



中国人寿保险股份有限公司
China Life Insurance Company Limited

Stock Code : 2628

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Annual Report



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The Company was established in Beijing, China on 30 June 2003 according to the Company Law and the Insurance Law of the People's Republic of China. The Company was successfully listed overseas in December 2003 and returned to the domestic market as an A-share listed company in January 2007. The Company's registered capital is RMB28,264,705,000.

The Company is a leading life insurance company in China and possesses an extensive distribution network comprising exclusive agents, direct sales representatives, and dedicated and non-dedicated agencies. The Company is one of the largest institutional investors in China, and becomes one of the largest insurance asset management companies in China through its controlling shareholding in China Life Asset Management Company Limited. The Company also has controlling shareholding in China Life Pension Company Limited.

The Company is a leading provider of life insurance, annuity insurance, health and accident insurance in China. As at the end of the Reporting Period, the Company had approximately 326 million long-term insurance policies in force. We also had a great quantity of short-term insurance policies, including accident insurance, health insurance and term life insurance, with a term of one year or less.

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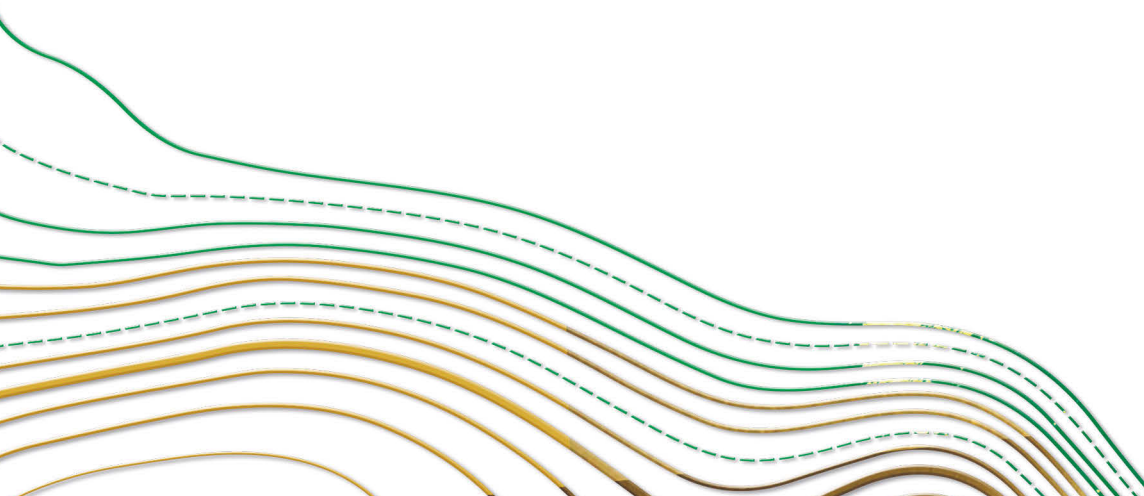
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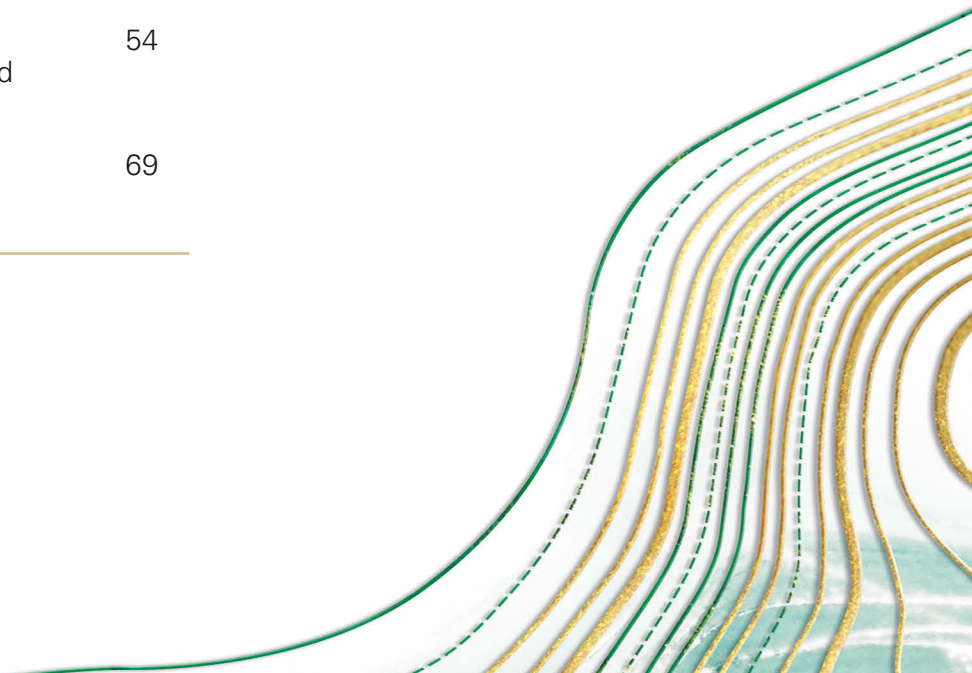
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CORE COMPETITIVENESS

Long history and excellent brand

The predecessor of the Company, one of the first batch of enterprises to underwrite insurance business in China, was approved by the Chinese Government for establishment in October 1949. After the restructuring and reorganisation, the Company was successively listed overseas and domestically. The Company has been playing the role of an explorer and pioneer in China’s life insurance industry, and through long-term and continuous brand building, China Life has become one of the famous and strong brands in the world with growing brand value and influence.

Prominent principal business and sound financial strength

The Company sticks to the original role of insurance and further explores the huge potentials of the life insurance market. The Company has a sound institutional and services network, with its business outlets and services counters covering both urban and rural areas across China, which forms a powerful distribution and services network and through which the Company maintains its leading position in China’s life insurance market and becomes the life insurance service provider within the reach of customers. Through the long-term development and accumulation, China Life has solid financial strength comparable to world-class enterprises in the world, with its total assets ranking No. 1 in the life insurance industry in China. As one of the largest institutional investors in China, the Company becomes one of the largest insurance asset management companies in China through its controlling shareholding in China Life Asset Management Company Limited.

Convenient services and superb customer experience

The Company adheres to the service concept of “honest and trustworthy, professional and efficient, customer-oriented, and first-class experience”, develops the operation model of “multiple accesses at the front-end, intelligent centralisation at the headquarters, and comprehensive sharing for operations”, and has established a customer-oriented digital operation and service system. The Company keeps considering and catering to demands of its customers, devoting itself to improve customer experience, and providing customers with “convenient, quality and caring” services. The Company also adheres to the concept of “people-oriented, caring for life, creating value and serving the community”, with the aim to consistently contribute to the protection of people’s good life.

Leading technologies and innovation empowerment

The Company implements the “Technology-driven China Life” development strategy in great depth by adhering to the leading concept of technological innovation. The Company has established digital platforms closely integrating online and offline resources with teams and outlets as the support and industry-leading hybrid clouds as the base, creating an open, win-win and diversified digital insurance ecosystem, facilitating the Company’s digital transformation in all aspects, and accelerating the replacement of old growth drivers with new ones, through which the Company’s business operation is empowered in all aspects, and the Company is able to provide smart, convenient, efficient and well-targeted comprehensive financial and insurance services to the public.

Professional and stable core team

During the long course of its development, the Company has accumulated a wealth of experience in operation and management and has a stable and professional management team that is well versed in the art of management in China’s life insurance market. The Company’s core management team and key personnel comprise those who have in-depth knowledge and understanding of the life insurance market in China, including the Company’s senior management, experienced underwriting personnel, insurance actuaries, investment managers and risk management teams. During the Reporting Period, there was no change of the above personnel which might have a material impact on the Company. The Company has been pushing forward the reform of the market-oriented remuneration system, continuously stimulating its internal vitality, and building a talent team that matches its high-quality development.

HONORS AND AWARDS

"2024 Forbes Global 2000", ranking 116th

Forbes

"Excellent Listed Company"

Hong Kong Ta Kung Wen Wei Media Group, Hong Kong Chinese Enterprises Association, the Chinese Financial Association of Hong Kong, the Chinese Securities Association of Hong Kong and The Hong Kong Chartered Governance Institute
"14th China Securities 'Golden Bauhinia Awards'"

The "World's Top 100 Most Valuable Insurance Brands in 2024", ranking 3rd

Brand Finance

"Insurance Company of the Year for Brand Excellence"

The Economic Observer
"2024 Excellent Financial Enterprises"

**"Annual Insurance Protection Brand Award"
"Annual Innovative Insurance Product Award"**

Shanghai Securities News
"2024 'Shanghai Securities News – Assessment and Selection of the Golden Wealth Management'"

**"Ark Prize for Insurance Company with High-quality Development in 2024"
"Ark Prize for Social Responsibility in the Insurance Industry in 2024"**

Securities Times
"Ark Prizes for China's Insurance Industry in 2024"

"Insurance Company with High-quality Development in 2024"

"Insurance Company with Quality Service in 2024"

"Social Responsibility Pioneer Insurance Company in 2024"

Hexun.com
"22nd Financial Annual Champion Awards"

**"Excellent Life Insurance Company of the Year"
"Inclusive Finance Service Institution of the Year"**

21st Century Business Herald
"Excellent Case of Financial Competitiveness in the 21st Century (2024)"



**“Excellent Life Insurance Company of the Year”
“Top 10 Life Insurance Companies”**

PBC School of Finance of Tsinghua University and the Editorial Department of Tsinghua Financial Review
“2024 Competitiveness Ranking of the PRC Insurance Institutions”

“Listed Company with Excellent Competitiveness in 2024”

China Business Journal
“Cases of Listed Companies with Excellent Competitiveness in 2024”

“TOP 5 on the Life Insurance List”

**“TOP 1 on the Life Insurance List within the Wealth Management Rankings”
“TOP 1 on the Life Insurance List within the Green Finance Rankings”**

Southern Weekend
“2024 New Financial Competitiveness List”

“Investment Golden Bull Award for the Insurance Industry”

China Securities Journal
“4th Investment Golden Bull Awards for the Insurance Industry”

“Outstanding ESG Financial Enterprise of the Year”

The Paper
“2024 TOP Financial Rankings”

“Inclusive Insurance Achievement Award”

Chinese Academy of Financial Inclusion of Renmin University of China
“2024 Inclusive Finance Achievement Series Awards”

“Hong Kong Corporate Governance Excellence Award 2024”

The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and
Financial Policy of Hong Kong Baptist University
“Hong Kong Corporate Governance & ESG Excellence Award 2024”



BUSINESS HIGHLIGHTS



Total assets

6,769,546

million



Investment assets

6,611,071

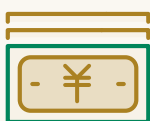
million



Equity holders' equity

509,675

million



Gross written premiums

671,457

million



Gross investment income

308,251

million



Net profit attributable to equity holders of the Company

106,935

million



Embedded value

1,401,146

million



Value of one year's sales

33,709

million



Comprehensive solvency ratio

207.76%

FINANCIAL SUMMARY

MAJOR FINANCIAL DATA AND INDICATORS FOR THE PAST FIVE YEARS¹

RMB million

Major financial data	Under International Financial Reporting Standards ("IFRSs")					
	2024	2023	Change	2022	2021	2020
For the year ended						
Total revenues	528,627	344,746	53.3%	370,861	824,933	805,049
Profit before income tax	115,213	44,576	158.5%	70,060	50,340	54,440
Net profit attributable to equity holders of the Company	106,935	46,181	131.6%	66,680	50,766	50,221
Net profit attributable to ordinary share holders of the Company	106,935	46,181	131.6%	66,680	50,766	50,020
Net cash inflow/(outflow) from operating activities	378,795	384,366	-1.4%	345,284	286,446	303,990
As at 31 December						
Total assets	6,769,546	5,802,086	16.7%	5,010,068	4,892,480	4,253,544
Including: Investment assets ²	6,611,071	5,659,250	16.8%	4,811,893	4,716,420	4,095,541
Total liabilities	6,248,298	5,315,052	17.6%	4,635,095	4,405,346	3,795,975
Including: Insurance contract liabilities	5,825,026	4,859,175	19.9%	4,266,947	N/A	N/A
Equity holders' equity	509,675	477,093	6.8%	366,021	479,061	450,688
Per share (RMB)						
Earnings per share (basic and diluted) ³	3.78	1.63	131.6%	2.36	1.80	1.77
Equity holders' equity per share ³	18.03	16.88	6.8%	12.95	16.95	15.95
Ordinary share holders' equity per share ³	18.03	16.88	6.8%	12.95	16.95	15.95
Net cash inflow/(outflow) from operating activities per share ³	13.40	13.60	-1.4%	12.22	10.13	10.76
Major financial ratios (%)						
Weighted average ROE	21.59	9.65	An increase of 11.94 percentage points	17.26	10.92	11.81
Gearing ratio ⁴	92.30	91.61	An increase of 0.69 percentage point	92.52	90.04	89.24
Gross investment yield ⁵	5.50	2.43	An increase of 3.07 percentage points	3.90	4.98	5.30

