relations

During the reporting period, the Company further refined its market value management system in compliance with applicable rules and policies including the Investor Relations Management Measures and its implementing rules, Regulations on Shareholder Communications and Interim Rules on Market Value Management. This enabled more targeted and effective investor communication, fostered sound two-way engagement with the capital market, and improved the overall investor experience. Having reviewed the status of implementation of these rules and regulations, and in view of measures taken to optimise channels of communication and investor feedback, the Company concluded that its policies on shareholder communications were effectively enforced during the reporting period.

The Company adopts an investor-oriented approach to investor relations, communicates with investors via diversified channels to showcase its operational achievements and competitive advantages, and improves the efficiency of investor communications. During the reporting period, it hosted its annual results presentation simultaneously in Shanghai and Hong Kong and launched first-quarter results presentations. Both events offered multiple participation options including in-person attendance, online access, online text interaction and live streaming, enabling global investors to access the Company's latest business results in a timely manner. After announcement of its results, the Company organised domestic and overseas NDRs and actively participated in strategy conferences held by brokers and other investor meetings. During the reporting period, it conducted about 78 IR events, communicating with investors on key strategies of the Company and their implementation progress, the logic behind long-term value creation and shareholder dividend policy, which helped to boost market confidence in growth prospects of the Company and the industry. At the same time, it leveraged the role of IR as a channel of two-way communication so that investors' legitimate concerns can be duly considered during management decision-making.

The Company is committed to equal and fair treatment of all types of investors on all markets, regardless of their geographical location. In particular, it maintains open communication channels for retail investors and strengthens the protection of their rights and interests. During the reporting period, it publicly solicited questions from investors before results announcements; management would publicly respond to those of common interest among retail investors – such as market value management and profit distribution – during the meetings. Meanwhile, retail investors could access such events via video streaming, or may choose to post their questions online, and would receive replies to all their questions on the same day. Moreover, to handle investors' inquiries, collect their comments and suggestions, the Company assigned personnel for IR hotline, fax, email, and the IR column on its official website. In the first half of 2026, it prepared and published 6 issues of Investor's Newsletters in both Chinese and English, responded to 15 investor questions on the E-communication platform of the SSE, and published IR activity records. These efforts helped to lower the information barrier for retail investors, making it easier for them to stay informed and do research on the Company.

3

Information disclosure

The Company strictly abides by the regulatory rules of its listing venues, continues to enhance its transparency via efficient, compliant, well-organised information disclosure. During the reporting period, it prepared and released regular reports and interim announcements based on principles of truthfulness, accuracy, completeness, timeliness and fairness. In response to investors' needs, it continued to expand the scope of voluntary information disclosure, adopted new modes for disclosure and dissemination of non-financial information, and maintained continuity and consistency in information disclosure so that the results of its business development and its efforts in corporate social responsibility, particularly sustainable development can be communicated to investors and other stakeholders in a clear, concise, complete, effective and easy-to-understand manner, and in a way that reflects industry characteristics. That helped to improve the overall relevance and effectiveness of information disclosure. During the reporting period, the Company thoroughly reviewed, revised and improved its information disclosure management policies in accordance with the latest regulatory requirements and in light of its actual circumstances. The Company continued to exercise control over insider information to ensure fair treatment of all securities markets and types of investors. During the reporting period, it closely followed latest regulatory developments, enriched the content of information disclosure in view of its own corporate governance as an insurance group and latest information disclosure requirements for the insurance industry. In the first half of 2026, the Company received no penalties from the securities regulator and committed no major errors or omissions in information disclosure.

4

Risk management

Risk management is a core element of the Company's operation and management. The Company has established an overarching risk management framework that covers all organizations and positions in which the Board of Directors bears the ultimate responsibility, management provides direct leadership, risk management departments execute and coordinate, and relevant functional departments closely work together. The boards of directors of the subsidiaries shoulder the ultimate responsibility for their respective risk management systems and status of operation.

The Company coordinated efforts and put in place unified risk management objectives, risk management policies, key risk measurement tools, risk management planning and information systems, and provided guidance and oversight over subsidiaries in their risk management work. While maintaining their independence in risk governance and setting up necessary firewalls, each subsidiary adheres to the risk management objectives and policies, systems and processes, methods and tools of the Group and at the same time is responsible for managing their own business risks.

Environmental and social responsibilities

1

Leveraging insurance expertise to drive social low-carbon transition

In response to China's "dual-carbon" strategy, we continue to improve our long-term management mechanism for green finance to facilitate the green and low-carbon transition of the economy and society.

1. Expanding product and service offering of green insurance

To advance green mobility, we provided risk protection to more than 3.34 million NEV in the first half of 2026. To strengthen catastrophe risk response, we developed multiple types of catastrophe insurance including relief-oriented, innovative and index-based products tailored to local conditions, offering over RMB800 billion in total catastrophe insurance sum assured (SA) in the first half of 2026. To support energy mix transformation, we provided insurance coverage for green energy projects against various types of natural disasters and accidents during their construction and operation, with SA totaling more than RMB54 trillion during the reporting period. To support ecological conservation, we developed a series of ecological carbon sink insurance products. In June 2026, we issued China's first CCER forestry carbon sink insurance policy in Zhangjiakou, Hebei Province. For over a decade, we have been dedicated to promoting public liability insurance for wildlife accidents in areas vulnerable to damage caused by wild Asian elephants, particularly in Xishuangbanna and Pu'er, Yunnan Province, with SA exceeding RMB160 million during the reporting period. To facilitate pollution reduction and carbon abatement, we provided environmental pollution protection for more than 2,000 enterprises in chemical, electric power industries in the first half of 2026, with total SA reaching approximately RMB6.7 billion.

2. Steady progress in green investment

CPIC continuously enhanced its comprehensive green investment management framework to support green transition and the development of new quality productive forces, with total green investments exceeding RMB316 billion in the first half of 2026.

In support of green infrastructure upgrading, we invested an additional RMB400 million in the CPIC-Wuhan Metro Infrastructure Debt Investment Plan (Phase III), bringing total investment to RMB2.25 billion. The proceeds were earmarked for the rail transit projects of Wuhan city including Phase II of Wuhan Metro Line 1 and Phase I of Wuhan Metro Line 2, and the project was awarded the G1 green certification (the highest) by Lianhe Equator. We also launched an asset-backed special plan for clean energy held-for-investment real estate, with underlying assets valued at RMB507 million and the issued tranche totaling RMB305 million. The proceeds from the offering will be fully deployed to fund the investment and construction of photovoltaic and energy storage projects. Independent third-party impact assessments confirmed that the project will generate annual energy savings equivalent to around 41,000 tonnes of standard coal, alongside annual carbon emissions reduction of approximately 93,000 tonnes of carbon dioxide equivalent.

2

Embracing low-carbon principles and setting benchmarks for green operations

CPIC accelerates the development and operation of its carbon emissions management system, continuously upgrades its carbon footprint management platform, and conducts regular carbon management training to achieve steady reductions in operational carbon emissions.

We promoted energy-saving and carbon-reduction retrofits and clean energy adoption. The photovoltaic retrofit of CPIC Headquarters at Yishan Road passed final acceptance; CPIC P/C's 929 Low-Carbon Operation Demonstration Park generated 71,800 kWh of green power in the first half of 2026. We also issued a green business travel initiative to encourage virtual meetings and reduce the need for business travel.

We partnered with customers to advance low-carbon practices. In the first half of 2026, we continued to promote the Tanpuhui (carbon inclusion) platform, enabling customers to earn carbon points through low-carbon behaviours such as self-service online operations. We participated in the Shanghai International Carbon Neutrality Expo for the 4th consecutive year; rolled out zero-carbon initiatives for the China International Import Expo (CIIE), provided carbon-reduction incentives for individuals and business entities via both carbon points and green insurance, as part of our effort to expand the scope of carbon inclusion. As of the end of June 2026, the carbon inclusion platform covered 40 branch offices, with its user base hitting a record high of over 960,000.

3

Strengthening climate risk management to enhance medium – to long-term climate resilience

We are deepening climate risk quantification across high-priority sectors and core business lines. Based on IPCC (Intergovernmental Panel on Climate Change) international climate scenarios and calibrated to China's regional climate conditions, we projected future trajectories of typhoons, extreme rainfall and flood events. On the back of scenario analysis and catastrophe modelling architecture, we developed an in-house physical climate risk stress-testing framework, which enabled granular financial quantification of climate exposures and generated actionable insights to refine underwriting strategies. Our technical paper Quantitative Modelling of Typhoon Losses was recognised as a top submission in the Outstanding Paper Award Programme for High-Quality Development of the Insurance Sector during the 15th Five-Year Plan Period, hosted by the China Insurance Security Fund.

We are strengthening climate risk measurement for investment portfolios. Leveraging AI-driven large-scale climate and meteorological models and global disaster databases, we simulated the probability and spatial distribution of extreme climate events. By adopting the Computable General Equilibrium (CGE) model and integrating NGFS (Network for Greening the Financial System) scenarios with domestic policy frameworks, we conducted quantitative analysis of the impact of transition risks on industry profitability and asset values. This initiative, which combined AI technology, climate science, macroeconomic modelling and investment management systems, provided sound decision-making support for insurance funds to address climate change and optimise asset allocation.

4

Protecting biodiversity to boost harmonious co-existence

CPIC defined the priorities of its rural revitalisation efforts through strategic, coordinated planning; it built a three-tier governance framework featuring "Group-level oversight, cross-subsidiary collaboration and local execution"; advanced the development of innovative agricultural insurance products and integrated financial solutions; and established a multi-stakeholder, coordinated long-term system for poverty alleviation, all of which underscored its unwavering commitment to corporate social responsibility.

1. Enhancing rural assistance

CPIC is fully aligned with on-the-ground needs of designated regions under assistance, providing support across industrial revitalisation, rural environmental improvement, poverty alleviation, educational sponsorship and infrastructure development. It continued to assign volunteers to provide on-site rural assistance in key designated regions for rural revitalisation. As of the end of June 2026, there were 279 employee volunteers in place, serving over 20 provinces, autonomous regions and municipalities including Xinjiang, Tibet, Yunnan, Sichuan, Hubei and Chongqing. The Company also combined rural revitalisation efforts with employee well-being initiatives, particularly through the purchase-for-aid programme, under which employees contribute to poverty alleviation via purchase of specialty agricultural products; it encouraged trade unions and employees across all subsidiaries and branches to participate in the programme. As of the end of the reporting period, the cumulative value of such purchases reached RMB3.4 million.

2. Advancing high-quality development of agricultural insurance

We continued to drive improvement in quality and efficiency of agricultural insurance business, launching over 5,000 tailor-made agricultural insurance products covering a wide spectrum of sectors including agriculture, forestry, livestock and fishery. In the first half of 2026, we rolled out more than 600 new agricultural insurance products, providing around RMB453.1 billion in various types of agricultural risk protection through over 10.94 million insurance policies, with claims payment made on 1.17 million cases.

We are committed to safeguarding food security by expanding relevant insurance offerings; we cumulatively provided RMB102.5 billion in sum assured for the three staple crops: rice, wheat and corn. To empower the growth of local rural industries, we rolled out local specialty agricultural insurance programmes under the principle of "One County, One Specialty" and "One County, Multiple Specialties". As of the end of June 2026, we provided risk protection for over 3,000 specialty agricultural products across 31 provinces, autonomous regions and municipalities. We stepped up the digital transformation of agricultural insurance and during the reporting period, Hui Zhi Nong, our new-generation agri-insurance system was up and running in 13 of our branch offices. Statistics from these branches showed that product time-to-market improved by nearly 15%, underwriting efficiency by nearly 30%, and claims processing efficiency by nearly 25%. Meanwhile, we leveraged digital technologies including AI-powered remote sensing to upgrade the quality and efficiency of our risk reduction services, enabling early warning, disaster response and post-disaster recovery.

5

Promoting the public good for community well-being

We are committed to building a system of targeted philanthropy. CPIC Blue, a charitable foundation, focuses on "the elderly and children" and has established an integrated system of "advocacy, service and empowerment" to advance the social good. As "guardians" of brain health and "companions" for children with special needs, the foundation launched a public service early screening programme which cumulatively benefited 279,000 people; it also launched multiple brain health public welfare projects including the "Blue Smart Home", "Centres of Loving Care" and "Dementia Care Hubs". With our "Xing An Xin Autism Care" programme, we are able to provide diversified services including tech-enabled rehabilitation, art therapy, health promotion and vocational support; we also launched a series of initiatives such as the support for underprivileged children, student aid in Xinjiang, the "Light Up the Future with Responsibility" volunteer teaching programme, and public welfare summer camps to support children's growth and development. In the first half of 2026, CPIC Blue was granted the 5A rating (the highest) for standardised social organisation governance in Shanghai.

