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中国太平洋保险
China Pacific Insurance

中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

Overseas Regulatory Announcement

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

The announcement is attached hereof for information purpose only.

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

Hong Kong, 28 October 2026

As at the date of this announcement, the Executive Directors of the Company are Mr. FU Fan and Mr. ZHAO Yonggang; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Ms. WANG Yuhua, Mr. CHEN Ran, Mr. ZHOU Donghui and Mr. John Robert DACEY; the Independent Non-executive Directors are Ms. CHEN Xin, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I David and Mr. WONG Hin Wing; and the Employee Director is Ms. ZHOU Liyun.

Summary of Quarterly Solvency Report

(Excerpts)

Pacific Health Insurance Co., Ltd.

3rd Quarter of 2026

Company overview and contact information

Company name (Chinese):	太平洋健康保险股份有限公司
Company name (English):	Pacific Health Insurance Co., Ltd.
Legal representative:	MA Xin
Registered address	7th-9th Floor, No.1 Zhongshan Nan Road, Shanghai, the PRC
Registered capital	3.6 billion yuan
Business license number	00000117
Date opening for business	December 2014
Business scope	Health and personal accident insurance denominated in RMB yuan and foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance；health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.
Business territories	Shanghai, Beijing, Guangdong Province, Sichuan Province.
Contact person：	XIA Bing
Tel. number：	+86-21-33968652
Cell phone:	13761619886
Fax number:	+86-21-68870641
Email:	xiabing-003@cpic.com.cn

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I. BOARD CHAIRMAN AND MANAGEMENT STATEMENT

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

II. Basic information

(I) Ownership structure and shareholders

1. Ownership structure

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

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

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

3. Shareholding by directors, supervisors and senior management

Did any of them hold any shares of the Company during the reporting period

(Yes□ No■)

4. Share transfer during the reporting period

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

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (5 in total)

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

Mr. SHANG Jiaoyan, born in March 1978, holds a bachelor's degree, and has been serving as General Manager of the Company since May 2023 (approval document: CBIRC [2023] No. 293), as Director of the Company since January 2026 (approval document: NFRA [2026] No.41). Mr. SHANG currently also serves as President of the Company's Pacific Insurance Health Research Institute. Previously, he served as head of Sales and Deputy General Manager (in charge) of Ping An Health Insurance Company Beijing Branch, Marketing Director/ General Manager of Individual Business Division of Ping An Health Insurance Company and Vice President of Tencent WeSure.

Mr. JIANG Yifeng, born in January 1978, holds a doctoral degree, and has been serving as Director of the Company since May 2026 (approval document: NFRA [2026] No.240).

Mr. JIANG currently serves as Deputy Director of Health and Elderly Care of CPIC Group. Mr. JIANG previously served as Assistant General Manager and Deputy General Manager of Human Resources Department of CPIC Life; General Manager of CPIC Life Ningxia Branch and Shaanxi Branch, respectively; head of the Strategic Transformation Office of CPIC Group; General Manager of CPIC Life Zhejiang Branch, Director of the Party Organization Department, Director of the Party Office, General Manager of Human Resources Department, and General Manager of Southern Training Center of CPIC Life, and Assistant General Manager, Board Secretary and Deputy General Manager of CPIC Life.

Mr. HE Yadong, born in January 1978, holds a master's degree, and has been serving as Director of the Company since May 2026 (approval document: NFRA [2026] No.260). Mr. HE currently serves as General Manager of Legal & Compliance Department (Accountability Office, Consumer Rights Protection Department) of CPIC Group, and Director of CPIC Technology Co., Ltd. Mr. HE previously worked at Zhabei District Court, Shanghai Political and Legal Affairs Commission, and the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC); he also served as Vice President of Shanghai Industrial Dongtan Investment Development (Group) Co., Ltd., Assistant Director of Shanghai Office and Chief Representative of Shanghai Representative Office of Taiping Insurance Group (Hong Kong), Deputy General Manager of Taiping Pension Shanghai Branch, Deputy General Manager of Taiping Property Insurance Shanghai Branch, and Deputy General Manager (in charge) of Legal & Compliance Department (Accountability Office, Consumer Rights Protection Department) of CPIC Group.