Notes:

- Since 1 January 2023, the Company has adopted *IFRS 9 – Financial Instruments* and *IFRS 17 – Insurance Contracts*. The Company has restated and presented the comparative information for the year 2022 associated with insurance contracts in accordance with *IFRS 17 – Insurance Contracts*, and there is no need for the Company to restate and present the comparative information for the year 2022 associated with financial instruments in accordance with *IFRS 9 – Financial Instruments*. There is no need for the Company to restate and present any comparative information for the years 2020 and 2021 in accordance with *IFRS 9 – Financial Instruments* and *IFRS 17 – Insurance Contracts*.
- As at 31 December 2023 and 31 December 2024, Investment assets = Cash and cash equivalents + Financial assets at fair value through profit or loss + Investment in debt instruments at fair value through other comprehensive income + Investment in equity instruments at fair value through other comprehensive income + Investment in debt instruments at amortised cost + Term deposits + Financial assets purchased under agreements to resell + Statutory deposits-restricted + Investment properties + Investments in associates and joint ventures. As at 31 December 2022, Investment assets = Cash and cash equivalents + Securities at fair value through profit or loss + Available-for-sale securities + Held-to-maturity securities + Term deposits + Financial assets purchased under agreements to resell + Loans (excluding policy loans) + Statutory deposits-restricted + Investment properties + Investments in associates and joint ventures
- In calculating the percentage changes of the "Earnings per share (basic and diluted)", "Equity holders' equity per share", "Ordinary share holders' equity per share" and "Net cash inflow/(outflow) from operating activities per share", the tail differences of the basic figures have been taken into account.
- Gearing ratio = Total liabilities/Total assets
- In the calculation of the investment yield of the years 2023 and 2024, the average investment assets as the denominator exclude the fair value changes of investment in debt instruments at fair value through other comprehensive income, so as to reflect the strategic intention of the Company for the management of assets and liabilities. In the calculation of the investment yield of the year 2022, the data of investment businesses related to *IFRS 17 – Insurance Contracts* has been restated, while the data of investment businesses related to *IFRS 9 – Financial Instruments* has not been restated. The formula used for calculating the investment yield of the year 2022 is the same as that of previous years.

INFORMATION ON THE DIFFERENCE BETWEEN THE FINANCIAL STATEMENTS PREPARED UNDER ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

Under Accounting Standards for Business Enterprises (“ASBE”), the Company has implemented *ASBE No. 25 – Insurance Contracts* (Caikuai [2020] No. 20), *ASBE No. 22 – Recognition and Measurement of Financial Instruments* (Caikuai [2017] No. 7) and other standards on financial instruments since 1 January 2024. The Company has restated and presented the comparative information associated with insurance contracts in accordance with *ASBE No. 25 – Insurance Contracts* (Caikuai [2020] No. 20), and there is no need for the Company to restate and present the comparative information associated with financial instruments in accordance with *ASBE No. 22 – Recognition and Measurement of Financial Instruments* (Caikuai [2017] No. 7) and other standards on financial instruments.

The net profit attributable to equity holders of the Company of the year 2024 and the equity holders’ equity as at 31 December 2024 prepared under ASBE are the same as those under IFRSs. For the comparative data, the financial statements under ASBE were prepared in accordance with *ASBE No. 25 – Insurance Contracts* (Caikuai [2020] No. 20), *ASBE No. 22 – Recognition and Measurement of Financial Instruments* (Caikuai [2006] No. 3) and other standards on financial instruments, the net profit attributable to equity holders of the Company of the year 2023 was RMB51,184 million, and the equity holders’ equity as at 31 December 2023 was RMB327,784 million; the financial statements under IFRSs were prepared in accordance with *IFRS 17 – Insurance Contracts* and *IFRS 9 – Financial Instruments*, the net profit attributable to equity holders of the Company of the year 2023 was RMB46,181 million, and the equity holders’ equity as at 31 December 2023 was RMB477,093 million.

MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH CHANGE OF OVER 30% AND THE REASONS FOR CHANGE

RMB million

Items of the consolidated statement of financial position	As at 31 December 2024	As at 31 December 2023	Change	Main reasons for change
Cash and cash equivalents	85,505	149,305	-42.7%	The needs for liquidity management
Financial assets sold under agreements to repurchase	151,564	216,851	-30.1%	The needs for liquidity management
Items of the consolidated statement of comprehensive income	2024	2023	Change	Main reasons for change
Investment income	176,461	(9,375)	N/A	Market value fluctuations of financial assets and proactive investment operations
Investment income from associates and joint ventures	12,077	8,079	49.5%	An increase in the net profits of associates and joint ventures
Insurance finance income/ (expenses) from insurance contracts issued	209,952	127,923	64.1%	An increase in returns on investment assets related to business measured by the variable fee approach and an increase in the insurance business scale of the Company
Income tax	6,273	(2,971)	N/A	Due to the combined impact of income tax payable and deferred income tax
Net profit attributable to equity holders of the Company	106,935	46,181	131.6%	By adhering to the principle of asset-liability matching and the philosophy of long-term investment, value investment and prudent investment, the Company seized market opportunities for cross-cycle fund allocation, and continuously optimised the structure of equity investments. The stock market rebounded rapidly after experiencing low-level fluctuations in 2024, leading to a substantial year-on-year increase in the Company’s gross investment income.

CHAIRMAN'S STATEMENT

2024 was the critical year for implementing the “14th Five-Year Plan”. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China Life deeply implemented the guiding principles of the 20th CPC National Congress, and the second and third plenary sessions of the 20th CPC Central Committee, as well as the deployments of the Central Financial Work Conference and the Central Economic Work Conference. With a focus on the goal of contributing to building the country into a financial powerhouse, the Company adhered to the “people-centric” approach, firmly fulfilling its functions as a “shock absorber” for economic operation and a “stabiliser” for social development. By prioritising high-quality development, the Company steadfastly pushed forward its development in finance with Chinese characteristics, serving the overall interests of Chinese-style modernisation.

Over the past year, the external environment was complex and severe. As a series of policies that significantly influenced the industry were implemented, the challenge of balancing multiple objectives was unprecedented. The Company made proactive and pioneering efforts, and achieved comprehensive improvements in the scale, value, growth, quality, structure, efficiency and safety of its business and operations. Key performance indicators reached record highs, operational quality and efficiency were significantly enhanced, comprehensive strength was continuously bolstered, and market leading position was further solidified, which represented an impressive performance report brought by high-quality development. During the Reporting Period, total assets and investment assets experienced rapid growth, reaching RMB6.77 trillion and RMB6.61 trillion, respectively. Gross written premiums¹ amounted to RMB671,457 million, and embedded value surpassed RMB1.4 trillion, maintaining industry leadership positions in both business scale and value. Net profit attributable to equity holders of the Company exceeded RMB100 billion, reaching RMB106,935 million. Solvency adequacy remained at a relatively high level. The Company was honored with over 40 awards, including the “14th China Securities Golden Bauhinia Awards – Excellent Listed Company”, the “Ark Prize for Insurance Company with High-quality Development in 2024”, and the “Investment Golden Bull Award for the Insurance Industry”. It has consistently received a Grade A rating in the evaluation of operations of



¹ The data regarding premiums (including gross written premiums, premiums from new policies, first-year regular premiums, first-year regular premiums with a payment duration of ten years or longer, renewal premiums, single premiums and short-term insurance business premiums, etc.) in this report are relevant data under ASBE No. 25 – Direct Insurance Contracts (Caikuai [2006] No. 3), ASBE No. 26 – Reinsurance Contracts (Caikuai [2006] No. 3) and the Regulations regarding the Accounting Treatment of Insurance Contracts (Caikuai [2009] No. 15).

insurance companies by the Insurance Association of China for nine consecutive years, with top rankings in asset-liability management capability assessments. We kept sharing the benefits of the high-quality development with investors, and implemented interim dividends for the first time. Together with the proposed 2024 final cash dividends, total annual dividends amounted to RMB18,372 million, maintaining a high and stable level of dividend payouts.

We strengthened our functional roles and effectively served the overall interests of national development.

With a profound understanding of the due role of the insurance industry, we remained committed to the political and people-centric nature of insurance, aiming to balance the functional value and social value. We deeply served the multi-tiered social security system, continuously supported the enhancement of the national governance system, and actively facilitated the construction of a modern industrial system. We diligently fulfilled our commitments to supporting livelihood protection, with the new insurance coverage exceeding RMB200 trillion for the year and nearly 25 million claims settled, thereby significantly boosting resilience to social risks. Our efforts to improve the “third-pillar” service quality positioned our third-pillar private pension and commercial annuity insurance businesses ranking first in the industry. Inclusive insurance benefited a wider range of groups, with the scale of supplementary major medical expenses insurance and long-term care insurance businesses steadily expanding, and agricultural-related insurance providing insurance protection for 270 million rural residents. As the practitioner of “long-term capital” and “patient capital”, we remained committed to our core mission, serving the real economy more comprehensively and precisely and fostering the development of new quality productive forces. In 2024, our investments in the real economy surpassed RMB4.62 trillion, investments contributing to the construction of a modern industrial system and serving the national and regional strategies amounted to RMB2.37 trillion and RMB3.03 trillion, respectively. We explored long-term investment models for insurance funds and pioneered the establishment of a private securities investment fund, further underscoring our roles as the main force for serving the real economy and maintaining financial stability. Due to our commitment to green development, and notable achievements in environmental, social and governance practices, our MSCI ESG rating advanced to Grade A.

We deepened our asset-liability management and significantly enhanced business value and profitability.

We advanced boldly with the times, prioritising business development and focusing on value creation and profitability improvement. We continuously enhanced the systematic, forward-looking and proactive aspects of asset-liability management, actively implemented the rules on “aligning sales practices with regulatory filings”, strengthened cost control and refined management, and further diversified our products and businesses. As a result, the liability quality of new business was consistently improved, product structure was more balanced, remarkable results in cost reduction and efficiency improvement were achieved, and the efficiency in resource allocation was further improved. Our capabilities for sustainable operations and value creation became stronger, demonstrating new resilience and vitality, with our market-leading competitive edge becoming more prominent. During the Reporting Period, we solidified our development foundation, with gross written premiums reaching a new height from a high base, and the value of one year’s sales growing rapidly, up by 24.3% year on year. By adhering to the principle of asset-liability matching and the philosophy of long-term investment, value investment and prudent investment, and maintaining strategic consistency, we seized market opportunities for cross-cycle fund allocation and actively engaged in counter-cyclical equity investments and medium- to long-term deployment, thus achieving satisfactory investment results, with gross investment income reaching RMB308,251 million and the gross investment yield reaching 5.50%. The synergy and alignment between assets and liabilities significantly enhanced operational quality and efficiency, which brought about the significant increase in our net profit attributable to equity holders of the Company.

We prioritised integrity while driving innovation, and accelerated our transformation and development.