CPIC is fully committed to ecological conservation and green development. We afforested over 134 hectares of land in Sanjiangyuan, and funded the construction of the CPIC Sports Park, which officially opened in 2026. We also provided RMB1 million in green insurance coverage to the Sanjiangyuan region, as part of our efforts to protect the plateau's ecosystem.

Other Information

1

Original copy of the signed review report from the accountant's firm

2

Original copies of all publicly disclosed announcements and documents of the Company during the reporting period

Financial report

Review Report

Ernst & Young Hua Ming (2026) Zhuan Zi No.70015004_B11

China Pacific Insurance (Group) Co., Ltd.

To the Shareholders of China Pacific Insurance (Group) Co., Ltd.,

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

We have reviewed the accompanying interim financial statements of China Pacific Insurance (Group) Co., Ltd. (hereinafter "CPIC"), which comprise the interim consolidated and company balance sheets as at 30 June 2026, the interim consolidated and company income statements, the interim consolidated and company statements of changes in equity and the interim consolidated and company cash flow statements for the six-month period then ended, and the notes to the interim financial statements. Management of CPIC is responsible for the preparation of these interim financial statements in accordance with the requirements of Accounting Standard for Business Enterprises No.32 *Interim Financial Reporting* ("CAS 32"). Our responsibility is to issue a review report on these interim financial statements based on our review.

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

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

Ernst & Young Hua Ming LLP	Chinese Certified Public Accountant:	Wang Ziqing
	Chinese Certified Public Accountant:	Mo Aiqi

Beijing,
The People's Republic of China

27 August 2026

INTERIM CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

ASSETS	Note V	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash at bank and on hand	1	59,450	62,789
Derivative financial assets		14	5
Securities purchased under agreements to resell	2	47,450	24,512
Term deposits	3	202,053	187,310
Financial investments:		2,814,713	2,715,708
Financial assets at fair value through profit or loss	4	755,936	714,868
Financial assets at amortised cost	5	46,640	52,601
Debt investments at fair value through other comprehensive income	6	1,833,677	1,772,078
Equity investments at fair value through other comprehensive income	7	178,460	176,161
Reinsurance contract assets	14	46,097	47,746
Long-term equity investments	8	15,328	14,616
Restricted statutory deposits	9	7,319	6,900
Investment properties		26,655	28,147
Fixed assets		26,268	25,859
Construction in progress		1,512	1,086
Right-of-use assets		1,622	1,776
Intangible assets		6,865	7,257
Goodwill		1,357	1,357
Deferred income tax assets		5,356	3,643
Other assets	10	17,332	16,056
TOTAL ASSETS		3,279,391	3,144,767

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

INTERIM CONSOLIDATED BALANCE SHEET (continued)

AS AT 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

LIABILITIES AND EQUITY	Note V	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Derivative financial liabilities		1,064	2,372
Securities sold under agreements to repurchase	11	170,095	218,930
Premium received in advance		6,171	20,237
Employee benefits payable		8,490	11,116
Taxes payable		5,115	3,722
Bonds payable	12	22,178	22,678
Insurance contract liabilities	13	2,631,251	2,466,607
Commission and brokerage payable		6,888	5,835
Insurance premium reserves		753	201
Lease liabilities		1,440	1,571
Deferred income tax liabilities		4,659	4,517
Long-term borrowings		123	154
Other liabilities		70,318	52,603
Total liabilities		2,928,545	2,810,543
Issued capital	15	9,620	9,620
Capital reserves	16	79,913	79,932
Other comprehensive income/(loss)	31	(20,970)	(17,390)
Surplus reserves	17	5,114	5,114
General reserves	18	35,503	35,420
Retained profits	19	210,016	189,447
Equity attributable to shareholders of the parent		319,196	302,143
Non-controlling interests		31,650	32,081
Total equity		350,846	334,224
TOTAL LIABILITIES AND EQUITY		3,279,391	3,144,767

The financial statements are signed by the persons below:

FU Fan	SU Gang	XU Zhen
Legal representative	Principal in charge of accounting	Head of accounting department

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

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Operating income		212,136	200,496
Insurance revenue	20	143,296	141,824
Interest income	21	30,123	29,061
Investment income	22	33,631	21,671
Including: Share of profits/(losses) of associates and joint ventures		686	(145)
Other income		137	106
Gains arising from changes in fair value	23	2,985	5,856
Exchange losses		(350)	(13)
Other operating income	24	2,297	1,918
Gains on disposal of assets		17	73
Operating expenses		(177,444)	(168,224)
Insurance service expenses	25	(119,071)	(120,169)
Allocation of reinsurance premiums		(8,686)	(7,290)
Less: Recoveries of insurance service expenses from reinsurers		6,977	6,245
Insurance finance expenses for insurance contracts issued		(49,907)	(40,698)
Less: Reinsurance finance income for reinsurance contracts held		512	715
Changes in insurance premium reserves		(552)	(523)
Interest expenses	26	(1,896)	(2,217)
Commission and brokerage expenses		(14)	(3)
Taxes and surcharges		(343)	(216)
Operating and administrative expenses	27	(3,444)	(3,462)
Impairment losses on financial assets	28	2	(14)
Other operating expenses	29	(1,022)	(592)
Operating profit		34,692	32,272
Add: Non-operating income		48	36
Less: Non-operating expenses		(87)	(49)
Profit before tax		34,653	32,259
Less: Income tax	30	(2,999)	(3,453)

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

INTERIM CONSOLIDATED INCOME STATEMENT (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Net profit		31,654	28,806
Classified by continuity of operations:			
Net profit from continuing operations		31,654	28,806
Net profit from discontinued operations		-	-
Classified by ownership of the equity:			
Attributable to shareholders of the parent		30,775	27,885
Non-controlling interests		879	921
Other comprehensive income/(loss)	31		
Other comprehensive income/(loss) that will not be reclassified to profit or loss:		(8,578)	1,478
Changes in the fair value of equity investments at fair value through other comprehensive income		(11,417)	1,889
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss		2,839	(411)
Other comprehensive income/(loss) that will be reclassified to profit or loss:		5,901	(28,978)
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method		(33)	-
Changes in the fair value of debt instruments at fair value through other comprehensive income		15,525	5,388
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income		(625)	102
Exchange differences on translation of foreign operations		(155)	(17)
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss		(8,806)	(34,484)
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss		(5)	33
Other comprehensive income/(loss)		(2,677)	(27,500)
Total comprehensive income		28,977	1,306
Attributable to shareholders of the parent		28,135	853
Attributable to non-controlling interests		842	453
Earnings per share	32		
Basic earnings per share (RMB per share)		3.20	2.90
Diluted earnings per share (RMB per share)		2.95	2.90

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2026 (Unaudited)								
	Attributable to shareholders of the parent								
	Issued capital	Capital reserves	Other comprehensive income/(loss)	Surplus reserves	General reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
Balance at the beginning of the period	9,620	79,932	(17,390)	5,114	35,420	189,447	302,143	32,081	334,224
Movements in the current period	-	(19)	(3,580)	-	83	20,569	17,053	(431)	16,622
Net profit	-	-	-	-	-	30,775	30,775	879	31,654
Other comprehensive income/(loss) (Note V 31)	-	-	(2,640)	-	-	-	(2,640)	(37)	(2,677)
Total comprehensive income	-	-	(2,640)	-	-	30,775	28,135	842	28,977
Other equity changes caused by equity method accounting	-	(19)	-	-	-	-	(19)	-	(19)
Profit distribution	-	-	-	-	83	(11,146)	(11,063)	(1,273)	(12,336)
Appropriations to general reserves	-	-	-	-	83	(83)	-	-	-
Profit distribution to shareholders	-	-	-	-	-	(11,063)	(11,063)	(663)	(11,726)
Profit distribution to other equity instrument holders	-	-	-	-	-	-	-	(610)	(610)
Transfer of other comprehensive income/(loss) to retained profits	-	-	(940)	-	-	940	-	-	-
Balance at the end of the period	9,620	79,913	(20,970)	5,114	35,503	210,016	319,196	31,650	350,846

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

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Cash flows from operating activities			
Cash received from premium of insurance contracts issued		276,110	277,867
Net cash received from reinsurance contracts held		793	2,142
Net decrease in policy loans		664	2,201
Refund of taxes and surcharges		11	228
Cash received relating to other operating activities		5,168	2,712
Sub-total of cash inflows		282,746	285,150
Cash paid for claims under insurance contracts issued		(92,801)	(93,624)
Net cash paid under reinsurance contracts issued		(537)	(985)
Cash paid for commission and brokerage expenses		(15,739)	(16,647)
Cash paid to and on behalf of employees		(15,049)	(14,600)
Payments of taxes and surcharges		(6,404)	(5,076)
Cash paid relating to other operating activities		(37,136)	(33,715)
Sub-total of cash outflows		(167,666)	(164,647)
Net cash flows from operating activities		115,080	120,503
Cash flows from investing activities			
Cash received from disposal of investments		332,939	369,732
Cash received from returns on investments and interest income		41,272	34,954
Net cash received from disposal of subsidiaries and other business entities		26	133
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		34	52
Cash received relating to other investing activities		-	112
Sub-total of cash inflows		374,271	404,983
Cash paid to acquire investments		(414,717)	(496,360)
Net cash paid to acquire subsidiaries and other business entities		(515)	(278)
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(1,048)	(2,061)
Cash paid relating to other investing activities		(365)	(1,673)
Sub-total of cash outflows		(416,645)	(500,372)
Net cash flows used in investing activities		(42,374)	(95,389)

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	Note V	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Cash flows from financing activities			
Cash received relating to other financing activities		12,415	8,700
Sub-total of cash inflows		12,415	8,700
Cash repayments of borrowings		(9,046)	(1,070)
Cash payments for distribution of dividends, profits or interest expenses		(2,166)	(2,522)
Decrease in securities sold under agreements to repurchase, net		(48,822)	(1,437)
Cash paid relating to other financing activities		(4,244)	(1,223)
Sub-total of cash outflows		(64,278)	(6,252)
Net cash flows (used in)/from financing activities		(51,863)	2,448
Effects of exchange rate changes on cash and cash equivalents		(1,294)	(43)
Net increase in cash and cash equivalents		19,549	27,519
Add: Cash and cash equivalents at the beginning of the period		87,006	39,673
Cash and cash equivalents at the end of the period	33	106,555	67,192

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

INTERIM COMPANY BALANCE SHEET
AS AT 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

ASSETS	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash at bank and on hand	17,511	18,339
Securities purchased under agreements to resell	115	306
Term deposits	11,058	10,132
Financial investments:	57,406	56,139
Financial assets at fair value through profit or loss	27,352	26,311
Financial assets at amortised cost	5,767	6,327
Debt investments at fair value through other comprehensive income	18,956	18,785
Equity investments at fair value through other comprehensive income	5,331	4,716
Long-term equity investments	69,929	70,464
Investment properties	1,909	1,958
Fixed assets	1,691	1,787
Construction in progress	-	3
Right-of-use assets	196	226
Intangible assets	223	274
Other assets	12,816	494
Total assets	172,854	160,122
LIABILITIES AND EQUITY		
Derivative financial liabilities	1,047	2,306
Securities sold under agreements to repurchase	940	700
Employee benefits payable	183	236
Taxes payable	12	13
Bonds payable	12,075	12,391
Lease liabilities	225	260
Deferred income tax liabilities	736	464
Other liabilities	11,741	632
Total liabilities	26,959	17,002
Issued capital	9,620	9,620
Capital reserves	79,312	79,312
Other comprehensive income/(loss)	921	1,110
Surplus reserves	4,810	4,810
Retained profits	51,232	48,268
Total equity	145,895	143,120
TOTAL LIABILITIES AND EQUITY	172,854	160,122

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

INTERIM COMPANY INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Operating income	15,497	12,049
Interest income	726	736
Investment income	13,137	11,010
Including: Share of (losses)/profits of associates and joint ventures	(10)	1
Other income	3	2
Gains arising from changes in fair value	1,480	30
Exchange losses	(173)	(36)
Other operating income	324	307
Operating expenses	(1,075)	(835)
Interest expenses	(172)	(18)
Taxes and surcharges	(34)	(35)
Operating and administrative expenses	(748)	(697)
Impairment losses on financial assets	3	26
Other operating expenses	(124)	(111)
Operating profit	14,422	11,214
Add: Non-operating income	-	3
Less: Non-operating expenses	(28)	(5)
Profit before tax	14,394	11,212
Less: Income tax	(448)	(127)
Net profit	13,946	11,085
Classified by continuity of operations:		
Net profit from continuing operations	13,946	11,085
Net profit from discontinued operations	-	-
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss:	(214)	41
Changes in the fair value of equity investments at fair value through other comprehensive income	(214)	41
Other comprehensive income/(loss) that will be reclassified to profit or loss:	106	(73)
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(11)	-
Changes in the fair value of debt instruments at fair value through other comprehensive income	117	(73)
Other comprehensive income/(loss)	(108)	(32)
Total comprehensive income	13,838	11,053