Mr. WANG Yong, born in July 1974, holds a master's degree. He has been serving as Employee Director of the Company since August 2026 (approval document: NFRA [2026] No. 422). Mr. WANG currently serves as Secretary of the Discipline Inspection Commission and Chairman of the Trade Union of the Company. He previously served as Assistant General Manager of the Human Resources Department of CPIC Life; Secretary to the Chairman, head of the Party Affairs Department, General Manager of the Employee Affairs Department, deputy head of the Party Committee Office and head of the Party-People Department of CPIC Group; General Manager of CPIC P/C Tianjin Branch; Deputy Party Secretary of the Information Technology Center of CPIC Group; Senior Deputy General Manager of CPIC Life Suzhou Branch; Director of the Strategic Research Center and head of the Party Committee Inspection Team of CPIC Group; and Director and Employee Representative Supervisor of the Company.

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

Mr. SHANG Jiaoyan, born in March 1978, holds a bachelor's degree, and has been serving as General Manager of the Company since May 2023 (approval document: CBIRC [2023] No.293), as Director of the Company since January 2026 (approval document: NFRA [2026] No.41). Mr. SHANG currently also serves as President of the Company's Pacific Insurance Health Research Institute. Previously, he served as head of Sales and Deputy General Manager (in charge) of Ping An Health Insurance Company Beijing Branch, Marketing Director/ General Manager of Individual Business Division of Ping An Health Insurance Company and Vice President of Tencent WeSure.

Mr. LI Jieqing, born in November 1968, holds a bachelor's degree. He has been serving as Deputy General Manager of the Company (approval document: CIRC [2016] No.450) since May 2016 and as Chief Risk Officer of the Company since August 2021 (no approval document), and Chief Compliance Officer of the Company since March 2026 (approval document: NFRA [2024] No.42). Mr. LI also serves as Director of Shanghai Proton & Heavy Ion Hospital. Previously, Mr. LI served as Director of Risk and Compliance, Compliance Responsible Person and General Manager of Risk Management Department of CPIC Group, Director of CPIC P/C, CPIC Life, CPIC AMC and the Company, respectively, and Compliance Responsible Person of the Company.

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

Mr. GUO Chao, born in February 1982, holds a master's degree, and is a member of the Society of Actuaries. He has been serving as Deputy General Manager of the Company since July 2024 (approval document: CBIRC [2021] No.697), and his qualifications do not require a second-time approval. Mr. GUO currently serves as Executive President of the Company's Pacific Insurance Health Research Institute. He previously served as General Manager of the Brokers Department of Cigna & CMB

Health Insurance, President of Shanghai Fuheng Insurance Brokers, President of Shanghai Xingyi Health Management Co., Ltd., General Manager of Health Insurance Business of Fosun High Tech (Group), Deputy General Manager of Fosun United Health Insurance Co., Ltd. And President of the Company's Pacific Insurance Health Research Institute.

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

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

Ms. XUE Yongxian, born in November 1976, holds a master's degree. She has been serving as Assistant General Manager of the Company (approval document: NFRA [2025] No.324) since May 2025. Previously, she served as Employee Representative

Supervisor of the Company, Chairman of the Trade Union, head of Key Account Business Center, Senior Director of Key Account Business Center, General Manager of Shanghai Branch, General Manager of Sales Management Department and General Manager of Individual Life Insurance Cooperation Business Centre (SBU) of the Company; Deputy General Manager of Group Business Department/ Planning and Training Division of CPIC Life, Assistant General Manager of Group Business Department/ Accident Insurance Division of CPIC Life, Assistant General Manager/ Senior Manager of Group Business Department/ Direct Sales Supervision Division of CPIC Life, and section head of Group Business Department of CPIC Life.

Notes:

1. Effective from 13 August 2026, Mr. WANG Yong began to serve as Employee Director of the Company, and Mr. MA Boyong ceased to serve as Director of the Company.
2. Effective 12 January 2026, the Company no longer has a Board of Supervisors, and the members of the 3rd Board of Supervisors of the Company automatically ceased to hold office.

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

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

There was no change during the reporting period.