Capitalising on prevailing trends and integrating into the financial reform landscape, we persistently pursued innovation and continuously evolved our business models, expedited product innovation and services optimisation, so as to enhance our insurance protection capabilities and service quality, further strengthen our core competitiveness, and lift the Company’s high-quality development to a new level. To better meet the growing needs of the public for insurance protection and wealth management, we stepped up our efforts in the development of old-age finance, accelerated the growth of commercial annuity insurance, and achieved promising results in diversifying our health insurance business. Our health service management model

has taken shape, and the three senior-care product lines, namely retirement communities, retirement apartments, and healthcare and senior-care sojourn facilities, have gone into operation. The synergy between the healthcare and senior-care ecosystem, integrated finance and our principal insurance business gained momentum, with significant ecological empowerment on the business value growth. Our sales system reforms progressed as planned. With the largest sales force in the industry, we accelerated the transformation towards a specialised, professional and integrated individual agent team. Indicators such as new agent development, retention and productivity of the sales force were consistently improved, and the deployment of new sales models advanced steadily. We cultivated new development momentums with a digital engine, strengthened the foundation of digital empowerment, and deepened the application of big data and artificial intelligence, steadily enhancing our digital operational capabilities. As a life insurance company processing over 20 million claims annually, we made substantial strides in advancing digitalisation of operations and maintained a leading position in claims settlement efficiency. The brand influence of “China Life Good Services”, known for “convenient, quality and caring”, continued to grow. We have ranked first in the industry for two consecutive years in life insurance service quality index, and consistently achieved the highest level in the industry in the assessment of consumer protection conducted by industry regulator.

We coordinated business development and risk control, and our risk prevention and control measures were robust and effective. By embedding risk prevention and control into our overall development strategy, we proactively adapted to stringent regulatory trend, and further enhanced our internal control, compliance and risk management systems to fortify an effective security net against systemic risks,

thereby ensuring high-quality development with high-level security. Our digital transformation in risk control yielded positive results, enhancing the quality and efficiency of risk prevention and control through real-time, centralised and intelligent approaches. As a result, our multi-dimensional risk analysis model became more efficient, the risk monitoring network and early warning system became more responsive, and the full-coverage and penetrating risk perception system was further refined, with strengthened risk prevention across key areas. We embedded compliance management into all levels and aspects of our business operations and management, and successfully passed the domestic and international dual-standard certification and supervision audit of our compliance management system. Our integrated risk rating under China Risk Oriented Solvency System (“C-ROSS”) and SARMRA scores remained among the top of the industry.

With ambitious aspirations, we are to embark on a challenging but lofty journey ahead. 2025 marks the final year of the “14th Five-Year Plan” and is also a crucial year for further deepening reforms comprehensively. As we navigate this new journey in the new era, we will fully implement the decisions and strategies of the CPC Central Committee, position ourselves as effective executors, action-takers, and hard-workers for further deepening reforms. We will be deeply engaged in the “Five Priorities” of finance, hold on to our primary responsibilities and principal business, with a sharper focus on core functions, value creation, reforms and transformation, and consolidation of foundation, so as to expedite high-quality development of the Company, and strive towards the goal of building the Company into a world-class life insurance company with Chinese characteristics, distinguished by “exceptional business development, innovation-driven growth, efficient coordination, and modern governance”.

By Order of the Board



Cai Xiliang
Chairman

26 March 2025



MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF BUSINESS OPERATIONS

In 2024, the Company pursued its original aspiration and mission of providing insurance services for the people and concentrated on its primary responsibilities and principal business. Following the main guideline of high-quality development, it upheld the business philosophy of the “three consistencies” (strengthening Party building, promoting reforms and guarding against risks), the “three enhancements” (stabilising business growth, increasing business value and emphasising on sales force), and the “three breakthroughs” (optimising services, facilitating integration and cutting costs), and prioritised the “Five Priorities” of finance, to further advance reforms and innovations, leading to comprehensive improvements in multiple objectives including scale, value, growth, quality, structure, efficiency and safety of its business and operations. The Company has received a Grade A rating in the evaluation of operations of insurance companies by the Insurance Association of China for nine consecutive years, and ranked first in the industry for two consecutive years in life insurance service quality index. In the integrated risk rating for insurance companies, it has maintained a Class A rating for 26 consecutive quarters.

The Company achieved new breakthroughs in its operational performance.

By incorporating the concept of asset-liability management into every aspect of its business operations and management, it strengthened cost reduction and efficiency improvement, and strived to improve resource allocation efficiency, thus attaining remarkable achievements in its business development. During the Reporting Period, the Company’s gross written premiums amounted to RMB671,457 million, reaching a new height from a high base, with a year-on-year increase of 4.7%, and its leading advantage remaining solidified. In 2024, the Company stepped up on cost control and underwriting management, continued to strengthen the allocation of underlying positions in fixed-income investments, and properly navigated the equity market dynamics, with gross investment income reaching RMB308,251 million, a significant increase of 150.4% compared to the corresponding period of last year. With effective synergy between assets and liabilities, the net profit attributable to equity holders of the Company surpassed RMB100 billion, achieving the best performance in history, reaching RMB106,935 million, a substantial year-on-year increase of 131.6%.

The Company actively pursued high-quality development.

By remaining committed to the diversification in products and businesses, it maintained balanced business development, further optimised its business structure, and significantly reduced the guarantee rates associated with new business liabilities. During the Reporting Period, first-year regular premiums reached RMB119,077 million, sustaining steady growth from the high base of the previous year. In particular, first-year regular premiums with a payment duration of ten years or longer amounted to RMB56,603 million, a year-on-year increase of 14.3%, achieving rapid growth, and its proportion in the first-year regular premiums rose by 3.54 percentage points year on year, continuously strengthening the Company's long-term competitive advantage. Renewal premiums grew by 6.2% year on year, further solidifying the development foundation. The policy persistency rate of 14 months reached 91.60%, an increase of 1.20 percentage points year on year. The Company owned the largest sales force in the industry. As at the end of the Reporting Period, the number of its total sales force was 666,000. With an increase in both the scale of high-performance agents and

the productivity per agent, the Company achieved remarkable results in enhancing the quality and efficiency of its sales force. The value of one year's sales achieved rapid growth, marking a year-on-year increase of 24.3% based on the 2023 economic assumptions, and reaching RMB33,709 million under the 2024 economic assumptions, which continued to lead the industry.

The Company further enhanced its comprehensive strengths.

As at the end of the Reporting Period, the Company's total assets and investment assets both surpassed RMB6 trillion, reaching RMB6.77 trillion and RMB6.61 trillion, respectively. Equity holders' equity exceeded RMB500 billion for the first time, amounting to RMB509,675 million, a year-on-year increase of 6.8%. The comprehensive solvency ratio was 207.76%, and the core solvency ratio was 153.34%, both maintaining at relatively high levels. Its embedded value exceeded RMB1.4 trillion, consistently leading the industry. The number of long-term in-force policies held by the Company was 326 million.

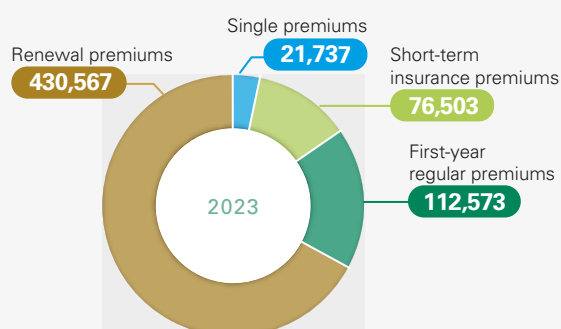
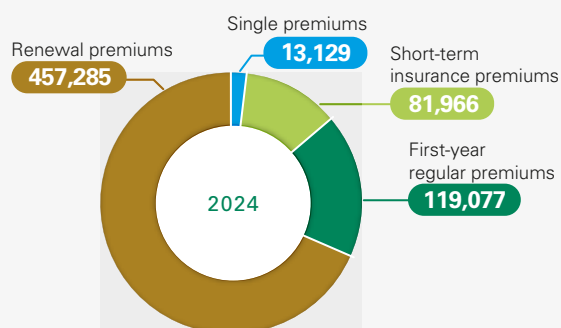
Key Performance Indicators

	RMB million	
	2024	2023
Gross written premiums	671,457	641,380
Premiums from new policies	214,172	210,813
Including: First-year regular premiums	119,077	112,573
First-year regular premiums with a payment duration of ten years or longer	56,603	49,522
Renewal premiums	457,285	430,567
Gross investment income	308,251	123,082
Net profit attributable to equity holders of the Company	106,935	46,181
Value of one year's sales (using 2024 economic assumptions)	33,709	–
Including: Individual agent channel	31,313	–
Value of one year's sales (using 2023 economic assumptions)	45,805	36,860
Including: Individual agent channel	41,016	34,646
Policy persistency rate (14 months) ¹ (%)	91.60	90.40
Policy persistency rate (26 months) ¹ (%)	85.60	79.10
Surrender rate ² (%)	1.01	1.11
	As at 31 December 2024	As at 31 December 2023
Embedded value	1,401,146	1,260,567
Number of long-term in-force policies (hundred million)	3.26	3.28

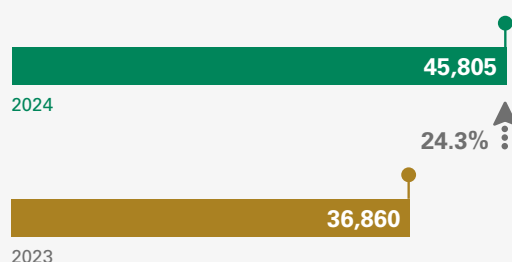
Notes:

1. The persistency rate for long-term individual life insurance policy is an important operating performance indicator for life insurance companies. It measures the ratio of in-force policies in a pool of policies after a certain period of time. It refers to the proportion of policies that are still effective during the designated month in the pool of policies whose issue date was 14 or 26 months ago.
2. Surrender rate, which is for long-term insurance business, is the proportion of the surrender payment to the sum of the reserves at the beginning of the period and the premiums. Items such as surrender payment, reserves and premiums are relevant data under ASBE No. 25 – Direct Insurance Contracts (Caikuai [2006] No. 3), ASBE No. 26 – Reinsurance Contracts (Caikuai [2006] No. 3) and the Regulations regarding the Accounting Treatment of Insurance Contracts (Caikuai [2009] No. 15).

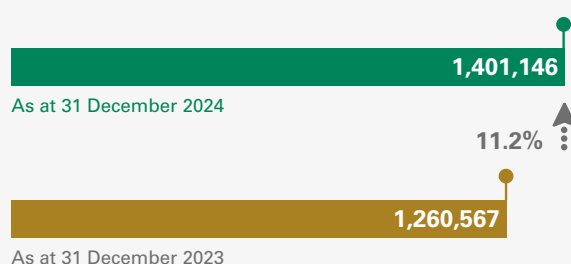
Gross written premiums breakdown (RMB million)



Value of one year's sales (using 2023 economic assumptions) (RMB million)



Embedded value (RMB million)



BUSINESS ANALYSIS

Figures of Gross Written Premiums

Gross Written Premiums Categorised by Business

	RMB million	
	2024	2023
Life insurance business	538,711	512,622
First-year business	129,683	130,839
First-year regular	116,557	109,112
Single	13,126	21,727
Renewal business	409,028	381,783
Health insurance business	119,136	114,023
First-year business	71,198	65,655
First-year regular	2,520	3,460
Single	68,678	62,195
Renewal business	47,938	48,368
Accident insurance business	13,610	14,735
First-year business	13,291	14,319
First-year regular	—	1
Single	13,291	14,318
Renewal business	319	416
Total	671,457	641,380

Note: Single premiums in the above table include premiums from short-term insurance business.

During the Reporting Period, gross written premiums from the life insurance business of the Company amounted to RMB538,711 million, a year-on-year increase of 5.1%. Gross written premiums from the health insurance business were RMB119,136 million, a year-on-year increase of 4.5%. Gross written premiums from the accident insurance business were RMB13,610 million, a year-on-year decrease of 7.6%.