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

INTERIM COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2026 (Unaudited)					
	Issued capital	Capital reserves	Other comprehensive income/(loss)	Surplus reserves	Retained profits	Total equity
Balance at the beginning of the period	9,620	79,312	1,110	4,810	48,268	143,120
Movements in the current period	-	-	(189)	-	2,964	2,775
Net profit	-	-	-	-	13,946	13,946
Other comprehensive income/(loss)	-	-	(108)	-	-	(108)
Total comprehensive income	-	-	(108)	-	13,946	13,838
Profit distribution	-	-	-	-	(11,063)	(11,063)
Profit distribution to shareholders	-	-	-	-	(11,063)	(11,063)
Transfer of other comprehensive income/(loss) to retained profits	-	-	(81)	-	81	-
Balance at the end of the period	9,620	79,312	921	4,810	51,232	145,895

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

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

INTERIM COMPANY CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Cash flows from operating activities		
Refund of taxes and surcharges	-	195
Cash received relating to other operating activities	903	242
Sub-total of cash inflows	903	437
Cash paid to and on behalf of employees	(392)	(390)
Payments of taxes and surcharges	(57)	(135)
Cash paid relating to other operating activities	(304)	(283)
Sub-total of cash outflows	(753)	(808)
Net cash flows from/(used in) operating activities	150	(371)
Cash flows from investing activities		
Cash received from disposal of investments	4,395	8,920
Cash received from returns on investments and interest income	844	1,051
Net cash received from disposal of subsidiaries and other business entities	-	391
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	1
Sub-total of cash inflows	5,239	10,363
Cash paid to acquire investments	(5,482)	(8,943)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(42)	(85)
Sub-total of cash outflows	(5,524)	(9,028)
Net cash flows (used in)/from investing activities	(285)	1,335
Cash flows from financing activities		
Increase in securities sold under agreements to repurchase, net	240	40
Sub-total of cash inflows	240	40
Cash payments for distribution of dividends, profits or interest expenses	(7)	(13)
Cash paid relating to other financing activities	(14)	(19)
Sub-total of cash outflows	(21)	(32)
Net cash flows from financing activities	219	8
Effects of exchange rate changes on cash and cash equivalents	(1,103)	(19)
Net (decrease)/increase in cash and cash equivalents	(1,019)	953
Add: Cash and cash equivalents at the beginning of the period	18,645	5,163
Cash and cash equivalents at the end of the period	17,626	6,116

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

I. GENERAL INFORMATION

China Pacific Insurance (Group) Co., Ltd. (the "Company") was restructured from China Pacific Insurance Co., Ltd. in October 2001 pursuant to the approval of the State Council of the People's Republic of China (the PRC) and Circular [2001] No. 239 issued by the former China Insurance Regulatory Commission (the "CIRC"). After the restructuring, the Company obtained a business licence (No. 1000001001110) on 24 October 2001 newly issued by the former State Administration for Industry and Commerce of the PRC, and had an original issued capital of RMB2,006.39 million, with its registered address and headquarters in Shanghai. The Company increased its issued capital to RMB6,700 million through issuance of new shares to its then existing shareholders and new shareholders in 2002 and from February to April 2007.

In December 2007, the Company conducted a public offering of 1,000 million A shares on the Shanghai Stock Exchange to increase its issued capital to RMB7,700 million. On 25 December 2007, the Company's A shares were listed and traded on the Shanghai Stock Exchange.

In December 2009, the Company conducted a global offering of overseas listed foreign shares ("H shares"). Upon the completion of the H share offering, the issued capital was increased to RMB8,600 million. On 23 December 2009, the Company's H shares were listed and traded on the Hong Kong Stock Exchange.

In November 2012, the Company conducted a non-public offering of 462 million H shares. Upon completion of the H share offering, the issued capital was increased to RMB9,062 million, and the Company received the approval from the former CIRC in December 2012 for the change of its registered capital. The Company obtained the business licence (registration No. 100000000011107) on 5 February 2013. The Company renewed its business licence on 15 December 2015, and its unified social credit code is No. 91310000132211707B.

In June 2020, the Company issued 102,873,300 Global Depositary Receipts ("GDRs") on the London Stock Exchange (the "LSE") and became listed on the LSE. In July 2020, the Company further issued 8,794,991 GDRs. Each GDR represents five A shares of the Company. After the GDR issuance, the issued capital of the Company was increased to approximately RMB9,620 million.

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

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

II. BASIS OF PREPARATION

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

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

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

The accounting policies applied in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025. These financial statements should be read in conjunction with the Group's financial statements for 2025.

III. TAXES

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

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

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

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

IV. SCOPE OF CONSOLIDATION

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2026 are as follows:

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
China Pacific Property Insurance Co., Ltd. ("CPIC Property")	Joint stock limited company	Property and casualty insurance	Shanghai	The PRC	19,948,088	19,948,088	98.50	-	98.50	
China Pacific Life Insurance Co., Ltd. ("CPIC Life")	Joint stock limited company	Life and health insurance	Shanghai	The PRC	8,628,200	8,628,200	98.29	-	98.29	
Pacific Asset Management Co., Ltd. ("CPIC Asset Management")	Limited liability company	Investment management	Shanghai	Shanghai	2,100,000	2,100,000	80.00	19.67	100.00	
China Pacific Insurance Co., (H.K.) Ltd. ("CPIC H.K.")	Limited liability company	Property and casualty insurance	Hong Kong	Hong Kong	HKD250,000 thousand	HKD250,000 thousand	-	98.50	100.00	
Shanghai Pacific Insurance Real Estate Management Co., Ltd. ("CPIC Real Estate")	Limited liability company	Real estate management	Shanghai	Shanghai	115,000	115,000	100.00	-	100.00	
Changjiang Pension Insurance Co., Ltd. ("Changjiang Pension")	Joint stock limited company	Pension fund and insurance asset management	Shanghai	Shanghai	3,000,000	3,000,000	-	61.10	62.16	
CPIC Investment Management (H.K.) Company Limited ("CPIC Investment (H.K.)")	Limited liability company	Investment management	Hong Kong	Hong Kong	HKD200,000 thousand	HKD200,000 thousand	12.25	87.46	100.00	
City Island Developments Limited ("City Island")	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	USD50,000	USD1,000	-	98.29	100.00	
Great Winwick Limited*	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	USD50,000	USD100	-	98.29	100.00	
Great Winwick (Hong Kong) Limited*	Limited liability company	Investment holding	Hong Kong	Hong Kong	HKD10,000	HKD1	-	98.29	100.00	
Newscott Investments Limited*	Limited liability company	Investment holding	The British Virgin Islands	The British Virgin Islands	USD50,000	USD100	-	98.29	100.00	
Newscott (Hong Kong) Investments Limited*	Limited liability company	Investment holding	Hong Kong	Hong Kong	HKD10,000	HKD1	-	98.29	100.00	
Shanghai Xin Hui Property Development Co., Ltd.*	Limited liability company	Real estate	Shanghai	Shanghai	USD15,600 thousand	USD15,600 thousand	-	98.29	100.00	
Shanghai He Hui Property Development Co., Ltd.*	Limited liability company	Real estate	Shanghai	Shanghai	USD46,330 thousand	USD46,330 thousand	-	98.29	100.00	

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2026 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
Pacific Insurance Online Services Technology Co., Ltd. ("CPIC Online Services")	Limited liability company	Consulting services, etc.	Shandong	The PRC	200,000	200,000	100.00	-	100.00	
Tianjin Trophy Real Estate Co., Ltd.	Limited liability company	Real estate	Tianjin	Tianjin	353,690	353,690	-	98.29	100.00	
Pacific Insurance Senior Living Investment Management Co., Ltd. ("CPIC Senior Living Investment")	Limited liability company	Senior living property investment, etc.	Shanghai	Shanghai	5,000,000	5,000,000	-	98.29	100.00	
Pacific Health Insurance Co., Ltd. ("CPIC Health")	Joint stock limited company	Health insurance	Shanghai	The PRC	3,600,000	3,600,000	85.05	14.69	100.00	
Pacific Anxin Agricultural Insurance Co., Ltd. ("PAAIC")	Joint stock limited company	Property and casualty insurance	Shanghai	The PRC	1,080,000	1,080,000	-	66.76	67.78	
Pacific Medical & Healthcare Management Co., Ltd. ("Pacific Medical & Healthcare")	Limited liability company	Medical consulting services, etc.	Shanghai	Shanghai	2,200,000	2,200,000	-	98.29	100.00	
Pacific Insurance Agency Co., Ltd.	Limited liability company	Insurance agency	Shanghai	Shanghai	50,000	50,000	-	100.00	100.00	
CPIC Fund Management Co., Ltd. ("CPIC Fund")	Limited liability company	Fund management	Shanghai	Shanghai	150,000	150,000	-	50.83	51.00	
CPIC Senior Living Development (Chengdu) Co., Ltd. ("Chengdu Project Company")	Limited liability company	Senior living property investment and construction, etc.	Chengdu	Chengdu	1,083,475	1,083,475	-	98.29	100.00	
CPIC Senior Living Development (Hangzhou) Co., Ltd. ("Hangzhou Project Company")	Limited liability company	Senior living property investment and construction, etc.	Hangzhou	Hangzhou	1,200,000	1,100,000	-	98.29	100.00	(1)
CPIC Senior Living Development (Xiamen) Co., Ltd.	Limited liability company	Senior living property investment and construction, etc.	Xiamen	Xiamen	900,000	900,000	-	98.29	100.00	
Pacific Care Home (Chengdu) Senior Living Service Co., Ltd.	Limited liability company	Seniors care and health consultation, etc.	Chengdu	Chengdu	60,000	43,000	-	98.29	100.00	

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2026 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
CPIC Senior Living Development (Nanjing) Co., Ltd. ("Nanjing Project Company")	Limited liability company	Senior living property investment and construction, etc.	Nanjing	Nanjing	702,000	702,000	-	98.29	100.00	(2)
Pacific Care Home (Dali) Co., Ltd.	Limited liability company	"Migrant-style" senior living, etc.	Dali	Dali	608,000	608,000	-	74.70	76.00	
CPIC (Shanghai) Senior Care Development Co., Ltd.	Limited liability company	Senior living property investment and construction, etc.	Shanghai	Shanghai	250,000	250,000	-	98.29	100.00	
Pacific Care Home (Hangzhou) Senior Living Service Co., Ltd.	Limited liability company	Seniors care and health consultation, etc.	Hangzhou	Hangzhou	60,000	42,200	-	98.29	100.00	
CPIC Senior Living Development (Wuhan) Co., Ltd.	Limited liability company	Elderly service, real estate development and operation, etc.	Wuhan	Wuhan	980,000	980,000	-	98.29	100.00	
CPIC Capital Company Limited. ("CPIC Capital")	Limited liability company	Private equity investment fund management services	Shanghai	Shanghai	100,000	100,000	-	99.67	100.00	
Shanghai Chongming Pacific Care Home Senior Living Service Co., Ltd.	Limited liability company	"Migrant-style" senior living, etc.	Shanghai	Shanghai	1,253,000	1,070,000	-	98.29	100.00	
Shanghai (Putuo) Pacific Care Home Senior Living Service Co., Ltd.	Limited liability company	Seniors care, nursing service and health consultation, etc.	Shanghai	Shanghai	30,000	28,000	-	98.29	100.00	
Beijing Borui Heming Insurance Agency Co., Ltd.	Limited liability company	Insurance agency	Beijing	The PRC	52,000	52,000	-	98.29	100.00	
China Pacific Life Insurance (H.K.) Company Limited ("CPIC Life (H.K.)")	Limited liability company	Life and health insurance	Hong Kong	Hong Kong	HKD 4,000,000 thousand	HKD 4,000,000 thousand	-	98.29	100.00	
CPIC Senior Living Development (Qingdao) Co., Ltd.	Limited liability company	Elderly service, real estate development and operation, etc.	Qingdao	Qingdao	227,000	193,000	-	98.29	100.00	