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

During the reporting period, the Company's Shanghai Branch was found to have applied insurance policy terms and premium rates that were not approved by or filed with the regulatory authorities, and have conducted insurance business in regions where it does not have a license, which actions were in violation of Item (5) of Article 25 of the Notice of the General Office of China Banking and Insurance Regulatory Commission on Measures for Supervision of Accident Insurance Business (CBIRC General Office [2021] No. 106) and Article 41 of the Provisions on the Administration of Insurance Companies (2015 Revision). In accordance with Item (3) of Article 170 of the Insurance Law of the People's Republic of China and Article 69 of the Provisions on the Administration of Insurance Companies (2015 Revision), the Shanghai Branch of the National Financial Regulatory Administration imposed an administrative penalty on the Shanghai Branch of the Company, which included an order for rectification, a warning, and a fine of RMB230,000.

III. Main indicators

(I) Solvency margin ratios

unit: 10,000 RMB yuan

Items	As at the end of the reporting quarter	As at the end of the previous quarter on a comparable basis	Next quarter estimates
Admitted assets	1,524,977.65	1,531,147.30	1,525,625.78
Admitted liabilities	1,038,943.94	1,050,556.59	1,044,231.67
Actual capital	486,033.71	480,590.71	481,394.11
Tier-1 core capital	337,204.14	342,350.39	331,717.86
Tier-2 core capital	26,146.37	27,657.20	25,881.41
Tier-1 supplement capital	120,692.54	108,677.81	121,824.36
Tier-2 supplement capital	1,990.66	1,905.31	1,970.48
Minimum capital	246,752.17	235,327.64	251,360.08
Minimum capital for quantifiable risks	244,884.69	233,546.62	249,457.72
Minimum capital for control risk	1,867.48	1,781.02	1,902.36
Minimum capital for supplement capital	-	-	-
Solvency margin			
Core solvency margin	116,598.34	134,679.95	106,239.19
Comprehensive solvency margin	239,281.54	245,263.07	230,034.03
Core solvency margin ratio (%)	147	157	142
Comprehensive solvency margin ratio (%)	197	204	192

(II) Regulatory indicators for liquidity risk

Indicators	During/as at the end of the reporting quarter	During/as at the end of the preceding quarter
Actual net cash flow YTD (unit:10,000 RMB yuan)	-10,759.62	14,695.25
Retrospective adverse deviation ratio of net cash flows from operating activities (%)	6	-75
Overall liquidity coverage ratio under base scenario (next 3 months)(%)	125	135
Overall liquidity coverage ratio under base scenario (next 12 months)(%)	106	110
Overall liquidity coverage ratio under stress scenario - mandatory (next 3 months)(%)	521	519
Overall liquidity coverage ratio under stress scenario - mandatory (next 12 months)(%)	181	193
Overall liquidity coverage ratio under stress scenario - self-assessment (next 3 months)(%)	500	527
Overall liquidity coverage ratio under stress scenario - self-assessment (next 12 months)(%)	238	239
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 3 months)(%)	148	166
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 12 months)(%)	87	98

Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 3 months)(%)	177	204
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 12 months)(%)	160	160

(III) Other indicators for liquidity risk

Indicators	As at the end of /during the reporting quarter	As at the end of/ during the previous quarter
Net cash flows from operating activities (unit: 10,000 RMB yuan)	65,716.40	26,607.50
Comprehensive surrender ratio (%)	0.63	0.53
Net cash flows from participating/universal accounts	-	-
Written premiums year-on-year growth (%)	13.79	23.58
Share of cash and liquidity management tools (%)	3.06	4.68
Quarterly average financial leverage ratio (%)	0.19	0.22
Share of domestic fixed income assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above (%)	-	-
Share of receivables (%)	18.14	19.69
Share of related party assets held (%)	4.30	4.27