Gross Written Premiums Categorised by Channel

RMB million

	2024	2023
Individual agent channel¹	529,033	501,580
First-year business of long-term insurance	100,683	92,127
First-year regular	100,248	91,807
Single	435	320
Renewal business	409,823	391,218
Short-term insurance business	18,527	18,235
Bancassurance channel	76,201	78,748
First-year business of long-term insurance	29,476	40,191
First-year regular	18,776	20,735
Single	10,700	19,456
Renewal business	46,299	38,112
Short-term insurance business	426	445
Group insurance channel	27,625	28,154
First-year business of long-term insurance	1,742	1,946
First-year regular	10	15
Single	1,732	1,931
Renewal business	1,149	1,234
Short-term insurance business	24,734	24,974
Other channels²	38,598	32,898
First-year business of long-term insurance	305	46
First-year regular	43	16
Single	262	30
Renewal business	14	3
Short-term insurance business	38,279	32,849
Total	671,457	641,380

Notes:

1. Gross written premiums of individual agent channel mainly include premiums of the general sales team and the upsales team, etc.
2. Gross written premiums of other channels mainly include premiums of government-sponsored health insurance business and online sales, etc.

Insurance Business

Analysis of Insurance Business

Individual Agent Channel

Aiming at high-quality development, the individual agent channel focused on value creation and deeply promoted channel transformation. A steady growth was achieved on a high base in all business performance indicators, and the business structure was significantly optimised. During the Reporting Period, gross written premiums from the individual agent channel were RMB529,033 million, a year-on-year increase of 5.5%. In particular, renewal premiums were RMB409,823 million, a year-on-year increase of 4.8%. First-year regular premiums were RMB100,248 million, a year-on-year increase of 9.2%. First-year regular premiums with a payment duration of ten years or longer were RMB56,564 million, a year-on-year increase of 14.3%, and its proportion in the first-year regular premiums was 56.42%, an increase of 2.50 percentage points year on year. The value of one year's sales of the individual agent channel rose by 18.4% year on year based on the 2023 economic assumptions.

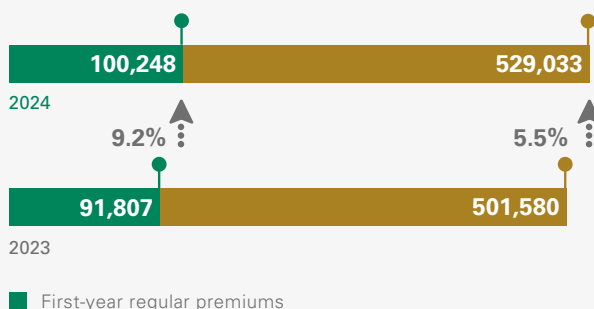
In 2024, the individual agent channel pushed forward its sales system reforms in greater depth. The existing sales force consistently pursued the concept of "team buildup based on customer resources" to further refine the customer-centric business operation and management system of the channel, thereby facilitating a steady transformation towards a specialised, professional, and integrated sales force. With a focus on optimising agent recruitment and development and increasing productivity, the "6+1" key initiatives for the individual agent channel were fully advanced, which continuously promoted the iterative upgrade of key technologies for team buildup. The "Seed Program", launched under the deployment of new sales model, progressed as planned, with the pilot program being

initiated in 24 cities, carrying out effective exploration of new models, new tracks and new future opportunities. As at the end of the Reporting Period, the number of agents of the channel was 615,000, which remained relatively stable, including 394,000 agents from the general sales team and 221,000 agents from the upsales team. The quality of the sales force sustained the positive trend of improvement over the years, with a gradual increase in both the scale and proportion of high-performance agents. The productivity of the sales force was steadily increased from a high base, and the monthly average first-year regular premiums per agent rose by 15.0% year on year.

Bancassurance Channel

The bancassurance channel seized the opportunities of high-quality development, optimised the business operation and management system, and actively pushed forward the channel transformation. With effective implementation of the rules on "aligning sales practices with regulatory filings", the Company strengthened commission and expenses control, achieving remarkable results in cost reduction and efficiency improvement, which led to a significant increase in both new business margin of one year's sales and contribution of value of one year's sales of the channel. Meanwhile, the Company vigorously expanded its distribution network, with a continuous increase in the number of cooperative banks. It also consistently enhanced the professional development of its sales force, and further enriched bancassurance products. The business scale of the channel remained stable due to the above-mentioned measures. During the Reporting Period, gross written premiums from the bancassurance channel were RMB76,201 million, first-year regular premiums were RMB18,776 million, and the proportion of renewal premiums in the gross written premiums from the channel was 60.76%. The number of account managers of the bancassurance channel was 19,000.

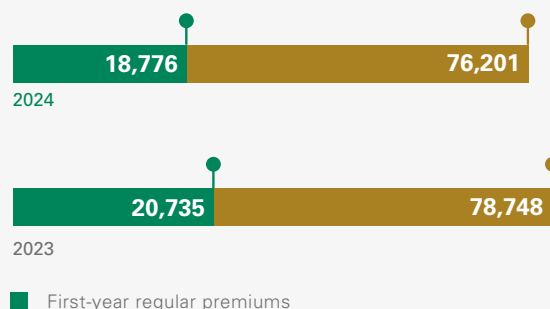
Gross written premiums of individual agent channel (RMB million)



Agents of individual agent channel

615,000

Gross written premiums of bancassurance channel (RMB million)

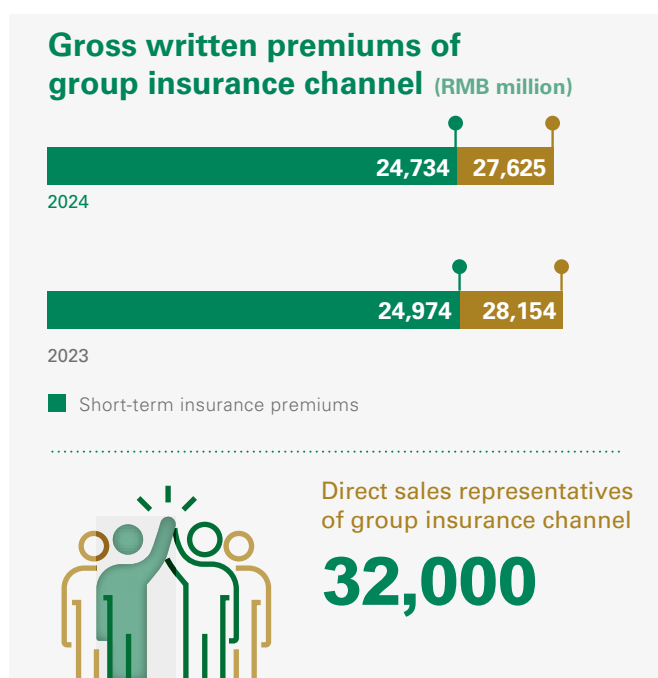


Account managers of bancassurance channel

19,000

Group Insurance Channel

The group insurance channel maintained a focus on profitability and consistently implemented a “diversified development” strategy with targeted measures to expand key segments, so as to facilitate steady development across all business lines. During the Reporting Period, gross written premiums from the group insurance channel were RMB27,625 million, a year-on-year decrease of 1.9%. In particular, short-term insurance premiums were RMB24,734 million, a year-on-year decrease of 1.0%. As at the end of the Reporting Period, the number of direct sales representatives of the group insurance channel was 32,000, with per-capita productivity increasing by 8.2% compared to the corresponding period of last year, achieving steady improvement.



Other Channels

During the Reporting Period, gross written premiums from other channels amounted to RMB38,598 million, an increase of 17.3% year on year. The Company proactively participated in a variety of government-sponsored health insurance businesses and supported the construction of a multi-tiered medical security system. As at the end of the Reporting Period, the Company participated in undertaking over 200 supplementary major medical expenses insurance programs, 80 long-term care insurance programs and over 130 city-customised commercial medical insurance projects.

Online Insurance Business

The Company continued to promote the development of the online insurance business by optimising its online insurance business operation system featuring centralised operations and unified management, so as to provide customers with a quality service experience. In 2024, the online insurance business recorded total premiums² of RMB82,620 million, a year-on-year increase of 8.7%. Specifically, the Company's online insurance business which integrated online and offline sales remained stable, and the online exclusive business³ showing a rapid development trend. The Company took the “Zhen E Plan” (振E計劃) as a key initiative to drive the redesign and upgrade of the “China Life Insurance Mall”, offering internet users a “China Life proprietary online flagship store” with rich content, diversified products, easy navigation and attentive service, which further enhanced the channel's independent operations and improved the customers' online experience.

Integrated Financial Business

The Company consistently engaged in the construction of a “life insurance +” integrated financial ecosystem, with a view to empowering its high-quality development. With a focus on satisfying the diverse needs of its customers, the Company has offered a variety of products and services in conjunction with China Life group members, so as to provide customers with one-stop and all-round solutions of high-quality financial and insurance services. In 2024, premiums of CLP&C cross-sold by the Company through collaboration were RMB24,688 million, with the number of insurance policies increasing by 5.2% year on year. The scale of business of Pension Company cross-sold by the Company through collaboration was RMB23,829 million. The Company entrusted CGB to sell its bancassurance products, with the first-year regular premiums amounting to RMB1,442 million. The Company also actively explored the synergy between insurance and investment businesses, continuously deepened its cooperation with AMC and CLI, etc., and further innovated and explored new insurance-investment interactive models.

² Including premiums from online insurance business acquired by different sales channels of the Company.

³ The online life insurance business under the regulator caliber.

Inclusive Healthcare and Integrated Senior-care Service System

In 2024, the Company adhered to the “customer-centric” approach, actively engaging in the construction of a multi-tiered social security system. It pursued ongoing exploration and innovation in the fields of inclusive healthcare and integrated senior-care services and steadily advanced system construction, with the objective of creating a comprehensive and multi-tiered ecosystem for healthcare and senior-care services.

With respect to the “insurance + healthcare services”, the Company focused on customers’ health needs to continuously enrich its health services. It launched inclusive services such as AI-driven health reports interpretation and VIP value-added services, providing customers with nearly a million health management service benefits and convenient medical healthcare access to promote their health. The Company developed and promoted insurance products that integrated health protection with health management, incorporating health management services into certain mid-to-high-end medical insurance products. It offered health management services across more than a hundred city-customised commercial health insurance programs. The Company strengthened the standardised management of health management services, continuously enhanced its capabilities in this area, and developed a standardised and professional health management service system. With respect to the “insurance + senior-care services”, the Company adhered to the philosophy of building a senior-care ecosystem that “gives children peace of mind, and reassures the senior people”. By leveraging the long-term and stable advantages of insurance funds, it steadily advanced the diversified supply of senior-care services and accelerated the deployment of such services in key strategic regions, endeavouring to construct a senior-care ecosystem with China Life characteristics. The Company promoted the deployment of three major senior-care product lines, namely continuing care retirement communities (CCRC), “city center” retirement apartments, and healthcare and senior-care sojourn facilities. As at the end of the Reporting Period, the Company had launched 17 residential senior-care services projects in a total of 14 cities and introduced three “Sui Xin Ju” (隨心居) sojourn products. It also researched and explored the home-based senior-care services to address the diversified senior-care needs of customers, thereby empowering the growth of principal insurance business. The Company consistently advanced the buildup of its exclusive team of China Life senior-care services planners, aiming to further satisfy the demands of its customers for the comprehensive senior-care and insurance protection services.

Analysis of Insurance Products

By diligently implementing the requirements of the new “Ten National Guidelines” and proactively addressing the “Five Priorities” of finance, the Company captured the essence of high-quality development, strengthened the coordinated management of assets and liabilities, so as to adapt to evolving market conditions, and enhance its ability in market perception and product innovation. In 2024, the Company newly developed and upgraded over a hundred products, continuously meeting the growing needs of the public for insurance protection and wealth management.