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2026 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
Pacific Care Home (Xiamen) Senior Living Service Co., Ltd.	Limited liability company	Seniors care and health consultation, etc.	Xiamen	Xiamen	40,000	30,000	-	98.29	100.00	
CPIC Senior Living Development (Zhengzhou) Co., Ltd.	Limited liability company	Elderly service, real estate development and operation, etc.	Zhengzhou	Zhengzhou	650,000	650,000	-	98.29	100.00	
CPIC Senior Living Development (Beijing) Co., Ltd.	Limited liability company	Elderly service, real estate development and operation, etc.	Beijing	Beijing	800,000	800,000	-	98.29	100.00	
Pacific Insurance Technology Co., Ltd. ("CPIC Technology")	Limited liability company	Technical services, cloud computing services, big data services	Shanghai	Shanghai	700,000	700,000	100.00	-	100.00	
Xinbaoyu (Guangzhou) Co., Ltd. ("Xinbaoyu")	Limited liability company	Business service, property management, and lease of non-residential real estate	Guangzhou	Guangzhou	3,649,990	3,649,990	-	98.46	100.00	(3)
Pacific Insurance Technology Services (Wuhan) Co., Ltd.	Limited liability company	Technical services, technical consulting services	Wuhan	Wuhan	100,000	100,000	-	100.00	100.00	
Pacific Health Management (Sanya) Co., Ltd	Limited liability company	Elderly service, real estate development and operation, etc.	Sanya	Sanya	490,000	490,000	-	98.29	100.00	
Pacific Care Home (Nanjing) Senior Living Service Co., Ltd	Limited liability company	Seniors care and health consultation, etc.	Nanjing	Nanjing	30,000	7,000	-	98.29	100.00	
Shanghai (Jing'an) Pacific Care Home Senior Living Service Co., Ltd.	Limited liability company	"Migrant-style" senior living, etc.	Shanghai	Shanghai	426,367	426,367	-	98.29	100.00	
Pacific Care Home (Wuhan) Senior Living Service Co., Ltd	Limited liability company	Seniors care, nursing service and health consultation, etc.	Wuhan	Wuhan	30,000	18,500	-	98.29	100.00	

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2026 are as follows: (continued)

Name	Type of legal entity	Business scope and principal activities	Place of incorporation/ registration	Place of operations	Registered capital (RMB thousand, unless otherwise specified)	Issued capital /Paid-up capital (RMB thousand, unless otherwise specified)	Percentage of equity attributable to the Company (%)		Percentage of voting rights attributable to the Company (%)	Note
							Direct	Indirect		
Xiamen Yuanshen Rehabilitation Hospital Co., Ltd.	Limited liability company	Medical service, hospital management, etc.	Xiamen	Xiamen	160,000	160,000	-	98.29	100.00	
Pacific Care Home (Suzhou) Senior Living Service Co., Ltd	Limited liability company	Seniors care and health consultation, etc.	Suzhou	Suzhou	30,000	11,000	-	98.29	100.00	
Pacific Care Home (Beijing) Senior Living Service Co., Ltd	Limited liability company	Seniors and disability care	Beijing	Beijing	30,000	3,000	-	98.29	100.00	
Pacific Care Home (Zhengzhou) Senior Living Service Co., Ltd	Limited liability company	Seniors and disability care	Zhengzhou	Zhengzhou	45,000	10,000	-	98.29	100.00	
CPIC Senior Living Development (Guangzhou) Co., Ltd. ("Guangzhou Project Company")	Limited liability company	Senior living property investment and construction, etc.	Guangzhou	Guangzhou	830,000	548,000	-	98.29	100.00	(4)
CPIC Senior Living Development (Suzhou) Co., Ltd.	Limited liability company	Elderly services, lease of real estate, etc.	Suzhou	Suzhou	300,000	300,000	-	98.29	100.00	
Jinan Yuanshen Rehabilitation Hospital Co., Ltd. ("Jinan Rehabilitation Hospital")	Limited liability company	Medical service, hospital management, etc.	Jinan	Jinan	260,000	174,000	-	98.29	100.00	(5)
Shanghai Ruiyongjing Real Estate Development Co., Ltd. ("Ruiyongjing Real Estate")	Limited liability company	Real estate development and operation, property management, etc.	Shanghai	Shanghai	14,050,000	14,050,000	-	68.80	70.00	
Pacific NanShanJu (Shanghai) Senior Care Service Co., Ltd.	Limited liability company	Seniors care, nursing service, etc.	Shanghai	Shanghai	5,600	5,600	-	98.29	100.00	
Pacific Care Home (Sanya) Senior Living Service Co., Ltd ("Pacific Care Home at Sanya")	Limited liability company	Elderly services, lease of real estate, etc.	Sanya	Sanya	30,000	19,000	-	98.29	100.00	(6)
CPIC Zhiyuan (Shanghai) Private Equity Fund Management Co., Ltd ("CPIC Zhiyuan")	Limited liability company	Private securities investment fund management service	Shanghai	Shanghai	10,000	10,000	-	99.67	100.00	

* Subsidiaries of City Island

IV. SCOPE OF CONSOLIDATION (continued)

1. Particulars of the Company's incorporated subsidiaries as at 30 June 2026 are as follows: (continued)

(1) Hangzhou Project Company

Hangzhou Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of RMB1,200 million. As of 30 June 2026, the paid-up investment amount of CPIC Life had increased to RMB1,100 million.

(2) Nanjing Project Company

Nanjing Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of RMB702 million. As of 30 June 2026, CPIC Life has fully paid in the total investment amount.

(3) Xinbaoyu

Taibao Xinyi NO.1 Private Investment Fund (Shanghai) Partnership (Limited Partnership)("Taibao Xinyi NO.1") is one of consolidated structured entities of the Group. Xinbaoyu, a jointly-owned subsidiary funded by CPIC Capital and Taibao Xinyi NO.1, with original registered capital of RMB3,650 million. On 15 June 2026, CPIC Capital reduced its subscribed capital contribution by RMB10 thousand. Xinbaoyu updated the business license on 16 June 2026. After the change of Xinbaoyu's registered capital, Taibao Xinyi NO.1 as the sole shareholder of Xinbaoyu, with a total subscribed contribution of RMB3,649.99 million, has fully paid in the total investment amount on 29 August 2022.

(4) Guangzhou Project Company

Guangzhou Project Company, a wholly-owned subsidiary funded by CPIC Life, with registered capital of RMB830 million. As of 30 June 2026, the paid-up investment amount of CPIC Life had increased to RMB548 million.

(5) Jinan Rehabilitation Hospital

Jinan Rehabilitation Hospital, a wholly-owned subsidiary funded by Pacific Medical & Healthcare, with registered capital of RMB260 million. As of 30 June 2026, the paid-up investment amount of Pacific Medical & Healthcare had increased to RMB174 million.

(6) Pacific Care Home at Sanya

Pacific Care Home at Sanya, a wholly-owned subsidiary funded by CPIC Senior Living Investment, with registered capital of RMB30 million. As of 30 June 2026, the paid-up investment amount of CPIC Senior Living Investment had increased to RMB19 million.

IV. SCOPE OF CONSOLIDATION (continued)

2. As at 30 June 2026, material consolidated structured entities of the Group are as follows:

Name	Collective holding by the Group (%)	Product scale (units in RMB thousand)	Nature of business
CPIC Zhiyuan No. 1 Private Securities Investment Fund	100.00	19,776,709	The fund's investment scope includes: (1) Equity instruments: Stocks listed and traded on domestic securities exchanges (including private placements, excluding new share subscriptions), and stocks within the Hong Kong Connect eligibility list; (2) Fixed income instruments: Cash, bank demand deposits, and bond general pledged repurchase agreements.
China Pacific Changhang Equity Investment Fund (Wuhan) Partnership (Limited Partnership) ("China Pacific Changhang")	99.98	10,189,204	Investing in equity investments, investment management and asset management activities with private funds (yet subject to related regulations of the Asset Management Association of China ("AMAC")) (except for projects subject to approval according to law, independently carry out business activities that are not prohibited or restricted by laws and regulations with business license).
CPIC Zengfu Annually Open Pure Debt Type Launching Securities Investment Fund	100.00	8,062,610	Investing in financial instruments with high liquidity including national bonds, government bonds, local treasury bonds, financial bonds, enterprise bonds, corporate bonds, Central Bank bills, medium term notes, short-term commercial paper, super short-term commercial paper, SME private debt, asset-backed security, subordinated debt, the debt part of the convertible bonds, bonds repo, bank deposits (including agreement deposits, notice deposits and term deposits), NCDs, money market instrument, treasury bond futures and other financial instruments that laws and regulations or the CSRC allow funds to invest (yet subject to related regulations of the CSRC).
CPIC Health Industry Private Investment Fund (Shanghai) Partnership (Limited Partnership) ("CPIC Health Fund")	90.90	8,001,113	Investing in equity investments, investment management and asset management activities with private funds (yet subject to related regulations of the AMAC).
CPIC Zengyu Annually Open Pure Debt Type Launching Securities Investment Fund	91.69	5,851,609	Investing in financial instruments with high liquidity including national bonds, government bonds, local treasury bonds, financial bonds, enterprise bonds, corporate bonds, Central Bank bills, medium term notes, short-term commercial paper, super short-term commercial paper, SME private debt, asset-backed security, subordinated debt, the debt part of the convertible bonds, bonds repo, bank deposits (including agreement deposits, notice deposits and term deposits), NCDs, money market instrument, treasury bond futures and other financial instruments that laws and regulations or the CSRC allow funds to invest (yet subject to related regulations of the CSRC).

CPIC Fund, CPIC Capital and CPIC Zhiyuan, etc. are the asset managers of these consolidated structured entities included in the scope of the Group.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2026			
	Currency	Original currency	Exchange rate	RMB
Bank deposits	RMB	37,699	1.00000	37,699
	USD	751	6.81090	5,114
	HKD	17,198	0.86855	14,937
	Others			10
	Subtotal			57,760
Other cash balances	RMB	1,690	1.00000	1,690
	Subtotal			1,690
Total				59,450

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

1. Cash at bank and on hand (continued)

	31 December 2025			
	Currency	Original currency	Exchange rate	RMB
Bank deposits	RMB	37,854	1.00000	37,854
	USD	773	7.02880	5,433
	HKD	19,735	0.90322	17,825
	Others			3
	Subtotal			61,115
Other cash balances	RMB	1,674	1.00000	1,674
	Subtotal			1,674
Total				62,789

As at 30 June 2026, the Group's cash at bank and on hand deposited overseas amounted equivalent to RMB3,863 million (31 December 2025: amounted equivalent to RMB5,297 million). Under PRC's foreign exchange regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business after obtaining approval from foreign exchange regulatory authorities.

As at 30 June 2026, RMB9,328 million were time deposits with original maturity of no more than three months (31 December 2025: RMB4,081 million).

As at 30 June 2026, RMB335 million in the Group's cash at bank and on hand balance were restricted for special-purpose use (31 December 2025: RMB288 million).

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

2. Securities purchased under agreements to resell

	30 June 2026	31 December 2025
Securities – bonds		
Inter-bank market	31,902	18,795
Stock exchange	15,548	5,717
Subtotal	47,450	24,512
Less: Impairment provisions	-	-
Total	47,450	24,512

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

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

3. Term deposits

Term to maturity	30 June 2026	31 December 2025
At amortised cost		
Within 3 months (inclusive)	2,760	5,181
3 months to 1 year (inclusive)	11,018	7,262
1 to 2 years (inclusive)	4,339	9,797
2 to 3 years (inclusive)	13,032	3,302
3 to 4 years (inclusive)	8,860	11,910
4 to 5 years (inclusive)	4,382	10,618
Less: Impairment provisions	(20)	(29)
Fair value through other comprehensive income		
Within 3 months (inclusive)	10,951	2,587
3 months to 1 year (inclusive)	25,257	26,077
1 to 2 years (inclusive)	26,670	27,744
2 to 3 years (inclusive)	40,613	22,219
3 to 4 years (inclusive)	20,641	37,798
4 to 5 years (inclusive)	33,550	22,844
Including:		
Amortised cost	155,717	137,358
Accumulated changes in fair value	1,965	1,911
Total	202,053	187,310

As at 30 June 2026, the impairment provision recognised for term deposits at fair value through other comprehensive income was RMB69 million (31 December 2025: RMB108 million).

4. Financial assets at fair value through profit or loss

	30 June 2026	31 December 2025
Listed	267,218	249,761
Unlisted	488,718	465,107
Total	755,936	714,868
Bonds	282,973	272,353
Government bonds	3,335	4,919
Finance bonds	260,783	245,192
Enterprise bonds	18,855	22,242
Stocks	242,545	212,808
Funds	84,610	84,887
Unlisted equity shares investments	78,583	72,334
Debt investment plans	35,720	35,795
Investment in asset management products	16,640	24,586
Others	14,865	12,105
Total	755,936	714,868

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

5. Financial assets at amortised cost

	30 June 2026	31 December 2025
Listed	2,963	3,112
Unlisted	45,604	51,429
Subtotal	48,567	54,541
Less: Impairment provisions	(1,927)	(1,940)
Net value	46,640	52,601
Bonds	18,695	18,726
Government bonds	17,624	17,385
Enterprise bonds	1,071	1,341
Debt investment plans	25,693	30,461
Investment trust	1,223	1,363
Others	2,956	3,991
Subtotal	48,567	54,541
Less: Impairment provisions	(1,927)	(1,940)
Net value	46,640	52,601

6. Debt investments at fair value through other comprehensive income

	30 June 2026	31 December 2025
Listed	85,339	75,021
Unlisted	1,748,338	1,697,057
Total	1,833,677	1,772,078
Bonds	1,647,974	1,564,577
Government bonds	1,401,546	1,330,002
Finance bonds	86,426	89,064
Enterprise bonds	160,002	145,511
Debt investment plans	132,229	150,039
Investment trust	13,703	15,854
Preferred shares	33,035	33,847
Others	6,736	7,761
Total	1,833,677	1,772,078
Including:		
Amortised cost	1,646,563	1,605,701
Accumulated changes in fair value	187,114	166,377

As at 30 June 2026, the impairment provision for the Group's debt investment at fair value through other comprehensive income was RMB3,244 million (31 December 2025: RMB4,039 million).