(IV) Key business metrics

unit: 10,000 RMB yuan

Indicators	As at the end of/during the reporting quarter	As at the end of the reporting quarter/YTD
Gross written premiums	257,994.51	765,855.60
Net profit	3,691.98	27,825.32
Total assets	1,258,679.08	1,258,679.08
Net assets	389,133.84	389,133.84
Insurance contract liabilities	747,447.11	747,447.11
Basic earnings per share (RMB yuan)	0.01	0.08
ROE (%)	0.95	7.40
ROA (%)	0.30	2.32
Investment yield (%)	0.85	4.25
Comprehensive investment yield (%)	0.62	4.23
Residual margin	212,162.12	212,162.12
New business margin (%)	1.13	0.83
New business value	11,307.61	32,544.61

First-year regular premiums written on new policies	25,872.65	77,411.87
First-year regular premiums written on new policies with a coverage period of 10 years or above	23,748.12	72,613.87
Written premiums on renewed policies	75,905.51	157,533.09
Written premiums	138,852.56	407,538.25
1. Bancassurance channel	2,136.85	2,403.09
2. Agency channel	-	-
3. Group channel	22,831.52	138,147.47
4. Internet	80,035.79	211,576.97
5. Others	33,848.40	55,410.72
Number of agents as of the end of the reporting period	38	38
13-month persistency ratio (%)	81	81
Surrender ratio (%)	0.29	0.63
Average premium per policy of the agency channel	-	-
Average premiums per agent	-	-
Agent attrition rate (%)	0	0

Notes:

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

2. Residual margin is recognised and measured in accordance with the Accounting Standards for Enterprises No. 25 — Primary Insurance Contracts and the Accounting Standards for Enterprises No. 26 — Reinsurance Contracts, both of which were issued by the Ministry of Finance in 2006, as well as the Regulations on Accounting Treatment of Insurance Contracts issued by the Ministry of Finance in 2009.

3. New Business Margin = Day One Gain of new business during the current period ÷ Total sum of premiums under the new business × 100%. Day One Gain refers to the residual margin recognised upon initial measurement of insurance contract reserves for financial reporting purposes. Total sum of premiums refers to the sum of first-year premiums and renewal premiums, calculated without considering factors such as surrender or discounting.

4. Information on the top five products and their written premiums during the first three quarters of the year: 1) Individual Long-Term Medical Insurance (Rate-adjustable, Internet) (Health Insurance): RMB555.1668mn; 2) Internet Fuxing Term Critical Illness Insurance (Health Insurance): RMB502.5669mn; 3) Zhi Xiang Shou Whole Life Long-Term Care (Health Insurance): RMB441.4670mn; 4) Group Medical Insurance Rider (Type A) (Health Insurance): RMB368.4391mn; 5) Group Comprehensive Medical Insurance 2023 (Health Insurance): RMB230.1554mn.

5. First-year regular written premiums on new policies and first-year regular written premiums on new policies with a coverage period of 10 years or above include health insurance with a coverage period of not more than one year that contains a guaranteed renewal clause.

6. New business value only includes long-term insurance business.

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

Average investment yield and average comprehensive investment yield of the Company in the past three years were 3.53% and 5.02%, respectively.

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As at the end of Q3 2026, its total assets under new accounting standards reached 12,586.7908 million yuan, with written premiums amounting to 4,075.3825 million yuan during the first three quarters of the year. It has 4 provincial-level branch offices, and according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

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

In Q3 2026, in accordance with relevant regulatory regulations such as Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment, the Company proceeded with its solvency risk management efforts in a steady manner and continued to improve its solvency risk management mechanisms in light of feedback from regulatory assessments, findings of its own self-assessment, as well as its risk profiles and status.

During the quarter, the Company reviewed its risk status in the first half of the year, prepared its semi-annual risk management report, and submitted it to the board for review. It also formulated a risk resolution plan for indicators that exceeded risk upper limits in the first half of the year, conducted empirical and attribution analysis of such breaches, identified root causes of underlying risks, and rolled out targeted risk management actions. In the third quarter, the Company completed a gap analysis of regulatory ratings, formulated rectification plans based on issues raised by the regulator, and continued to implement the rectification measures.

In Q3 2026, the Company's risk management system and all related activities were consistently implemented as per established risk management policies and procedures. Under the framework of the Company's risk management and risk appetite systems, no major risk events occurred during the reporting period.