Serving the national economy and people’s livelihood, the Company remained steadfast in implementing national strategies. It effectively implemented the “Five Priorities” of finance, offering protection for people’s livelihood. In relation to old-age finance, the Company adapted to demographic trends in population age structure and proactively responded to the demands of the silver economy by vigorously developing commercial annuity insurance, and continuously enriching the third-pillar private pension insurance product portfolios across all channels. The scale of third-pillar private pension business and the number of customers served continued to grow accordingly, with the number of new products of third-pillar private pension, premiums from new policies, number of insurance policies, and number of customers served all ranking first in the industry. In relation to inclusive finance, the Company continuously enriched its high-quality inclusive insurance system, bolstering supply of insurance protection for specific groups such as farmers, low-income individuals, new industry practitioners and new urban residents, students and children, and specific professions. It expanded its service reach on an ongoing basis, broadened the coverage of the inclusive insurance system, and simplified product terms to facilitate customers to better understand the functions of insurance products, thereby enhancing the accessibility of insurance services. In relation to digital finance, the Company achieved new breakthroughs in the provision of diverse online products designed to meet the protection needs of online customers concerning senior-care, death and accidents, while considering the payment preferences of young online customers. In relation to science and technology finance and green finance, the Company actively contributed to the advancement of solutions for technology insurance and green insurance protection.

Remaining committed to innovation-driven growth, the Company enriched its diverse product offerings. It continued to advance product innovation, actively researched evolving trends of market demands, and enhanced product development agility, with an aim to build a high-quality product supply system. Firstly, the Company further enriched the product system for various customer groups. By aligning with the protection needs of individuals at different life cycles, including children, young adults, and the senior people, it optimised insurance coverage and enhanced insurance protection functions. Secondly, the Company promoted the development of health insurance across multiple areas through innovative approaches, and offered comprehensive health insurance products that offer general

or specialised options. The Company introduced its first critical illness product with simplified underwriting, gender-specific disease products, brain disease-specific products, and lifelong long-term care products, thereby broadening the coverage of health insurance products and services. It improved health protection for substandard groups, covering malignant tumors, actively incorporated innovative drugs into protection coverage, and provided solutions for different health protections, including cardiovascular and cancer diseases. Thirdly, the Company promoted the positive functions of products in effective asset-liability interaction, consistently enriching the supply of semi-priced products such as participating insurance product for different customer groups.

Top Five Insurance Products in terms of Gross Written Premiums in 2024

RMB million

Insurance product	Gross written premiums	Standard premiums from new policies ^{Note}	Major sales channel	Surrender payment
China Life Xin Yao Long Teng Endowment Insurance (國壽鑫耀龍騰兩全保險)	37,380	11,217	Mainly through the channel of exclusive individual agents	111
China Life Xin Xiang Wei Lai Endowment Insurance (國壽鑫享未來兩全保險)	37,218	–	Mainly through the channel of exclusive individual agents	337
China Life Xin Yu Jin Sheng Endowment Insurance (國壽鑫裕金生兩全保險)	34,274	–	Mainly through the channel of exclusive individual agents	439
China Life Xin Fu Lin Men Annuity Insurance (國壽鑫福臨門年金保險)	33,536	–	Mainly through the channel of exclusive individual agents	1,180
China Life Critical Illness Group Health Insurance for Rural and Urban Citizens (type A) (國壽城鄉居民大病團體醫療保險(A型))	30,962	30,962	Through other channels	–

Note: Standard premiums are calculated in accordance with the calculation methods set forth in the “Notice on Establishing the Industry Standard of Standard Premiums in the Life Insurance Industry” (Bao Jian Fa [2004] No. 102) and the “Supplementary Notice of the ‘Notice on Establishing the Industry Standard of Standard Premiums in the Life Insurance Industry’” (Bao Jian Fa [2005] No. 25) of the former China Insurance Regulatory Commission.

Investment Business

In 2024, bond market interest rates declined significantly, and quality assets were scarce. The stock market rebounded rapidly after experiencing low-level fluctuations, with significant structural differentiation. Under the complicated market environment, the Company maintained strategic consistency by adhering to the principle of asset-liability matching and the philosophy of long-term investment, value investment and prudent investment, and seized market opportunities for cross-cycle fund allocation, resulting in a substantial year-on-year increase in investment income. In

respect of fixed-income investments, the Company flexibly adjusted its allocation pace and product strategies, and continued to strengthen the allocation of underlying positions. In respect of equity investments, it capitalised on market opportunities to engage in counter-cyclical investments and medium- to long-term deployment, consistently advancing balanced allocations and optimised structure. In respect of alternative investments, the Company concentrated on high-quality entities as well as core assets, and made innovation in investment models, for the purpose of stabilising the size of allocations in this regard. As a whole, the Company maintained a stable portfolio with high-quality assets.

Investment Portfolios

RMB million

Items	As at 31 December 2024		As at 31 December 2023	
	Amount	Percentage	Amount	Percentage
Categorised by investment object				
Fixed-maturity financial assets	4,911,524	74.29%	4,119,072	72.78%
Term deposits	438,455	6.63%	413,255	7.30%
Bonds	3,903,074	59.04%	3,159,774	55.83%
Debt-type financial products ¹	523,721	7.92%	484,828	8.57%
Other fixed-maturity investments ²	46,274	0.70%	61,215	1.08%
Equity financial assets	1,269,086	19.19%	1,099,601	19.43%
Common stocks	501,083	7.58%	430,200	7.60%
Funds ³	306,551	4.64%	206,963	3.66%
Other equity investments ⁴	461,452	6.97%	462,438	8.17%
Investment properties	12,319	0.19%	12,753	0.23%
Cash and others ⁵	116,065	1.76%	169,064	2.99%
Investments in associates and joint ventures	302,077	4.57%	258,760	4.57%
Total	6,611,071	100.00%	5,659,250	100.00%
Categorised by accounting method				
Financial assets at fair value through profit or loss	1,908,098	28.86%	1,705,375	30.13%
Investment in debt instruments at amortised cost	196,754	2.98%	211,349	3.74%
Investment in debt instruments at fair value through other comprehensive income	3,458,895	52.32%	2,744,169	48.49%
Investment in equity instruments at fair value through other comprehensive income	171,817	2.60%	138,005	2.44%
Investments in associates and joint ventures	302,077	4.57%	258,760	4.57%
Others	573,430	8.67%	601,592	10.63%
Total	6,611,071	100.00%	5,659,250	100.00%

Notes:

1. Debt-type financial products include debt investment schemes, trust schemes, asset-backed plans, credit asset-backed securities, specialised asset management plans, and asset management products, etc.
2. Other fixed-maturity investments include statutory deposits-restricted and interbank certificates of deposits, etc.
3. Funds include equity funds, bond funds and money market funds, etc. In particular, the balances of money market funds as at 31 December 2024 was RMB2,095 million.
4. Other equity investments include private equity funds, unlisted equities, preference shares and equity investment plans, etc.
5. Cash and others include cash, cash at banks, short-term deposits, and financial assets purchased under agreements to resell, etc.

As at the end of the Reporting Period, the Company's investment assets reached RMB6,611,071 million, an increase of 16.8% from the end of 2023. The percentage of investment in major assets categories remained stable. Among the major types of investments, the percentage of investment in bonds increased to 59.04% from 55.83% as at the end of 2023, the percentage of term deposits

decreased to 6.63% from 7.30% as at the end of 2023, the percentage of investment in debt-type financial products decreased to 7.92% from 8.57% as at the end of 2023, and the percentage of investment in stocks and funds (excluding money market funds) increased to 12.18% from 11.23% as at the end of 2023.

Investment Income

	RMB million	
	2024	2023
Gross investment income	308,251	123,082
Net investment income	195,674	185,866
Net income from fixed-maturity investments	146,587	144,216
Net income from equity investments	34,489	29,117
Net income from investment properties	93	102
Investment income from cash and others	2,428	4,352
Share of profit of associates and joint ventures	12,077	8,079
+ Realised disposal gains	(4,245)	(31,280)
+ Unrealised gains or losses	118,160	(32,786)
– Expected credit losses of investment assets	(264)	(1,282)
– Impairment losses of investment assets	1,602	–
Net investment yield	3.47%	3.70%
Gross investment yield	5.50%	2.43%

Note: In the calculation of the investment yield, the average investment assets as the denominator exclude the fair value changes of investment in debt instruments at fair value through other comprehensive income, so as to reflect the strategic intention of the Company for the management of assets and liabilities.

In 2024, the Company's net investment income was RMB195,674 million, an increase of RMB9,808 million from the corresponding period of 2023, and the net investment yield was 3.47%, down by 23 basis points from the corresponding period of 2023. In 2024, the gross investment income was RMB308,251 million, an increase of RMB185,169 million from the corresponding period of 2023, and the gross investment yield was 5.50%, up by 307 basis points from the corresponding period of 2023.

Credit Risk Management

The Company's credit asset investments mainly included credit bonds and debt-type financial products, which concentrated on sectors such as banking, transportation, non-banking finance, public utilities, and energy. As at the end of the Reporting Period, over 98% of the credit bonds held by the Company were rated AAA by external rating institutions, whereas over 99% of the debt-type financial products were rated AAA by external rating institutions. In

general, the asset quality of the Company's credit investment products was in good condition, and the credit risks were well controlled.

The Company insisted on a prudent investment philosophy. Based on a disciplined and scientific internal rating system and a multi-dimensional management mechanism of risk limits, the Company prudently scrutinised credit profiles of targets and risk exposure concentration before investing and carried out ongoing tracking after investment, effectively controlling credit risks through early identification, early warning, early exposure and early disposal.

Major Investments

During the Reporting Period, there was no material equity investment or non-equity investment of the Company that was subject to disclosure requirements.

ANALYSIS OF SPECIFIC ITEMS

Insurance Revenue

Insurance revenue primarily includes expected insurance service expenses incurred in the current period, amortisation of contractual service margin, changes in the risk adjustment for non-financial risk, amortisation of insurance acquisition cash flows, and allocations using the premium allocation approach, etc., all recognised within the insurance period.

	RMB million		
	2024	2023	Change
Insurance revenue	208,161	212,445	-2.0%
Contracts measured using the premium allocation approach	51,286	52,147	-1.7%
Contracts not measured using the premium allocation approach	156,875	160,298	-2.1%

Insurance Service Expenses

Insurance service expenses primarily include incurred claims and other expenses, amortisation of insurance acquisition cash flows, and losses and reversals of losses on onerous contracts, etc.

	RMB million		
	2024	2023	Change
Insurance service expenses	180,544	150,353	20.1%
Contracts measured using the premium allocation approach	51,873	51,331	1.1%
Contracts not measured using the premium allocation approach	128,671	99,022	29.9%

Insurance Finance Income/(expenses) from Insurance Contracts Issued

Insurance finance income/(expenses) from insurance contracts issued refers to the profit or loss arising from insurance contracts relating to the effect of time value of money and financial risk, of which the amount for contracts measured using the variable fee approach is the amount recognised in profit or loss arising from the corresponding investment assets.

	RMB million		
	2024	2023	Change
Insurance finance income/(expenses) from insurance contracts issued	209,952	127,923	64.1%

Insurance Contract Liabilities

RMB million

	As at 31 December 2024	As at 31 December 2023	Change
Contracts measured using the premium allocation approach	35,570	33,770	5.3%
Contracts not measured using the premium allocation approach	5,789,456	4,825,405	20.0%
Total of insurance contract liabilities	5,825,026	4,859,175	19.9%
Liabilities for incurred claims	64,339	62,108	3.6%
Liabilities for remaining coverage	5,760,687	4,797,067	20.1%
Total of insurance contract liabilities	5,825,026	4,859,175	19.9%
Including: Contractual service margin	742,488	769,137	-3.5%

As at the end of the Reporting Period, the insurance contract liabilities of the Company were RMB5,825,026 million, an increase of 19.9% from the end of 2023, primarily due to the combined impacts of the accumulation of insurance liabilities from new policies and renewals and the change in market interest rates.

The contractual service margin of insurance contracts was RMB742,488 million, a year-on-year decrease of 3.5%. The contractual service margin for insurance contracts initially recognised in the current period was RMB57,708 million, a year-on-year increase of 12.9%.

Analysis of Cash Flows

Liquidity Sources

The Company's cash inflows mainly come from insurance premiums received, interest, dividend and bonus, and proceeds from sale and maturity of investment assets. The primary liquidity risks with respect to these cash inflows are the risk of surrender by contract holders and policyholders, as well as the risks of default by debtors, interest rate fluctuations and other market volatilities. The Company closely monitors and manages these risks.