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

7. Equity investments at fair value through other comprehensive income

	30 June 2026	31 December 2025
Stocks	128,752	124,846
Preferred shares	8,225	8,705
Perpetual bonds	9,118	9,699
Others	32,365	32,911
Total	178,460	176,161
Including:		
Cost	175,775	156,736
Accumulated changes in fair value	2,685	19,425

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

For the six months ended 30 June 2026, the Group disposed equity investments at fair value through other comprehensive income of RMB7,317 million (For the six months ended 30 June 2025: RMB9,926 million) because of the optimisation of asset allocation and asset and liability management. The amount transferred from other comprehensive income/(loss) to retained profits was RMB1,096 million (For the six months ended 30 June 2025: RMB425 million) due to the disposals, etc.

8. Long-term equity investments

	30 June 2026	31 December 2025
Joint ventures	41	43
Associates		
Taijiashan Health Industry Equity Investment Fund (Shanghai) LLP. ("Taijiashan")	3,605	3,343
Yangtze River Delta Synergy Industry Investment Fund	2,260	2,124
Shanghai Sci-Tech Innovation Centre Capital II LLP.	1,830	1,669
Shanghai Hi-Tech Park United Development Co., Ltd.	1,824	1,826
Shanghai Xingqi Hengtai Enterprise Management Partnership (Limited Partnership)	956	956
Zhongbao Rongxin Private Equity Fund Co., Ltd.	924	889
Shanghai Lingang GLP International Logistics Development Co., Ltd.	902	915
Shanghai Biomedical Industry Equity Investment Fund LLP.	745	817
Others	2,241	2,034
Subtotal	15,287	14,573
Total	15,328	14,616

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

9. Restricted statutory deposits

	30 June 2026	31 December 2025
CPIC Property	3,989	3,989
CPIC Life	1,726	1,726
CPIC Health	920	720
PAAIC	530	260
Subtotal	7,165	6,695
Add: Interest receivables	156	207
Less: Impairment provisions	(2)	(2)
Total	7,319	6,900

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

10. Other assets

	30 June 2026	31 December 2025
Other receivables	11,522	11,406
Leasehold improvements	836	951
Others	4,974	3,699
Total	17,332	16,056

11. Securities sold under agreements to repurchase

	30 June 2026	31 December 2025
Securities – bonds		
Inter-bank market	152,338	195,923
Stock exchange	17,757	23,007
Total	170,095	218,930

As at 30 June 2026, the Group's bonds with par value of approximately RMB158,994 million (31 December 2025: approximately RMB206,540 million) were pledged for the inter-bank securities sold under agreements to repurchase.

As at 30 June 2026, the Group's standard bonds with par value of approximately RMB17,753 million (31 December 2025: approximately RMB23,003 million) were pledged for the stock exchange securities sold under agreements to repurchase.

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

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

12. Bonds payable

On 9 March 2023, CPIC Property issued a 10-year capital replenishment bond with a total face value of RMB7 billion in the interbank market. CPIC Property has a conditional option to redeem the bond at the end of the fifth interest-bearing year. The capital replenishment bond pays interest at an initial coupon rate of 3.72% per annum. If CPIC Property does not exercise the early redemption option, the annual coupon rate for the next five years would increase to 4.72% from the sixth interest-bearing year to the maturity of the debt.

On 3 April 2023, CPIC Property issued a 10-year capital replenishment bond with a total face value of RMB3 billion in the interbank market. CPIC Property has a conditional option to redeem the bond at the end of the fifth interest-bearing year. The capital replenishment bond pays interest at an initial coupon rate of 3.55% per annum. If CPIC Property does not exercise the early redemption option, the annual coupon rate for the next five years would increase to 4.55% from the sixth interest-bearing year to the maturity of the debt.

On 18 September 2025, the Company publicly issued the 5-year zero coupon convertible bonds due 2030 in the aggregate principal amount of HKD15.556 billion on The Stock Exchange of Hong Kong Limited (the "Convertible Bonds"). Subject to the terms and conditions, the bondholders may exercise their rights to convert the Convertible Bonds into the Company’s H-shares at the stipulated conversion price at any time on or after the 41st day after the issue date up to the close of business on the date falling seven working days prior to the maturity date. Under certain conditions, the Convertible Bonds have the cash settlement option, issuer’s redemption option and bondholders’ redemption option. The initial conversion price was HKD39.04 per H share. The conversion price of the Convertible Bonds shall be adjusted in accordance with the adjustment mechanisms and calculation formulas stipulated in the terms.

Issuer	31 December 2025	Issuance	Amortisation of bond premium or discount	Interest accrued in the period	Interest payment/ reimbursement in the period	Others	30 June 2026
The Company	12,391	-	162	-	-	(478)	12,075
CPIC Property	10,287	-	-	183	(367)	-	10,103
Total	22,678	-	162	183	(367)	(478)	22,178

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

13. Insurance contract liabilities/(assets)

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

	30 June 2026	31 December 2025
Insurance contract liabilities		
Liabilities for remaining coverage	2,515,624	2,356,563
Including: Excluding loss component	2,500,503	2,341,068
Loss component	15,121	15,495
Liabilities for incurred claims	115,627	110,044
Total insurance contract liabilities	2,631,251	2,466,607
Net liabilities of insurance contracts	2,631,251	2,466,607

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

	30 June 2026	31 December 2025
Insurance contract liabilities		
Present value of future cash flows	2,084,965	1,938,661
Risk adjustment for non-financial risk	22,661	22,211
Contractual service margin	368,779	356,842
Total insurance contract liabilities	2,476,405	2,317,714
Net liabilities of insurance contracts	2,476,405	2,317,714

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

	For the six months ended 30 June 2026		
	Group of onerous contracts initially recognised in the period	Others	Total
Insurance acquisition cash flows	401	11,320	11,721
Others	21,666	107,723	129,389
Present value of future cash outflows	22,067	119,043	141,110
Present value of future cash inflows	(21,761)	(131,770)	(153,531)
Risk adjustment for non-financial risk	47	471	518
Contractual service margin	-	12,256	12,256
Impact of insurance contracts initially recognised in the current period	353	-	353

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

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

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

	For the six months ended 30 June 2025		
	Group of onerous contracts initially recognised in the period	Others	Total
Insurance acquisition cash flows	1,529	8,977	10,506
Others	39,426	79,572	118,998
Present value of future cash outflows	40,955	88,549	129,504
Present value of future cash inflows	(40,262)	(101,186)	(141,448)
Risk adjustment for non-financial risk	341	874	1,215
Contractual service margin	-	11,763	11,763
Impact of insurance contracts initially recognised in the current period	1,034	-	1,034

14. Reinsurance contract assets/(liabilities)

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

	30 June 2026	31 December 2025
Reinsurance contract assets		
Assets for remaining coverage	18,331	18,652
Including: Excluding loss-recovery component	16,967	17,338
Loss-recovery component	1,364	1,314
Assets for incurred claims	27,766	29,094
Total reinsurance contract assets	46,097	47,746
Net assets of reinsurance contract	46,097	47,746

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

	30 June 2026	31 December 2025
Reinsurance contract assets		
Present value of future cash flows	12,239	12,429
Risk adjustment for non-financial risk	274	246
Contractual service margin	2,894	2,791
Total reinsurance contract assets	15,407	15,466
Net assets of reinsurance contract	15,407	15,466

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

15. Issued capital

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

	As at 1 January 2026		Increase/(Decrease) of number of shares		As at 30 June 2026	
	Number of shares	Percentage of shareholding	Newly issued	Others	Number of shares	Percentage of shareholding
I. Shares with trading restrictions						
Shares held by domestic non-state owned legal persons	-	0%	-	-	-	0%
Subtotal	-	0%	-	-	-	0%
II. Shares without trading restrictions						
Ordinary shares denominated in RMB	6,844	71%	-	-	6,844	71%
Foreign shares listed overseas	2,776	29%	-	-	2,776	29%
Subtotal	9,620	100%	-	-	9,620	100%
III. Total	9,620	100%	-	-	9,620	100%

As at 30 June 2026, the number of shares which the Company issued and fully paid at RMB1 each is 9,620 million. As at 31 December 2025, the number of shares which the Company issued and fully paid at RMB1 each is 9,620 million.

16. Capital reserves

	30 June 2026	31 December 2025
Capital premium	79,008	79,008
Impact of capital injection to subsidiaries, etc.	2,105	2,105
Impact of equity transactions with non-controlling interests	(131)	(131)
Impact of other changes in the equity of investees accounted for using the equity method	317	336
Redistribution of cumulative changes in fair value of available-for-sale financial assets when purchasing equity from non-controlling interests	(1,413)	(1,413)
Impact of phased business combinations	28	28
Impact of capital invested by other equity instrument holders	(3)	(3)
Others	2	2
Total	79,913	79,932

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

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

17. Surplus reserves

	Statutory surplus reserve (the "SSR")
1 January 2025 and 31 December 2025	5,114
Appropriations	-
30 June 2026	5,114

18. General reserves

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

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

19. Profit distribution and retained profits

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

(1) Making up for losses brought forward from prior years;

(2) Appropriating to SSR at 10% of the net profit;

(3) Making appropriation to the discretionary surplus reserve ("DSR") in accordance with the resolution of the Shareholders' Meeting; and

(4) Paying dividends to shareholders.

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

The balance of SSR reached 50% of the respective registered capital. The Company did not set aside SSR for the six months ended 30 June 2026.

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

19. Profit distribution and retained profits (continued)

After making necessary appropriations to the SSR, the Company and its subsidiaries in the PRC may also appropriate a portion of their net profit to the DSR upon the approval of the Shareholders' Meetings. Subject to the approval of the shareholders, the DSR may be used to offset accumulated losses, if any, and may be converted into registered capital. The Company did not set aside DSR for the six months ended 30 June 2026.

Pursuant to the resolution of the 21st meeting of the 10th Board of Directors of the Company held on 26 March 2026, a final dividend of approximately RMB11,063 million (equivalent to annual cash dividend of RMB1.15 per share (including tax)) was proposed. The profit distribution plan was approved by the Shareholders' Meeting on 10 June 2026.

According to the resolution of the Shareholders' Meeting, Board of Directors of the Company is authorized to formulate the company's mid-term profit distribution plan for 2026 and implement it within the specified period, provided that the conditions for profit distribution are met. According to the resolution of the 25th meeting of the 10th Board of Directors of the Company on August 27, 2026, a mid-term dividend of approximately RMB4,041 million (RMB0.42 per share (including tax)) will be distributed for 2026.