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

The Company scored 80.15 points at SARMRA assessment for 2022. To be specific, it consisted of 16.29 points for risk management infrastructure and environment, 7.69 points for risk management objectives and tools, 7.98 points for insurance risk management, 8.14 points for market risk management, 8.13 points for credit risk management, 8.16 points for operational risk management, 7.81 points for strategic risk management, 7.89 points for reputational risk management, and 8.06 points for liquidity risk management.

V. Integrated risk rating (differentiated supervision)

(I) IRR results in the previous two quarters

The Company was rated BBB for both Q1 and Q2 of 2026, which met regulatory requirements in solvency, indicating a low level of operational risk, reputational risk, strategic risk and liquidity risk.

(II) Measures taken or to be taken for improvement

In Q3 2026, in light of Assessment Criteria for Unquantifiable Risks of Insurance Companies, the Company took key control measures for operational and strategic risk indicators which, according to the self-assessment, could be further improved. In terms of operational risk, it continued to maintain current operational efficiency and quality, focusing particularly on improvement in service turnaround time and handling of customer complaints. With regard to strategic risk, it maintained stability in senior management turnover and business development. As for reputational risk, it maintained the record of “zero media crisis” during the reporting period.

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

Liquidity risk: Liquidity risk of the Company mainly stems from claims and maturity

payments on insurance contracts, daily expenditures on business activities and impairment on investment assets. As of the end of Q3 2026, there were no circumstances which may trigger liquidity risk. The Company maintained a high proportion of liquid assets, with the 5-day liquidation ratio at sound levels, which enabled it to meet various needs for liquidity. At the same time, the Company maintained a certain level of gearing ratio and financing activities to ensure sufficient borrowing to ease the pressure on liquidity in the unlikely event of emergencies. Overall, the sources of liquidity outweighed needs for liquidity, indicating a low risk of liquidity gaps.

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

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

Strategic risk: In light of its annual business objectives, the Company defined its strategic positioning, paths of implementation and expected results. It has a clear strategic direction, with detailed plans for execution. Under the guidance of its own strategic objectives and those of the Group, the Company will strive for breakthroughs across all KPIs in the next three years to pursue high-quality development. It formulated strategic decisions based on market environment in a timely manner to identify, assess and manage strategic risks by means of target breakdown, business review on a regular basis, analysis of market conditions and its own strengths and weaknesses. In Q3 of 2026, there was no occurrence of strategic risk incidents.

VI. Management analysis and discussions

(I) Solvency Analysis

1. Actual capital

As at 30 September 2026, actual capital of the Company amounted to 4,860.3371 million yuan, an increase of 1.1% from the end of the previous quarter, mainly due to contribution from investment income and growth in future surplus on insurance policies.

2. Minimum capital

Minimum capital of the Company as at the end of the reporting period was 2,467.5217 million yuan, up by 4.9% from the end of the previous quarter, mainly due to: growth in long-term business volume, which led to higher minimum capital requirement for life insurance risk. Of this, minimum capital for life insurance risk was 2,072.4305 million yuan, that for non-life business was 946.9138 million yuan, that for market risk 498.6459 million yuan, that for credit risk 314.5175 million yuan, diversification effect for quantifiable risk was 1,111.5666 million yuan, and that for control risk was 18.6748 million yuan.

3. Solvency margin ratios

As of 30 September 2026, the Company's core solvency margin was 1,165.9834 million yuan, with a core solvency margin ratio of 147%; comprehensive solvency margin was 2,392.8154 million yuan, with a comprehensive solvency margin ratio of 197%.

(II) Liquidity risk

In the first three quarters of the year, net cash flow of the Company was -108 million yuan, mainly due to coordinated deployment of funds, which mainly consisted of an ad hoc increase in investment of cash flows accumulated over the years from operating activities; in the reporting quarter, the retrospective adverse deviation ratio of net cash flows from operating activities was 6%, in line with regulatory requirements; liquidity coverage ratios under various scenarios and other liquidity indicators were all in compliance with regulatory requirements.

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

liquidity risk level.

(III) Analysis of changes to IRR

The Company's latest IRR result is BBB. Assessed against the Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision), the company meets the regulatory requirements in solvency, with a low level of operational risk, strategic risk, reputational risk, and liquidity risk.