The Company's cash and bank deposits can provide it with a source of liquidity to meet normal cash outflows. As at the end of the Reporting Period, the balance of cash and cash equivalents was RMB85,505 million. In addition, the vast

majority of its term deposits in banks allow it to withdraw funds on deposits, subject to a penalty interest charge. As at the end of the Reporting Period, the amount of term deposits was RMB438,455 million.

The Company's investment portfolio also provides it with a source of liquidity to meet unexpected cash outflows. The Company is also subject to market liquidity risk due to the large size of its investments in some of the markets in which it invests. In some circumstances, some of its holdings of investment securities may be large enough to have an influence on the market value. These factors may adversely affect its ability to sell these investments or sell them at a fair price.

Liquidity Uses

The Company's principal cash outflows primarily relate to the payables for the liabilities associated with its various life insurance, annuity, accident insurance and health insurance products, operating expenses, income taxes and dividends that may be declared and paid to its equity holders. Cash outflows arising from the Company's insurance activities primarily relate to benefit payments under these insurance products, as well as payments for policy surrenders, withdrawals and policy loans.

The Company believes that its sources of liquidity are sufficient to meet its current cash requirements.

Consolidated Cash Flows

The Company has established a cash flow testing system, and conducts regular tests to monitor the cash inflows and outflows under various scenarios and adjusts the asset portfolio accordingly to ensure sufficient sources of liquidity.

RMB million

	2024	2023	Change	Main reasons for change
Net cash inflow/(outflow) from operating activities	378,795	384,366	-1.4%	–
Net cash inflow/(outflow) from investing activities	(354,620)	(424,236)	-16.4%	The needs for investment management
Net cash inflow/(outflow) from financing activities	(86,759)	60,273	N/A	The needs for liquidity management
Foreign exchange gains/(losses) on cash and cash equivalents	28	64	-56.3%	–
Net increase/(decrease) in cash and cash equivalents	(62,556)	20,467	N/A	–

Solvency Ratio

An insurance company shall have the capital commensurate with its risks and business scale. According to the nature and capacity of loss absorption by capital, the capital of an insurance company is classified into the core capital and the supplementary capital. The core solvency ratio is the ratio of core capital to minimum capital, which reflects the adequacy of the core capital of an insurance company. The comprehensive solvency ratio is the ratio of the sum of core capital and supplementary capital to minimum capital, which reflects the overall capital adequacy of an insurance company.

RMB million

	As at 31 December 2024	As at 31 December 2023
Core capital	767,446	710,527
Actual capital	1,039,821	981,594
Minimum capital	500,489	449,160
Core solvency ratio	153.34%	158.19%
Comprehensive solvency ratio	207.76%	218.54%

As at the end of the Reporting Period, the Company's comprehensive solvency ratio was 207.76%, a decrease of 10.78 percentage points from the end of 2023, and the Company's core solvency ratio was 153.34%, a decrease of 4.85 percentage points from the end of 2023, all continuing to stay at relatively high levels. Due to the impacts of the downward trend in solvency reserve assessment interest rates, business development, investment assets allocation, and dividends to shareholders, the solvency ratios decreased compared to those at the end of 2023.

Sale of Material Assets and Equity

During the Reporting Period, there was no sale of material assets and equity of the Company.

Major Subsidiaries and Associates of the Company¹

RMB million

Company name	Major business scope	Registered capital	Shareholding	Total assets	Net assets	Net profit
China Life Asset Management Company Limited	Management and utilisation of proprietary funds; acting as agent or trustee for asset management business; consulting business relevant to the above businesses; other asset management business permitted by applicable PRC laws and regulations.	4,000	60%	23,994	21,116	3,857
China Life Pension Company Limited	Group pension insurance and annuity; individual pension insurance and annuity; short-term health insurance; accident insurance; reinsurance of the above insurance businesses; business for the use of insurance funds that are permitted by applicable PRC laws and regulations; pension insurance asset management product business; management of funds in RMB or foreign currency as entrusted by entrusting parties for the retirement benefit purpose; other businesses permitted by the NFRA.	3,400	70.74% is held by the Company, and 3.53% is held by AMC	60,802	8,184	1,246
China Life Property and Casualty Insurance Company Limited ²	Property loss insurance; liability insurance; credit insurance and bond insurance; short-term health insurance and accident insurance; reinsurance of the above insurance businesses; business for the use of insurance funds that are permitted by applicable PRC laws and regulations; other businesses permitted by the NFRA.	27,800	40%	149,517	37,248	1,947
China Guangfa Bank Co., Ltd.	Taking public deposits; granting short-term, mid-term and long-term loans; handling settlements in and out of China; honoring bills and offering discounting services; issuing financial bonds; issuing, paying for and underwriting government bonds as an agent; sales and purchases of negotiable securities such as government bonds and financial bonds; engaging in inter-bank borrowings; providing letters of credit service and guarantee; engaging in bank card business; acting as payment and receipt agent and insurance agent; providing safe deposit box services; taking deposits and granting loans in foreign currency; foreign currency remittance; foreign currency exchange; international settlements; foreign exchange settlements and sales; inter-bank foreign currency borrowings; honoring bills of exchange and offering discounting services in foreign currency; granting foreign currency loans; granting foreign currency guarantees; sales and purchases of negotiable securities other than shares in a foreign currency for itself and as an agent; issuing negotiable securities other than shares in a foreign currency for itself and as an agent; sales and purchases of foreign exchange on its own account and on behalf of its customers; issuing and making payments for foreign credit card as an agent; offshore financial operations; assets and credit verification, consultation and notarisation businesses; other businesses approved by the NFRA and other relevant authorities.	21,790	43.686%	3,644,993	299,011	15,284

Notes:

- For details, please refer to Note 10 and Note 31(b) in the Notes to the Consolidated Financial Statements in this annual report.
- CLP&C has not adopted *IFRS 9 – Financial Instruments* and *IFRS 17 – Insurance Contracts*. Therefore, the financial data presented in this table is calculated in accordance with *IFRS 39 – Financial Instruments* and *IFRS 4 – Insurance Contracts*.

Structured Entities Controlled by the Company

Details of structured entities controlled by the Company are set out in Note 31(b) in the Notes to the Consolidated Financial Statements in this annual report.

DIGITALISED AND INTELLIGENT OPERATIONS AND SERVICES

In 2024, in line with the development trends of the digital economy era, the Company held on to the “customer-centric” approach and the data-driven strategy to accelerate the advancement of digital finance practices and deepen the integration of digitalised and intelligent technology with operations and services, which led to new enhancements in areas such as data value extraction, new digitalised and intelligent infrastructure, operational quality and efficiency, service experience, and consumer rights protection. The Company continuously built the “China Life Good Services” sub-brand featured with “convenient, quality and caring” services, aiming to offer robust support for its business development through high-quality, digitalised and intelligent operations and services.

The release of data value was accelerated. The Company efficiently managed the largest and longest-spanning life insurance data, and established a full lifecycle management system for data. The real-time capabilities, accuracy, consistency and security of data enhanced significantly on a high level, and precisely empowered the entire operational and service processes of the Company, achieving a regulatory reporting data accuracy rate of 99.9999%. The Company shared its advanced data management expertise by participating as the leader of the insurance industry in the formulation of first national data standard by the National Data Administration, the “White Paper on the Standardisation of Data Element Circulation”, and appointing personnel to serve as members of the National Technical Committee on Data Standardisation Administration of China (全國數據標準化技術委員會), which effectively advanced the construction of national data standards.

Digitalised and intelligent infrastructure empowered development. Committed to comprehensive technological autonomy, the Company accelerated the transformation of its data centres towards intelligent, streamlined and distributed architectures to create more flexible, secure and reliable new digitalised and intelligent infrastructure, which effectively supported the rapid growth of its business and the swift implementation of cutting-edge technologies. AI large model technology was applied in various business scenarios such as intelligent underwriting, sales force training and office system collaboration. With the China Life APP, which has nearly 160 million registered customers, as the core, the Company created a digital operations and services matrix that enables real-time customer access. Over the year, the Company served over 3,000 million customers, settled nearly 25 million claims, and achieved intelligent processing rates of insurance underwriting and policy administration of 95.2% and 99%, respectively. Claims settlement efficiency led the industry, with the “Full-process Claims Settlement without Manual Services” rolled out in 27 provinces. The number

of customers benefiting from “Advanced Claims Payment” doubled year on year, and “Direct Claims Payment” could settle claims in seconds at the earliest.

The quality and efficiency of digitalised and intelligent operations were both enhanced. By promoting the nationwide sharing of operational resources, the Company consistently improved its capabilities for integrated intelligent operational coordination. The shared model was extensively applied in business operations and customer services, with processing efficiency in areas such as insurance underwriting and claims settlement increasing by over 26%. Customer waiting times for online customer services were reduced by 18.9%. The centralised anti-money laundering work model was reformed, with operations consolidated from provincial, municipal, and county levels nationwide, resulting in an efficiency increase of over three times. Risk prevention and control were shifted from “post-event handling” to the critical stages of “prevention prior to the event” and “control during the event”, further strengthening the lines of defense for risk control through digital means.

The supply of heart-warming services became increasingly enriched. The Company continuously developed a service system that offers “one-click access online and convenient presence offline”. Throughout the year, over 580 service centers were upgraded. The 95519 customer service hotline maintained a high manual call answering rate of 98.0%, while the number of customers served through one-stop online customer services increased by 49.4% year on year. VIP services were enriched with new health and medical benefits, such as rehabilitation care and high-end physical examination, and the number of customers served via VIP services increased by 26.8% year on year. Through both online and offline touchpoints, the Company provided heart-warming and age-friendly services to more than 27 million person-time over the year.

The consumer protection was further enhanced for the benefit of the public. The Company further developed a “comprehensive consumer protection” paradigm featuring all-employee participation, full coverage and whole-chain management. It actively promoted the integration of consumer protection into all business processes, improved consumer protection management systems, and strengthened digital capabilities in consumer protection management, including consumer protection review and assessment, and customer complaint management. The “consumer protection +” education and promotion continued to expand its coverage, with the number of consumers reached through related activities increasing by 52.5% year on year. The Company has ranked first in the industry for two consecutive years in life insurance service quality index, and consistently achieved the highest level in the industry in the assessment of consumer protection conducted by industry regulator, with customer satisfaction staying at a high level.

FUTURE PROSPECT

Industry Landscape and Development Trends

The third plenary session of the 20th CPC Central Committee and the Central Financial Work Conference have provided guidance for the development of the insurance industry. The insurance industry has increasingly become a key participant and contributor to the national governance and social security systems. In 2025, China will support sustained economic recovery and improvement by implementing more proactive fiscal policies and moderately accommodative monetary policies, enhancing the people's livelihood-oriented approach of macroeconomic policies, and executing a coordinated "policy toolkit", which provides a solid foundation for the long-term and continuous growth of the industry. The people's aspirations for a better life are continuously evolving, accelerating the release of their demands for insurance protection, wealth management, and healthcare and senior-care services. The role of insurance funds as "long-term capital" and "patient capital" will become increasingly significant, with vast potential for leveraging functions as a "shock absorber" for economic operation and a "stabiliser" for social development. The industry is entering a new era of strategic development opportunities. The main themes of stringent regulation, risk prevention, and high-quality development in the industry are becoming clearer, with the ongoing implementation of a series of policies such as the dynamic adjustment mechanism for the product's guaranteed return and the rules on "aligning sales practices with regulatory filings", creating a more secure and orderly development environment for the industry.

Development Strategies and Business Plans of the Company

In 2025, the Company will continue to adhere to the overall principle of seeking progress while maintaining stability, and firmly uphold the core philosophy of "three consistencies", "three enhancements" and "three breakthroughs" for

high-quality development. It will focus on core functions to strengthen, optimise, and expand its primary responsibilities and principal business, and prioritise value creation by upgrading its development model. It will emphasise on transformation and reforms to continuously cultivate new momentums for business development, and also concentrate on consolidating its foundation to comprehensively lead and ensure high-quality development. The Company aims to achieve stable and healthy development across all business sectors, consolidate its market-leading position in business scale and value, and ensure a steady improvement of its sales force in both quantity and quality.