20. Insurance revenue

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Insurance contracts not measured under the premium allocation approach		
Amounts relating to the changes in the liability for remaining coverage:	30,301	30,296
Amortisation of contractual service margin	13,807	13,105
Changes in the risk adjustment for non-financial risk	556	544
Insurance service expenses expected to be incurred in the period	15,353	15,739
Experience adjustments for premium receipts that relate to current or past services	585	908
Amortisation of insurance acquisition cash flows	10,595	10,885
Subtotal of insurance contracts not measured under the premium allocation approach	40,896	41,181
Insurance contracts measured under the premium allocation approach	102,400	100,643
Total of insurance revenue	143,296	141,824

21. Interest income

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Interest income of debt investments at fair value through other comprehensive income	25,659	24,446
Interest income of term deposits	3,036	3,021
Interest income of financial assets at amortised cost	958	1,179
Interest income of securities purchased under agreements to resell	102	95
Interest income of restricted statutory deposits	92	101
Others	276	219
Total	30,123	29,061

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

22. Investment income

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Realised gains/(losses)		
Financial instruments held for trading and other financial instruments at fair value through profit or loss	17,266	4,739
Debt investments at fair value through other comprehensive income	3,421	2,327
Long-term equity investments	-	1,603
Derivatives	38	(48)
Gains during the holding period		
Financial instruments held for trading and other financial instruments at fair value through profit or loss	8,553	9,746
Dividend income from equity investments at fair value through other comprehensive income	3,667	3,449
Share of profits/(losses) of associates and joint ventures	686	(145)
Total	33,631	21,671

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

23. Gains arising from changes in fair value

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Stock investments	(8,729)	2,588
Bond investments	3,892	(1,368)
Fund investments	4,205	3,915
Derivatives	1,282	21
Others	2,335	700
Total	2,985	5,856

24. Other operating income

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Income from management fee	1,410	1,258
Rental income from investment properties	425	311
Others	462	349
Total	2,297	1,918

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

25. Insurance service expenses

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Insurance contracts not measured under the premium allocation approach		
Incurred claims and other expenses in the period	13,831	14,502
Amortisation of insurance acquisition cash flows	10,595	10,885
Recognition and reversals of loss component	851	1,769
Changes in fulfilment cash flows related to liabilities for incurred claims	(1,497)	(965)
Subtotal	23,780	26,191
Insurance contracts measured under the premium allocation approach		
Incurred claims and other expenses in the period	74,640	73,502
Amortisation of insurance acquisition cash flows	23,771	23,652
Recognition and reversals of loss component	(171)	(868)
Changes in fulfilment cash flows related to liabilities for incurred claims	(2,949)	(2,308)
Subtotal	95,291	93,978
Total	119,071	120,169

26. Interest expenses

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Securities sold under agreements to repurchase	1,341	1,815
Debt	349	187
Interest expenses on lease liabilities	18	37
Others	188	178
Total	1,896	2,217

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

27. Operating and administrative expenses

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Payroll and welfare benefits	10,883	10,707
Professional service fees	3,482	3,256
Advertising expenses (including business publicity expenses)	3,400	3,007
Outsourcing service fees	1,466	1,568
Insurance security funds withdrawal	1,351	1,432
General office and travel expenses	905	988
Depreciation of fixed assets	648	595
Amortisation of intangible assets	567	578
Depreciation of right-of-use assets	400	516
Property management fees	345	359
Consulting fees	312	251
Labour costs	245	281
Amortisation of other long-term assets	191	196
Short-term and low-value assets leasing fees	33	11
Others	2,595	2,135
Subtotal	26,823	25,880
Less: Insurance acquisition cash flows incurred in the period	(17,649)	(17,047)
Other insurance fulfilment cash flows incurred in the period	(5,730)	(5,371)
Total	3,444	3,462

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

28. Impairment losses on financial assets

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Impairment loss of debt investments at fair value through other comprehensive income	(57)	117
Impairment loss of financial assets at amortised cost	(13)	(129)
Impairment loss of term deposits	(48)	22
Impairment loss of others	116	4
Total	(2)	14

29. Other operating expenses

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Depreciation of investment properties	425	194
Interest expenses for policyholders' investment contract liabilities	45	56
Others	552	342
Total	1,022	592

30. Income tax

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Current income tax	3,668	3,182
Deferred income tax	(669)	271
Total	2,999	3,453

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Profit before tax	34,653	32,259
Taxes calculated at the statutory tax rate of 25%	8,663	8,065
Income tax adjustment for prior years	84	109
Non-taxable income	(5,651)	(5,232)
Non-deductible expenses	266	287
Others	(363)	224
Income tax calculated at applicable tax rates	2,999	3,453

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

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

31. Other comprehensive income/(loss)

	Other comprehensive income/(loss) in balance sheet			Other comprehensive income/(loss) in income statement					
	1 January 2026	Attributable to the Company - net of tax	30 June 2026	Amount incurred before income tax	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to profit or loss in current period	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to retained profits in current period	Less: Income tax	Attributable to the Company - net of tax	Attributable to non-controlling interests - net of tax
Other comprehensive income/(loss) that will not be reclassified to profit or loss	11,888	(9,375)	2,513	(11,437)	-	(940)	2,859	(9,375)	(143)
Changes in the fair value of equity investments at fair value through other comprehensive income	14,328	(12,321)	2,007	(15,222)	-	(1,096)	3,805	(12,321)	(192)
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss	(2,440)	2,946	506	3,785	-	156	(946)	2,946	49
Other comprehensive income/(loss) that will be reclassified to profit or loss	(29,278)	5,795	(23,483)	11,669	(3,748)	-	(2,020)	5,795	106
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(119)	(33)	(152)	(44)	-	-	11	(33)	-
Changes in the fair value of debt instruments at fair value through other comprehensive income	124,756	15,256	140,012	23,572	(2,872)	-	(5,175)	15,256	269
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	3,164	(615)	2,549	(96)	(738)	-	209	(615)	(10)
Exchange differences on translation of foreign operations	38	(152)	(114)	(155)	-	-	-	(152)	(3)
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss	(157,125)	(8,656)	(165,781)	(11,603)	(138)	-	2,935	(8,656)	(150)
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss	8	(5)	3	(5)	-	-	-	(5)	-
Total	(17,390)	(3,580)	(20,970)	232	(3,748)	(940)	839	(3,580)	(37)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

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

	Other comprehensive income/(loss) in balance sheet			Other comprehensive income/(loss) in income statement					
	1 January 2025	Attributable to the Company - net of tax	30 June 2025	Amount incurred before income tax	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to profit or loss in current period	Less: Recognised in other comprehensive income/(loss) in previous period but transferred to retained profits in current period	Less: Income tax	Attributable to the Company - net of tax	Attributable to non-controlling interests - net of tax
Other comprehensive income/(loss) that will not be reclassified to profit or loss	5,191	1,173	6,364	1,970	-	(275)	(492)	1,173	30
Changes in the fair value of equity investments at fair value through other comprehensive income	7,457	1,428	8,885	2,518	-	(425)	(629)	1,428	36
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss	(2,266)	(255)	(2,521)	(548)	-	150	137	(255)	(6)
Other comprehensive income/(loss) that will be reclassified to profit or loss	9,726	(28,480)	(18,754)	(36,167)	(2,355)	-	9,544	(28,480)	(498)
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(97)	-	(97)	-	-	-	-	-	-
Changes in the fair value of debt instruments at fair value through other comprehensive income	181,397	5,298	186,695	9,686	(2,502)	-	(1,796)	5,298	90
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	3,260	101	3,361	138	(2)	-	(34)	101	1
Exchange differences on translation of foreign operations	83	(17)	66	(17)	-	-	-	(17)	-
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss	(174,881)	(33,895)	(208,776)	(46,019)	149	-	11,386	(33,895)	(589)
Insurance finance income/(expenses) for reinsurance contracts held that will be reclassified to profit or loss	(36)	33	(3)	45	-	-	(12)	33	-
Total	14,917	(27,307)	(12,390)	(34,197)	(2,355)	(275)	9,052	(27,307)	(468)

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

32. Earnings per share

(1) Basic earnings per share

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Consolidated net profit for the period attributable to shareholders of the parent	30,775	27,885
Weighted average number of ordinary shares in issue (million shares)	9,620	9,620
Basic earnings per share (RMB Yuan)	3.20	2.90

(2) Diluted earnings per share

Assuming the HKD15,556 million zero coupon convertible bonds issued by the Company in 2025 have been converted, diluted earnings per share is calculated by dividing the adjusted consolidated net profit for the period attributable to shareholders of the parent by the adjusted weighted average number of ordinary shares in issue. For the six months ended 30 June 2025, there were no dilutive potential ordinary shares.

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Consolidated net profit for the period attributable to shareholders of the parent	30,775	27,885
Add: Interest expense and exchange (gains)/losses related to convertible bonds (after tax), net	(237)	-
Add: (Gains)/losses from changes in fair value of the conversion right of the convertible bonds (after tax)	(944)	-
Adjusted consolidated net profit for the period attributable to shareholders of the parent	29,594	27,885
Weighted average number of ordinary shares in issue (million shares)	9,620	9,620
Add: Weighted average number of ordinary shares assuming full conversion of the convertible bonds (million shares)	415	-
Adjusted weighted average number of ordinary shares in issue (million shares)	10,035	9,620
Diluted earnings per share (RMB Yuan)	2.95	2.90

V. NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

33. Cash and cash equivalents

	30 June 2026	31 December 2025
Cash:		
Cash at bank readily available for payments	57,419	60,824
Other cash balances readily available for payments	1,690	1,674
Cash equivalents:		
Investments with an initial term within 3 months	47,446	24,508
Total	106,555	87,006

VI. SEGMENT INFORMATION

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

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

The Group's operating segments are listed as follows:

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

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

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

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2026				
	Life and health insurance	Property and casualty insurance	Asset management	Others and eliminations	Total
Insurance revenue	45,179	98,409	-	(292)	143,296
Interest income	27,155	2,181	106	681	30,123
Investment income	35,360	1,874	28	(3,631)	33,631
Including: Share of profits/(losses) of associates and joint ventures	6,073	15	3	(5,405)	686
Other income	23	66	38	10	137
(Losses)/gains arising from changes in fair value	(4,059)	(582)	35	7,591	2,985
Exchange losses	(131)	(46)	-	(173)	(350)
Other operating income	556	144	1,974	(377)	2,297
Gains on disposal of assets	4	15	-	(2)	17
Operating income	104,087	102,061	2,181	3,807	212,136
Insurance service expenses	(28,465)	(90,888)	-	282	(119,071)
Allocation of reinsurance premiums	(907)	(8,023)	-	244	(8,686)
Less: Recoveries of insurance service expenses from reinsurers	460	6,706	-	(189)	6,977
Insurance finance expenses for insurance contracts issued	(47,643)	(1,099)	-	(1,165)	(49,907)
Less: Reinsurance finance income for reinsurance contracts held	267	250	-	(5)	512
Others	(2,884)	(1,446)	(1,083)	(1,856)	(7,269)
Operating expenses	(79,172)	(94,500)	(1,083)	(2,689)	(177,444)
Operating profit	24,915	7,561	1,098	1,118	34,692
Add: Non-operating income	5	42	-	1	48
Less: Non-operating expenses	(26)	(29)	(3)	(29)	(87)
Profit before tax	24,894	7,574	1,095	1,090	34,653
Less: Income tax	(586)	(1,549)	(263)	(601)	(2,999)
Net profit for the period	24,308	6,025	832	489	31,654

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2026				
	Life and health insurance	Property and casualty insurance	Asset management	Others and eliminations	Total
Supplementary information:					
Capital expenditure	89	214	29	506	838
Depreciation and amortisation	810	711	105	790	2,416
Impairment losses on financial assets	(90)	97	(5)	(4)	(2)
As at 30 June 2026					
Long-term equity investments	150,357	247	11	(135,287)	15,328
Financial assets*	2,465,641	172,255	10,392	166,439	2,814,727
Reinsurance contract assets	15,418	31,351	-	(672)	46,097
Term deposits	160,239	30,313	-	11,501	202,053
Others	88,278	35,397	4,982	72,529	201,186
Segment assets	2,879,933	269,563	15,385	114,510	3,279,391
Insurance contract liabilities	2,472,005	159,876	-	(630)	2,631,251
Bonds payable	-	10,103	-	12,075	22,178
Securities sold under agreements to repurchase	162,536	300	948	6,311	170,095
Others	58,658	25,857	4,230	16,276	105,021
Segment liabilities	2,693,199	196,136	5,178	34,032	2,928,545

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

VI. SEGMENT INFORMATION (continued)

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

VI. SEGMENT INFORMATION (continued)

Items	For the six months ended 30 June 2025				
	Life and health insurance	Property and casualty insurance	Asset management	Others and eliminations	Total
Supplementary information:					
Capital expenditure	51	719	41	829	1,640
Depreciation and amortisation	910	728	107	410	2,155
Impairment losses on financial assets	81	(40)	-	(27)	14
As at 31 December 2025					
Long-term equity investments	143,744	231	8	(129,367)	14,616
Financial assets*	2,383,600	161,183	9,889	161,041	2,715,713
Reinsurance contract assets	15,646	32,879	-	(779)	47,746
Term deposits	141,382	31,320	-	14,608	187,310
Others	69,839	31,384	4,957	73,202	179,382
Segment assets	2,754,211	256,997	14,854	118,705	3,144,767
Insurance contract liabilities	2,314,906	152,475	-	(774)	2,466,607
Bonds payable	-	10,287	-	12,391	22,678
Securities sold under agreements to repurchase	210,497	1,043	1,159	6,231	218,930
Others	54,907	22,822	2,789	21,810	102,328
Segment liabilities	2,580,310	186,627	3,948	39,658	2,810,543

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

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Major related parties

The Company's major related parties comprise:

(1) Subsidiaries of the Company;

(2) Investors who exert significant influence on the Company;

(3) Joint ventures and associates of the Company;

(4) Key management personnel of the Company and close family members of such individuals;

(5) Enterprise annuity fund established by the Group; and

(6) Legal entities or other organisations other than the Company and its holding subsidiaries, in which the Company's associated natural persons serve as directors and senior management personnel.