Potential Risks

At present, the external environment remains complex and volatile, with profound changes in demographic and economic structures, as well as the interest rate environment. The insurance industry of China is at a pivotal stage of overcoming challenges while pursuing transformation and upgrading. The asset-liability interaction management needs to be strengthened urgently, the benefits of sales system reforms will take time to be realised, and the foundation for cost reduction, efficiency improvement, and sustainable development requires further reinforcement. In the forthcoming period, the Company will prioritise high-quality development as its primary objective, take deepening reforms as the fundamental approach, further enhance its capability to address risks, and make great efforts to build a world-class life insurance company with Chinese characteristics.

The Company anticipates that it will have sufficient capital to meet its insurance business expenditures and new general investment needs in 2025. At the same time, the Company will make corresponding financing arrangements based on capital market conditions if it plans to implement any business development strategies in the future.



EMBEDDED VALUE

BACKGROUND

China Life Insurance Company Limited prepares financial statements to public investors in accordance with the relevant accounting standards. An alternative measure of the value and profitability of a life insurance company can be provided by the embedded value method. Embedded value is an actuarially determined estimate of the economic value of the life insurance business of an insurance company based on a particular set of assumptions about future experience, excluding the economic value of future new business. In addition, the value of one year's sales represents an actuarially determined estimate of the economic value arising from new life insurance business issued in one year based on a particular set of assumptions about future experience.

China Life Insurance Company Limited believes that reporting the Company's embedded value and value of one year's sales provides useful information to investors in two respects. First, the value of the Company's in-force business represents the total amount of shareholders' interest in distributable earnings, in present value terms, which can be expected to emerge over time, in accordance with the assumptions used. Second, the value of one year's sales provides an indication of the value created for investors

by new business activity based on the assumptions used and hence the potential of the business. However, the information on embedded value and value of one year's sales should not be viewed as a substitute of financial measures under the relevant accounting basis. Investors should not make investment decisions based solely on embedded value information and the value of one year's sales.

It is important to note that there is no universal standard which defines the form, calculation methodology or presentation format of the embedded value of an insurance company. Hence, differences in definition, methodology, assumptions, accounting basis and disclosures may cause inconsistency when comparing the results of different companies.

Also, the calculation of embedded value and value of one year's sales involves substantial technical complexity and estimates can vary materially as key assumptions are changed. Therefore, special care is advised when interpreting embedded value results.

The values shown below do not consider the future financial impact of transactions between the Company and CLIC, CLI, AMC, Pension Company, CLP&C, and etc.

DEFINITIONS OF EMBEDDED VALUE AND VALUE OF ONE YEAR'S SALES

The embedded value of a life insurer is defined as the sum of the adjusted net worth and the value of in-force business allowing for the cost of required capital.

“Adjusted net worth” is equal to the sum of:

- Net assets, defined as assets less corresponding policy liabilities and other liabilities valued; and
- Net-of-tax adjustments for relevant differences between the market value and the book value of assets, together with relevant net-of-tax adjustments to certain liabilities.

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

The “value of in-force business” and the “value of one year’s sales” are defined here as the discounted value of the projected stream of future shareholders’ interest in distributable earnings for existing in-force business at the valuation date and for one year’s sales in the 12 months immediately preceding the valuation date.

The value of in-force business and the value of one year’s sales have been determined using a traditional deterministic discounted cash flow methodology. This methodology makes implicit allowance for all risks that are not considered in valuation process (e.g. risks in accordance with solvency capacity, cash flow adequacy, and business characteristics) and the economic cost of required capital through the use of a risk-adjusted discount rate.

PREPARATION AND REVIEW

The embedded value and the value of one year’s sales were prepared by China Life Insurance Company Limited in accordance with the “CAA Standards of Actuarial Practice: Appraisal of Embedded Value” issued by the China Association of Actuaries (“CAA”). KPMG Advisory (China) Co., Ltd. performed a review of China Life’s embedded value and value of one year’s sales. The review statement is contained in the “Independent Actuaries Review Opinion Report on Embedded Value of China Life Insurance Company Limited” section.

ASSUMPTIONS

Economic assumptions: The calculations are based upon assumed corporate tax rate of 25% for all years. The overall investment return of the Company is assumed to be 4% per annum. 17% grading to 21% (remaining level thereafter) of the investment return is assumed to be exempt from income tax. The investment return and tax exempt assumptions are based on the Company’s strategic asset mix and expected future returns. Considering the risks associated with different business characteristics, the risk-adjusted discount rate for traditional business is assumed to be 8% per annum, and the risk-adjusted discount rate for semi-priced business is assumed to be 7.2% per annum.

Other operating assumptions such as mortality, morbidity, lapses and expenses are based on the Company’s recent operating experience and expected future outlook.

SUMMARY OF RESULTS

The embedded value as at 31 December 2024 and the corresponding results as at 31 December 2023 are shown below:

Components of Embedded Value

	RMB million	
	31 December 2024	31 December 2023
ITEMS		
A Adjusted Net Worth	897,831	675,760
B Value of In-Force Business before Cost of Required Capital	597,126	648,848
C Cost of Required Capital	(93,811)	(64,040)
D Value of In-Force Business after Cost of Required Capital (B + C)	503,315	584,807
E Embedded Value (A + D)	1,401,146	1,260,567

Note: Numbers may not be additive due to rounding.

The value of one year's sales for the 12 months ended 31 December 2024 and for the corresponding period of last year is shown below:

Components of Value of One Year's Sales

	RMB million		
	31 December 2024	31 December 2024 (Using 2023 Economic Assumptions)	31 December 2023
ITEMS			
A Value of One Year's Sales before Cost of Required Capital	39,587	50,400	45,184
B Cost of Required Capital	(5,878)	(4,595)	(8,324)
C Value of One Year's Sales after Cost of Required Capital (A + B)	33,709	45,805	36,860
Including: Value of One Year's Sales of Individual Agent Channel	31,313	41,016	34,646

The new business margin of one year's sales of individual agent channel for the 12 months ended 31 December 2024 and for the corresponding period of last year is shown below:

New Business Margin of One Year's Sales of Individual Agent Channel

	RMB million		
	31 December 2024	31 December 2024 (Using 2023 Economic Assumptions)	31 December 2023
By First Year Premium	25.7%	33.7%	29.9%
By Annual Premium Equivalent	26.2%	34.3%	31.3%

Note: First Year Premium is the written premium used for calculation of the value of one year's sales and Annual Premium Equivalent is calculated as the sum of 100 percent of first year regular premiums and 10 percent of single premiums.

MOVEMENT ANALYSIS

The following analysis tracks the movement of the embedded value from the start to the end of the Reporting Period:

Analysis of Embedded Value Movement in 2024

RMB million

ITEMS	
A Embedded Value at the Start of Year	1,260,567
B Expected Return on Embedded Value	99,809
C Value of New Business in the Period	33,709
D Operating Experience Variance	681
E Investment Experience Variance	64,061
F Methodology, Model and Assumption Changes	(146,489)
G Market Value and Other Adjustments	106,457
H Exchange Gains or Losses	17
I Shareholder Dividend Distribution and Capital Changes	(17,807)
J Others	141
K Embedded Value as at 31 December 2024 (sum A through J)	1,401,146

Notes: Items B through J are explained below:

- B Reflects expected impact of covered business, and the expected return on investments supporting the 2024 opening net worth.
- C Value of one year's sales for the 12 months ended 31 December 2024.
- D Reflects the difference between actual operating experience in 2024 (including mortality, morbidity, lapse, and expenses etc.) and the assumptions.
- E Compares actual with expected investment returns during 2024.
- F Reflects the effects of appraisal methodology and model enhancement, and assumption changes.
- G Change in the market value adjustment from the beginning of year 2024 to 31 December 2024 and other adjustments.
- H Reflects the gains or losses due to changes in exchange rate.
- I Reflects dividends distributed to shareholders during 2024.
- J Other miscellaneous items.

SENSITIVITY RESULTS

Sensitivity tests were performed using a range of alternative assumptions. In each of the sensitivity tests, only the assumption referred to was changed, with all other assumptions remaining unchanged. The results are summarised below:

Sensitivity Results

RMB million

	Value of In-Force Business after Cost of Required Capital	Value of One Year's Sales after Cost of Required Capital
Base case scenario	503,315	33,709
1. Risk discount rate +50bps	474,562	31,936
2. Risk discount rate -50bps	534,492	35,610
3. 10% increase in investment return	632,972	42,332
4. 10% decrease in investment return	374,256	25,110
5. 10% increase in expenses	495,312	30,296
6. 10% decrease in expenses	511,318	37,123
7. 10% increase in mortality rate for non-annuity products and 10% decrease in mortality rate for annuity products	498,611	32,844
8. 10% decrease in mortality rate for non-annuity products and 10% increase in mortality rate for annuity products	507,995	34,579
9. 10% increase in lapse rates	507,707	32,896
10. 10% decrease in lapse rates	498,840	34,590
11. 10% increase in morbidity rates	493,979	31,786
12. 10% decrease in morbidity rates	512,716	35,634
13. Allowing for diversification in calculation of VIF	537,977	–

INDEPENDENT ACTUARIES REVIEW OPINION REPORT ON EMBEDDED VALUE OF CHINA LIFE INSURANCE COMPANY LIMITED

China Life Insurance Company Limited (“China Life”) has prepared embedded value results as at 31 December 2024 (“EV Results”). The disclosure of these EV Results, together with a description of the methodology and assumptions that have been used, are shown in the Embedded Value section.

China Life has retained KPMG Advisory (China) Limited (“KPMG Advisory” or “We”) to review its EV Results.

Scope of Work

Our scope of work covered:

- a review of the methodology used to develop the embedded value and value of one year’s sales as at 31 December 2024, in accordance with the “CAA Standards of Actuarial Practice: Appraisal of Embedded Value” issued by CAA;
- a review of the economic and operating assumptions used to develop embedded value and value of one year’s sales as at 31 December 2024; and
- a review of China Life’s EV Results, including embedded value, value of one year’s sales, analysis of embedded value movement from 31 December 2023 to 31 December 2024, and the sensitivity analysis of value of in-force business and value of one year’s sales.

Basis of Opinion, Reliance and Limitation

We carried out our review work based on the “CAA Standards of Actuarial Practice: Appraisal of Embedded Value”. In carrying out our review, we have relied on the completeness and accuracy of audited and unaudited data and information provided by China Life.

The determination of embedded value is based on a range of assumptions on future operations and investment performance. The future actual experiences are affected by internal and external factors, many of which are not entirely controlled by China Life. Hence the future actual experiences may deviate from these assumptions.

This report is addressed solely to China Life in accordance with the terms of our engagement letter. 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 China Life for or in connection with our review work, the opinions we have formed, or for any statements set forth in this report.

Opinion

Based on the scope of work above, we have concluded that:

- The embedded value methodology and assumptions used by China Life are in line with the “CAA Standards of Actuarial Practice: Appraisal of Embedded Value” and are consistent with the available market information. This methodology is commonly used by life and health insurance companies in China;
- The economic assumptions used by China Life have taken into account the current investment market conditions and the investment strategy of China Life;
- The operating assumptions used by China Life have taken into account the past experience and the expectation of future experience; and
- The embedded value and related results of China Life are consistent with the methodology and assumptions described in the Embedded Value section. On this basis, the overall results are reasonable.

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

26 March 2025



SIGNIFICANT EVENTS

MATERIAL LITIGATIONS OR ARBITRATIONS

During the Reporting Period, the Company was not involved in any material litigation or arbitration.