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

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related party relationships

(1) Related parties controlled by the Company

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

(2) Other major related parties

Name of entity	Relationship with the Company
Hwabao Investments Co., Ltd.	Shareholder with over 5% voting rights of the Company
Shenergy (Group) Company Limited	Shareholder with over 5% voting rights of the Company
Shanghai State-Owned Assets Operation Co., Ltd.	Shareholder with over 5% voting rights of the Company
China Baowu Steel Group Corporation Limited	Parent company of shareholders holding over 5% voting rights of the Company
Shanghai International Group Co., Ltd.	Parent company of shareholders holding over 5% voting rights of the Company
Baoshan Iron & Steel Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Baowu Carbon Technology Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Shanghai Baoxin Software Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Taiyuan Iron & Steel (Group) Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Hwabao WP Fund Management Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Shanghai International Group Asset Management Co., Ltd.	Subsidiary of parent company of shareholders holding over 5% voting rights of the Company
Hainan Shenergy New Energy Co., Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Shanghai Gas Co., Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Shenergy Company Limited	Subsidiary of shareholders holding over 5% voting rights of the Company
Shanghai LNG Company Ltd.	Subsidiary of shareholders holding over 5% voting rights of the Company
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd. ("Binjiang-Xiangrui")	Joint venture of the Company
Pacific Euler Hermes Insurance Sales Co., Ltd. ("Euler Hermes")	Joint venture of the Company
Shanghai Juche Information Technology Co., Ltd. ("Juche")	Associate of the Company
Zhongdao Automobile Rescue Industry Co., Ltd. ("Zhongdao")	Associate of the Company
Shanghai Shantai Healthcare and Technology Company Limited ("Shantai Healthcare")	Associate of the Company
Hangzhou Dayu Internet Technology Co., Ltd. ("Dayu Technology")	Associate of the Company
The Company's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Property's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Life's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Asset Management's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Online Services' enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Health's enterprise annuity plan	Enterprise annuity fund established by the Group

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related party relationships (continued)

(2) Other major related parties (continued)

Name of entity	Relationship with the Company
CPIC Senior Living Investment's enterprise annuity plan	Enterprise annuity fund established by the Group
PAAIC's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Real Estate's enterprise annuity plan	Enterprise annuity fund established by the Group
Pacific Medical & Healthcare's enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Fund's enterprise annuity plan	Enterprise annuity fund established by the Group
Pacific Insurance Agency enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Technology enterprise annuity plan	Enterprise annuity fund established by the Group
CPIC Capital enterprise annuity plan	Enterprise annuity fund established by the Group
Hwabao Trust Co., Ltd.	Company of which the Group's related natural persons serve as directors or senior management personnel

3. Major transactions with related parties

3.1 Major transactions between the Group and related parties

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

(1) Sale of insurance contracts

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Hainan Shenergy New Energy Co., Ltd.	8	-
Baoshan Iron & Steel Co., Ltd.	7	24
Shenergy Company Limited	5	5
Shanghai Gas Co., Ltd.	1	2
Shanghai International Group Co., Ltd.	1	1
Shanghai International Group Asset Management Co., Ltd.	1	1
Shanghai LNG Company Ltd.	1	1
China Baowu Steel Group Corporation Limited	-	5
Taiyuan Iron & Steel (Group) Co., Ltd.	-	2
Shanghai State-Owned Assets Operation Co., Ltd.	-	1
Baowu Carbon Technology Co., Ltd.	-	1
Shanghai Baoxin Software Co., Ltd.	-	1
Total	24	44

Sale of insurance contracts to shareholders who individually own more than 5% of voting rights of the Company and the shareholders' parent company was RMB1 million for the six months ended 30 June 2026 (For the six months ended 30 June 2025: RMB7 million).

The Group's above related party transactions were entered into based on normal commercial terms during the normal course of insurance business. For the six months ended 30 June 2026 and 30 June 2025, the proportion of the scale premium of related parties to the total scale premium of the Group's was less than 1%.

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

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

(2) Fund subscription and redemption transactions

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Hwabao WP Fund Management Co., Ltd. [Note 1]	199	125

(3) Transaction of asset management products

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Hwabao Trust Co., Ltd.[Note 1]	259	8

Note 1: The subscription and redemption transactions of funds between the Group and Hwabao WP Fund Management Co., Ltd., and the asset management products transactions between the Group and Hwabao Trust Co., Ltd. constitute continuing connected transactions as stipulated under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and are subject to the requirements for reporting and announcement but exempt from the independent shareholders' approval requirements. The Group has complied with the applicable requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(4) Distribution of cash dividends

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Shenergy (Group) Company Limited	1,618	1,513
Hwabao Investments Co., Ltd.	1,477	1,387
Shanghai State-Owned Assets Operation Co., Ltd.	758	705
Total	3,853	3,605

Distribution of cash dividends to shareholders who individually own more than 5% of voting rights of the Company was RMB3,853 million for the six months ended 30 June 2026 (For the six months ended 30 June 2025: RMB3,605 million).

(5) Remuneration of key management

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Salary and other benefits	10	11

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

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

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Contribution to the enterprise annuity plans	376	329

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Binjiang-Xiangrui		
Fees for leasing office buildings of Binjiang-Xiangrui	37	38
Ruiyongjing Real Estate[Note 2]		
Fees for leasing office buildings of Ruiyongjing Real Estate	-	59
Grant loans	-	347
Loan interests	-	151
Euler Hermes		
Purchase services	15	15

Note 2: For the six months ended 30 June 2025, Ruiyongjing Real Estate was a joint venture of the Group. Ruiyongjing Real Estate has become a subsidiary of the Group since 30 June 2025.

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Purchase services		
Zhongdao	108	101
Shantai Healthcare	73	46
Juche	48	57
Dayu Technology	5	-
Total	234	204

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

3.2 Major transactions between the Company and related parties

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Purchase of insurance contracts		
CPIC Health	6	-
CPIC Property	4	3
Total	10	3
Rental income from office buildings		
CPIC Property	50	47
CPIC Technology	15	15
Changjiang Pension	6	3
CPIC Life	5	5
CPIC Senior Living Investment	2	2
Pacific Medical & Healthcare	2	2
CPIC Health	1	1
CPIC Asset Management	1	1
Total	82	76
Income from shared centre services		
CPIC Property	24	28
CPIC Life	22	19
CPIC Asset Management	2	2
CPIC Health	2	2
CPIC Technology	1	1
CPIC Online Services	1	1
CPIC Senior Living Investment	1	1
Total	53	54
Rental income from equipment leasing		
CPIC Technology	71	58
Asset management fee		
CPIC Asset Management	17	14
Technology service fee		
CPIC Technology	147	150
Medical examination fee		
CPIC Health	3	-
Commission fee		
CPIC Real Estate	7	4

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Major transactions with related parties (continued)

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

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Rental fees		
CPIC Life	1	1
CPIC Property	1	1
Xinbaoyu	1	1
Total	3	3
Text messaging service fee		
CPIC Technology	1	1
Publicity expenses		
CPIC Technology	1	-
Dividend income from subsidiaries		
CPIC Life	8,820	6,869
CPIC Property	2,947	3,144
CPIC Asset Management	465	382
CPIC Online Services	50	-
CPIC Technology	38	24
CPIC Real Estate	9	18
Total	12,329	10,437
Proceeds from disposal of subsidiaries		
CPIC Property	-	167

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

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Fees for leasing office buildings		
Binjiang-Xiangrui	26	26

VII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Receivables from and payables to related parties

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

	30 June 2026	31 December 2025
Dividends receivable		
CPIC Life	8,820	-
CPIC Property	2,947	-
CPIC Asset Management	465	-
CPIC Technology	38	-
CPIC Real Estate	9	-
Total	12,279	-
Other receivables		
CPIC Life	119	95
CPIC Technology	99	48
CPIC Property	88	45
CPIC Health	4	3
CPIC Asset Management	3	3
CPIC Senior Living Investment	2	1
Changjiang Pension	5	7
CPIC Online Services	1	1
Pacific Medical & Healthcare	1	-
Total	322	203
Other payables		
CPIC Technology	126	123
CPIC Asset Management	50	33
Xinbaoyu	8	6
CPIC Real Estate	2	4
CPIC Property	1	-
CPIC Life	1	-
CPIC Capital	-	3
Total	188	169

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

	30 June 2026	31 December 2025
Other receivables		
Binjiang-Xiangrui	1,772	1,772
Other payables		
Binjiang-Xiangrui	383	354

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

VIII. CONTINGENCIES

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

In addition to the legal proceedings of the above natures, as at 30 June 2026, the Group was the defendant in certain pending litigations. Provisions were made for the possible losses based on estimates by the Group and the Group would only be contingently liable for any claim that is in excess of the provision made. No provision was made for contingencies and legal proceedings when the outcome cannot be reasonably estimated by the management or the probability of loss is extremely low.

IX. COMMITMENTS

1. Major projects with capital commitments

		30 June 2026	31 December 2025
Capital commitments			
Contracted, but not provided for	(1)(2)(3)(4)(5)	11,782	15,807
Authorised, but not contracted for	(1)	757	2,779
		12,539	18,586

As at 30 June 2026, major projects with capital commitments were as follows:

(1) CPIC Life and CPIC Senior Living Investment obtained the use rights of 15 parcels of land located at Wenjiang District in Chengdu, Sichuan, etc., and set up 15 project companies named Chengdu Project Company, etc., accordingly as the owners of the land use rights to parcels of land and construction development subjects for the construction project "CPIC Home". As at 30 June 2026, the cumulative amount incurred amounted to approximately RMB728 million to projects still in progress. Of the balance, approximately RMB1,227 million was disclosed as a capital commitment contracted but not provided for and approximately RMB757 million was disclosed as a capital commitment authorised but not contracted for.

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IX. COMMITMENTS (continued)

1. Major projects with capital commitments (continued)

(2) CPIC Life and a third party jointly established Taijiashan. The total investment of this project is approximately RMB5,050 million. Among which CPIC Life subscribed capital contribution of RMB5,000 million, accounted for 99.01% of the capital. As at 30 June 2026, CPIC Life has cumulatively made a capital contribution of RMB3,150 million. Of the balance, RMB1,850 million was disclosed as a capital commitment contracted but not provided for.

(3) CPIC Life and CPIC Capital together subscribed 99.99% of the shares of Nanjing Taibao Xinhui Zhiyuan Equity Investment Fund Management Partnership (Limited Partnership) ("Xinhui Zhiyuan"). As at 30 June 2026, Xinhui Zhiyuan has invested in 11 equity investment funds with a total subscribed contribution of RMB7,209 million, paid-in contribution of approximately RMB4,176 million, and uncontributed capital of approximately RMB3,033 million, which was listed as a capital commitment contracted but not provided for.

(4) CPIC Life and CPIC Capital together subscribed 99.98% of the shares of China Pacific Changhang. As at 30 June 2026, China Pacific Changhang has invested in 1 listed equity and 2 unlisted equity and 33 equity investment funds (not including consolidated structured entities included in the scope of the Group) with a total subscribed contribution of RMB10,239 million, paid-in contribution of RMB8,642 million, and uncontributed capital of RMB1,597 million, which was listed as a capital commitment contracted but not provided for.

(5) The Company, CPIC Life and CPIC Capital together subscribed 90.90% of the shares of CPIC Health Fund. As at 30 June 2026, CPIC Health Fund has invested in 30 equity investment funds (excluding consolidated structured entities included in the scope of the Group), with a total subscribed contribution of RMB6,697 million, paid-in contribution of approximately RMB5,755 million, and uncontributed capital of approximately RMB942 million, which was listed as capital commitments contracted but not provided for.

2. Operating lease rental receivables

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

	30 June 2026	31 December 2025
Within 1 year (inclusive)	739	757
1 to 2 years (inclusive)	613	675
2 to 3 years (inclusive)	463	462
3 to 5 years (inclusive)	511	507
Over 5 years	76	151
	2,402	2,552

X. RISK MANAGEMENT

1. Insurance risk

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

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

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

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

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

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

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

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

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

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

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

X. RISK MANAGEMENT (continued)

1. Insurance risk (continued)

(2) Assumptions

Long-term life insurance contracts

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

Property and casualty and short-term life insurance contracts

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

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

2. Market risk

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

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

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

(1) Currency risk

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

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

X. RISK MANAGEMENT (continued)

2. Market risk (continued)

(2) Interest rate risk

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

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

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

The Group is not exposed to significant concentration risks.

(3) Price risk

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

Financial investments exposed to market price risk mainly consist of stocks and equity investment funds under financial assets at fair value through profit or loss and equity investments at fair value through other comprehensive income.

3. Credit risk

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

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

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

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

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

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

Measurement of expected credit loss

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

Criteria for judging significant changes in credit risk

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

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

Definition of financial assets that are credit-impaired

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

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

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

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

Measurement of expected credit loss (continued)

Parameters of the expected credit loss measurement

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

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

i) EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime;

ii) PD is the likelihood that the debtor will not be able to meet its payment obligations in the next 12 months or throughout the remaining lifetime;

iii) LGD is the Group's expectation of the percentage of loss on the EAD will be lost. LGD varies depending on the type of counterparty, the manner and priority of recourse, and the availability of collateral or other credit support.

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

Credit risk exposure

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

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

	30 June 2026			
	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash at bank and on hand	59,450	-	-	59,450
Securities purchased under agreements to resell	47,450	-	-	47,450
Term deposits	195,803	6,250	-	202,053
Financial Investments:	1,872,491	5,756	2,070	1,880,317
Financial assets at amortised cost	45,287	709	644	46,640
Debt investments at fair value through other comprehensive income	1,827,204	5,047	1,426	1,833,677
Restricted statutory deposits	7,319	-	-	7,319
Others	13,740	319	97	14,156
Total	2,196,253	12,325	2,167	2,210,745

X. RISK MANAGEMENT (continued)

3. Credit risk (continued)

Credit risk exposure (continued)

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

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash at bank and on hand	62,789	-	-	62,789
Securities purchased under agreements to resell	24,512	-	-	24,512
Term deposits	175,894	11,416	-	187,310
Financial Investments:	1,814,586	7,836	2,257	1,824,679
Financial assets at amortised cost	51,301	618	682	52,601
Debt investments at fair value through other comprehensive income	1,763,285	7,218	1,575	1,772,078
Restricted statutory deposits	6,900	-	-	6,900
Others	12,222	294	89	12,605
Total	2,096,903	19,546	2,346	2,118,795

As at 30 June 2026 and 31 December 2025, the collateral for the financial assets that have suffered credit impairment includes stocks and equity, etc.

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

4. Liquidity risk

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

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

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

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

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

X. RISK MANAGEMENT (continued)

4. Liquidity risk (continued)

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

	30 June 2026					
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	Total
Financial assets:						
Cash at bank and on hand	55,725	3,731	-	-	-	59,456
Derivative financial assets	-	14	-	-	-	14
Securities purchased under agreements to resell	-	47,453	-	-	-	47,453
Term deposits	-	53,096	159,876	-	-	212,972
Financial investments:						
Financial assets at fair value through profit or loss	435	23,362	163,589	186,791	430,909	805,086
Financial assets at amortised cost	-	5,180	25,832	35,989	-	67,001
Debt investments at fair value through other comprehensive income	-	139,594	617,709	3,497,635	-	4,254,938
Equity investments at fair value through other comprehensive income	-	-	-	-	192,465	192,465
Restricted statutory deposits	-	3,712	3,815	-	-	7,527
Others	1,472	10,607	2,577	41	1	14,698
Subtotal	57,632	286,749	973,398	3,720,456	623,375	5,661,610
Financial liabilities:						
Derivative financial liabilities	1,047	17	-	-	-	1,064
Securities sold under agreements to repurchase	-	170,129	-	-	-	170,129
Bonds payable	-	367	22,442	-	-	22,809
Commission and brokerage payable	1,288	5,330	247	23	-	6,888
Lease liabilities	-	579	689	244	-	1,512
Long-term borrowings	-	64	65	-	-	129
Others	15,194	47,522	1,668	-	-	64,384
Subtotal	17,529	224,008	25,111	267	-	266,915
Net amount	40,103	62,741	948,287	3,720,189	623,375	5,394,695

X. RISK MANAGEMENT (continued)

4. Liquidity risk (continued)

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

	31 December 2025					
	On demand/ Overdue	Within 1 year	1 to 5 years	Over 5 years	Undated	Total
Financial assets:						
Cash at bank and on hand	58,708	4,081	-	-	-	62,789
Derivative financial assets	-	5	-	-	-	5
Securities purchased under agreements to resell	-	24,516	-	-	-	24,516
Term deposits	-	45,131	153,587	-	-	198,718
Financial investments:						
Financial assets at fair value through profit or loss	388	28,880	90,239	317,599	399,340	836,446
Financial assets at amortised cost	-	9,292	24,025	40,432	-	73,749
Debt investments at fair value through other comprehensive income	-	100,965	452,076	2,541,911	-	3,094,952
Equity investments at fair value through other comprehensive income	-	-	-	-	192,297	192,297
Restricted statutory deposits	-	2,756	4,310	-	-	7,066
Others	964	7,445	4,606	25	2	13,042
Subtotal	60,060	223,071	728,843	2,899,967	591,639	4,503,580
Financial liabilities:						
Derivative financial liabilities	2,306	66	-	-	-	2,372
Securities sold under agreements to repurchase	-	219,015	-	-	-	219,015
Bonds payable	-	367	23,125	-	-	23,492
Commission and brokerage payable	1,580	3,870	354	31	-	5,835
Lease liabilities	-	633	926	216	-	1,775
Long-term borrowings	-	64	94	-	-	158
Others	1,011	45,057	1,665	-	-	47,733
Subtotal	4,897	269,072	26,164	247	-	300,380
Net amount	55,163	(46,001)	702,679	2,899,720	591,639	4,203,200

X. RISK MANAGEMENT (continued)

5. Operational risk

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

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

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

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

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

6. Mismatching risk of assets and liabilities

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

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

X. RISK MANAGEMENT (continued)

7. Capital management risk

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

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

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

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

CPIC Group	30 June 2026	31 December 2025
Core capital	442,375	450,600
Actual capital	588,356	596,647
Minimum required capital	231,123	218,444
Core solvency margin ratio	191%	206%
Comprehensive solvency margin ratio	255%	273%

CPIC Life	30 June 2026	31 December 2025
Core capital	280,750	292,993
Actual capital	411,097	425,176
Minimum required capital	196,240	186,103
Core solvency margin ratio	143%	157%
Comprehensive solvency margin ratio	209%	228%

CPIC Property	30 June 2026	31 December 2025
Core capital	65,633	63,335
Actual capital	79,857	76,143
Minimum required capital	33,268	31,203
Core solvency margin ratio	197%	203%
Comprehensive solvency margin ratio	240%	244%

X. RISK MANAGEMENT (continued)

7. Capital management risk (continued)

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

CPIC Health	30 June 2026	31 December 2025
Core capital	3,700	3,763
Actual capital	4,806	4,566
Minimum required capital	2,353	2,094
Core solvency margin ratio	157%	180%
Comprehensive solvency margin ratio	204%	218%

PAAIC	30 June 2026	31 December 2025
Core capital	2,797	2,929
Actual capital	3,100	3,182
Minimum required capital	948	917
Core solvency margin ratio	295%	319%
Comprehensive solvency margin ratio	327%	347%

XI. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of financial instruments. For financial instruments where there is no active market, fair value is determined using valuation techniques.

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

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

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

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

	30 June 2026		31 December 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Financial assets at amortised cost	46,640	51,137	52,601	56,812
Financial liabilities:				
Long-term borrowings	123	123	154	154
Bonds payable	22,178	22,591	22,678	23,103

The carrying amounts of other financial assets and financial liabilities approximate their fair values.

XII. FAIR VALUE MEASUREMENT

Determination of fair value and fair value hierarchy

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

The levels of the fair value hierarchy are as follows:

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

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

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

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

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities traded among Chinese interbank market are classified as Level 2 when they are valued at recent quoted prices from Chinese interbank market or from valuation service providers. Substantially most financial instruments classified within Level 2 of the fair value hierarchy of the Group are debt investments. Fair value of debt investments denominated in RMB is determined based upon the valuation results by the China Central Depository & Clearing Co., Ltd. All significant inputs are observable in the market.

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

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

XII. FAIR VALUE MEASUREMENT (continued)

Determination of fair value and fair value hierarchy (continued)

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

	30 June 2026			
	Level 1	Level 2	Level 3	Total fair value
Assets measured at fair value				
Term deposits measured at fair value	-	-	157,682	157,682
Financial assets at fair value through profit or loss				
– Stocks	239,673	-	2,872	242,545
– Funds	84,193	387	30	84,610
– Bonds	5,381	277,204	388	282,973
– Others	12,613	13,712	119,483	145,808
	341,860	291,303	122,773	755,936
Debt investments at fair value through other comprehensive income				
– Bonds	11,175	1,633,740	3,059	1,647,974
– Others	-	320	185,383	185,703
	11,175	1,634,060	188,442	1,833,677
Equity investments at fair value through other comprehensive income				
– Stocks	128,752	-	-	128,752
– Preferred stocks	-	8,225	-	8,225
– Others	1,278	12,696	27,509	41,483
	130,030	20,921	27,509	178,460
Derivative financial assets	-	14	-	14
Liabilities measured at fair value				
Derivative financial liabilities	-	17	1,047	1,064
Assets for which fair values are disclosed				
Financial assets at amortised cost (Note XI)	-	21,963	29,174	51,137
Investment properties	-	-	30,760	30,760
Liabilities for which fair values are disclosed (Note XI)				
Long-term borrowings	-	-	123	123
Bonds payable	-	-	22,591	22,591

XII. FAIR VALUE MEASUREMENT (continued)

Determination of fair value and fair value hierarchy (continued)

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

	31 December 2025			
	Level 1	Level 2	Level 3	Total fair value
Assets measured at fair value				
Term deposits measured at fair value	-	-	139,269	139,269
Financial assets at fair value through profit or loss				
– Stocks	211,735	-	1,073	212,808
– Funds	78,318	6,569	-	84,887
– Bonds	6,989	264,976	388	272,353
– Others	16,140	13,985	114,695	144,820
	313,182	285,530	116,156	714,868
Debt investments at fair value through other comprehensive income				
– Bonds	4,364	1,557,090	3,123	1,564,577
– Others	-	377	207,124	207,501
	4,364	1,557,467	210,247	1,772,078
Equity investments at fair value through other comprehensive income				
– Stocks	124,846	-	-	124,846
– Preferred stocks	-	8,705	-	8,705
– Others	1,335	12,508	28,767	42,610
	126,181	21,213	28,767	176,161
Derivative financial assets	-	5	-	5
Liabilities measured at fair value				
Derivative financial liabilities	-	66	2,306	2,372
Assets for which fair values are disclosed				
Financial assets at amortised cost (Note XI)	-	21,689	35,123	56,812
Investment properties	-	-	32,305	32,305
Liabilities for which fair values are disclosed (Note XI)				
Long-term borrowings	-	-	154	154
Bonds payable	-	-	23,103	23,103

XII. FAIR VALUE MEASUREMENT (continued)

Valuation techniques

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

The fair value of the equity investments has been determined using valuation techniques such as discounted cash flow method, comparison method of listed companies, recent transaction prices of the same or similar instruments, etc., with appropriate adjustments have been made where applicable, for example, for lack of liquidity using option pricing models. The valuation requires management to use parameters as unobservable inputs to the model, major assumptions include the expected time-to-market of unlisted equity investments, and the major parameters include discount rate, etc.

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

XIII. EVENTS AFTER THE BALANCE SHEET DATE

The Group does not have significant post balance sheet events.

XIV. APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements have been approved for issue by the board of directors of the Company on 27 August 2026.

APPENDIX: SUPPLEMENTARY INFORMATION TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

I. NET ASSET RETURN AND EARNINGS PER SHARE

	For the six months ended 30 June 2026		
	Weighted average return on net assets	Earnings per share (RMB Yuan)	
		Basic	Diluted
Net profit attributable to shareholders of the parent	9.7%	3.20	2.95
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	9.4%	3.10	2.94

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

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

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Net profit attributable to shareholders of the parent	30,775	27,885
Add/(Less): Non-recurring profit or loss items		
Government grants recognised in current profit or loss	(100)	(66)
Gains on disposal of fixed assets, intangible assets and other long-term assets, including write-off of provision for assets impairment	(17)	(73)
Other net non-operating income and expenses other than aforesaid items	40	14
Other items confirming to the definition of non-recurring profit or loss*	(1,259)	(1,603)
Effect of income tax relating to non-recurring profit or loss	344	38
Net profit less non-recurring profit or loss	29,783	26,195
Less: Net non-recurring profit or loss attributable to non-controlling interests	1	29
Net profit attributable to shareholders of the parent net of non-recurring profit or loss	29,784	26,224

*For the six months ended 30 June 2026, the revaluation gains or losses on the conversion value of convertible bonds issued by the Company and other impacts related to convertible bonds resulted in approximately RMB1,259 million in total. Ruiyongjing Real Estate has become a subsidiary of the group since 30 June 2025. Ruiyongjing Real Estate was included in the scope of the Group's consolidated financial statements, resulting in a one-time profit of RMB1,603 million.

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