MAJOR CONNECTED TRANSACTIONS

Continuing Connected Transactions

During the Reporting Period, the following continuing connected transactions were carried out by the Company pursuant to Rule 14A.76(2) of the Rules Governing the Listing of Securities on the HKSE (the “Listing Rules”), including the insurance sales framework agreement between the Company and CLP&C, the asset management agreement between the Company and AMC, the framework agreement between the Company and China Life Capital, and the framework agreements entered into by China Life AMP with the Company, CLIC and CLI, respectively. These continuing connected transactions were subject to the reporting, announcement and annual review requirements

but were exempt from the independent shareholders’ approval requirement under the Listing Rules. CLIC, the controlling shareholder of the Company, holds 60% of the equity interest in CLP&C and 100% of the equity interest in CLI and China Life Capital. Therefore, each of CLIC, CLP&C, CLI and China Life Capital constitutes a connected person of the Company. AMC is held as to 60% and 40% by the Company and CLIC, respectively, and is therefore a connected subsidiary of the Company. China Life AMP is a subsidiary of AMC, and is therefore also a connected subsidiary of the Company.

During the Reporting Period, the continuing connected transaction carried out by the Company that was subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules included the agreement for entrusted investment and management and operating services with respect to alternative investments with insurance funds between the Company and CLI. Such agreement and the transactions thereunder have been approved by the independent shareholders of the Company.

During the Reporting Period, the Company also carried out certain continuing connected transactions, including the policy management agreement between the Company and CLIC⁴, and the asset management agreement between CLIC and AMC, which were exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the above continuing connected transactions. When conducting the above continuing connected transactions during the Reporting Period, the Company has followed the pricing policies and guidelines formulated at the time when such transactions were entered into.

Policy Management Agreement

The Company and CLIC entered into the 2022-2024 policy management agreement on 31 December 2021, with a term from 1 January 2022 to 31 December 2024. Pursuant to the agreement, the Company accepted CLIC's entrustment to provide policy administration services relating to the non-transferred policies. The Company acted as a service provider under the agreement and did not acquire any rights or assume any obligations as an insurer under the non-transferred policies. The calculation method of the service fee equaled to, for each annual payment period, the sum of (1) the number of non-transferred policies in force as of the last day of the period, multiplied by RMB14; and (2) 2.5% of the actual premiums in respect of the non-transferred policies collected during the period. The annual cap in respect of the service fee paid by CLIC to the Company for each of the three years ended 31 December 2024 was RMB491 million. The Company and CLIC entered into the 2025-2027 policy management agreement on 31 December 2024, with a term from 1 January 2025 to 31 December 2027. Pursuant to the agreement, the Company will continue to accept CLIC's entrustment to provide policy administration services relating to non-transferred policies. The annual cap in respect of the service fee to be paid by CLIC to the Company for each of the three years ending 31 December 2027 is RMB503 million.

For the year ended 31 December 2024, the service fee paid by CLIC to the Company amounted to RMB457.21 million.

Insurance Sales Framework Agreement

The Company and CLP&C entered into the 2021 insurance sales framework agreement on 20 February 2021, with a term of two years from 8 March 2021 to 7 March 2023, which could be automatically extended for one year to 7 March 2024. Pursuant to the agreement, CLP&C entrusted the Company to act as an agent to sell selected insurance products within the authorised regions, and paid an agency service fee to the Company in consideration of the services provided. The Company and CLP&C entered into the 2024 insurance sales framework agreement on 23 February 2024, with a term of three years from 8 March 2024 to 7 March 2027. Pursuant to the agreement, CLP&C will continue to entrust the Company to act as an agent to sell selected insurance products within the authorised regions, and pay an agency service fee to the Company in consideration of the services provided. The agency service fee shall be calculated by the parties at a certain percentage of the insurance premiums actually earned from the insurance agency business. The annual caps for the three years ending 31 December 2026 are RMB2,620 million, RMB2,840 million and RMB3,110 million, respectively.

For the year ended 31 December 2024, CLP&C paid the Company an agency service fee of RMB1,730.00 million.

Asset Management Agreements

Asset Management Agreement between the Company and AMC

The Company and AMC entered into the 2023-2025 asset management agreement on 1 January 2023, with a term from 1 January 2023 to 31 December 2025. Pursuant to the 2023-2025 asset management agreement, AMC agreed to invest and manage assets entrusted to it by the Company, on a discretionary basis, within the scope granted by the Company and in accordance with the requirements of applicable laws and regulations, regulatory requirements and the investment guidelines given by the Company. In consideration of AMC's services in respect of investing and managing various categories of assets entrusted to it by the Company under the agreement, the Company agreed to pay AMC a service fee, including a fixed investment management service fee and a variable management service fee. The fixed investment management service fee is determined based on the type of investment products and the size of assets under management, and the variable management service fee is determined based on the Company's appraisal of AMC's investment performance with reference to the standards set out in the investment guidelines. The annual caps for the three years ending 31 December 2025 are RMB4,000 million, RMB5,000 million and RMB6,000 million, respectively.

For the year ended 31 December 2024, the Company paid AMC a service fee of RMB3,701.04 million.

⁴ The 2025-2027 policy management agreement renewed by the Company and CLIC was subject to the reporting, announcement and annual review requirements but was exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Asset Management Agreement between CLIC and AMC

CLIC and AMC entered into the 2023-2025 asset management agreement on 29 December 2022, with a term from 1 January 2023 to 31 December 2025. Pursuant to the 2023-2025 asset management agreement, AMC agreed to invest and manage assets entrusted to it by CLIC, on a discretionary basis, subject to the investment guidelines and instructions given by CLIC. In consideration of AMC's services in respect of investing and managing assets entrusted to it by CLIC under the agreement, CLIC agreed to pay AMC a service fee, including a basic service fee and a variable performance-based management fee. The basic service fee is determined based on the type of investment products and the size of assets under management, and the variable performance-based management fee is determined based on CLIC's appraisal of AMC's investment performance with reference to the standards set out in the investment guidelines. The annual cap for each of the three years ending 31 December 2025 is RMB500 million.

For the year ended 31 December 2024, CLIC paid AMC a service fee of RMB110.24 million.

Agreement for Entrusted Investment and Management and Operating Services with respect to Alternative Investments with Insurance Funds between the Company and CLI

As approved by the 2022 Annual General Meeting of the Company, the Company and CLI entered into the 2023-2025 agreement for entrusted investment and management and operating services with respect to alternative investments with insurance funds (the "2023-2025 Alternative Investment Agreement") on 30 June 2023. The 2023-2025 Alternative Investment Agreement is for a term from 1 July 2023 to 31 December 2024, and can be automatically renewed for one year. Pursuant to the 2023-2025 Alternative Investment Agreement, CLI will invest and manage assets entrusted to it by the Company, on a discretionary basis, within the scope of utilisation of insurance funds as specified by the regulatory authorities and in accordance with the requirements of applicable laws and regulations and the investment guidelines of the Company, and the Company will pay CLI the investment management service fee, product management fee, real estate operation management service fee and performance reward in respect of the investment and management services provided by CLI to the Company. The entrusted assets under the 2023-2025 Alternative Investment Agreement include insurance asset management products, financial products, equity/real estate funds and public REITs products (which are mainly conducted by way of strategic fund and restricted to the participation in strategic placement). In addition, CLI will provide the operating services to the Company with respect to the equity/real estate funds invested by the Company at its own discretion and entrusted by it to CLI for operation and management, and the Company will pay CLI the entrusted

operation fee in this regard. For the three years ending 31 December 2025, the annual caps on the contractual amount of assets newly entrusted by the Company to CLI for investment and management are RMB120,000 million (or its equivalent in foreign currency), RMB140,000 million (or its equivalent in foreign currency) and RMB150,000 million (or its equivalent in foreign currency), respectively, and the annual caps on the fees for the investment and management services payable by the Company to CLI (including the investment management service fee, product management fee, real estate operation management service fee and performance reward) and the entrusted operation fee in relation to the operating services are RMB1,500 million (or its equivalent in foreign currency), RMB1,800 million (or its equivalent in foreign currency) and RMB2,200 million (or its equivalent in foreign currency), respectively.

For the year ended 31 December 2024, the fees for the investment and management services (including the investment management service fee, product management fee, real estate operation management service fee and performance reward) and the entrusted operation fee in relation to the operating services paid by the Company to CLI amounted to RMB729.20 million, and the contractual amount of assets newly entrusted by the Company to CLI for investment and management was RMB64,956.42 million.

Cooperation Framework Agreement for Investment Management with Insurance Funds between the Company and China Life Capital

The Company and China Life Capital entered into the 2023-2025 framework agreement on 28 December 2022, with a term from 1 January 2023 to 31 December 2025. Pursuant to the agreement, the Company will subscribe in the capacity of the limited partner for the fund products of which China Life Capital or any of its subsidiaries serves (individually and jointly with third parties) as the general partner, and/or the fund products of which China Life Capital serves as the manager (including the fund manager and co-manager). For each of the three years ending 31 December 2025, the annual cap for the subscription by the Company in the capacity of the limited partner of the fund products of which China Life Capital or any of its subsidiaries serves as the general partner is RMB5,000 million, and the annual cap for the management fee charged by China Life Capital as the general partner or the manager of the fund products is RMB500 million.

For the year ended 31 December 2024, the amount of subscription by the Company in the capacity of the limited partner of the fund products of which China Life Capital or any of its subsidiaries serves as the general partner was RMB4,900.00 million, and the management fee charged by China Life Capital as the general partner or the manager of the fund products was RMB149.53 million.

Framework Agreements with China Life AMP

Framework Agreement between the Company and China Life AMP

The Company and China Life AMP entered into the 2023-2025 framework agreement on 30 December 2022, with a term of three years from 1 January 2023 to 31 December 2025. Pursuant to the agreement, the Company and China Life AMP will conduct certain daily transactions, including the subscription and redemption of fund products and private asset management. Pricing of the transactions under the agreement shall be determined by the parties through arm's length negotiations with reference to industry practices. For each of the three years ending 31 December 2025, the annual cap of the subscription price and corresponding subscription fee for the subscription of fund products is RMB20,000 million, the annual cap of the redemption price and corresponding redemption fee for the redemption of fund products is RMB20,000 million, and the annual cap of the management fee payable by the Company for the private asset management is RMB700 million.

For the year ended 31 December 2024, the subscription price and corresponding subscription fee for the subscription of fund products were RMB10,926.13 million, the redemption price and corresponding redemption fee for the redemption of fund products were RMB10,824.39 million, and the management fee paid by the Company for the private asset management was RMB62.65 million.

Framework Agreement between CLIC and China Life AMP

CLIC and China Life AMP entered into the 2023-2025 framework agreement on 9 December 2022, with a term of three years from 1 January 2023 to 31 December 2025. Pursuant to the agreement, CLIC will subscribe for or redeem the fund units of the funds managed by China Life AMP, and pay the relevant fees. Pricing of the transactions under the agreement shall be determined by the parties through arm's length negotiations with reference to industry practices. For each of the three years ending 31 December 2025, the annual cap of the subscription price and corresponding subscription fee for the subscription of fund products is RMB2,000 million, and the annual cap of the redemption price and corresponding redemption fee for the redemption of fund products is RMB2,000 million.

For the year ended 31 December 2024, there was no relevant transaction between CLIC and China Life AMP.

Framework Agreement between CLI and China Life AMP

CLI and China Life AMP entered into the 2023-2025 framework agreement on 29 December 2022, with a term of three years from 1 January 2023 to 31 December 2025. Pursuant to the agreement, CLI and its subsidiaries will conduct certain daily transactions with China Life AMP, including the subscription and redemption of fund products and private asset management. Pricing of the transactions under the agreement shall be determined by the parties through arm's length negotiations with reference to industry practices. For each of the three years ending 31 December 2025, the annual cap of the subscription price and corresponding subscription fee for the subscription of fund products is RMB2,000 million, the annual cap of the redemption price and corresponding redemption fee for the redemption of fund products is RMB2,000 million, and the annual cap of the management fee payable by CLI and its subsidiaries for the private asset management is RMB20 million.

For the year ended 31 December 2024, the subscription price and corresponding subscription fee for the subscription of fund products were RMB140.00 million, the redemption price and corresponding redemption fee for the redemption of fund products were RMB349.61 million, and the management fee paid by CLI and its subsidiaries for the private asset management was RMB0 million.

Confirmation by Auditor

The Board has received a comfort letter from the auditor of the Company with respect to the above continuing connected transactions which were subject to the reporting, announcement and/or independent shareholders' approval requirements, and the letter stated that during the Reporting Period:

- nothing has come to the auditors' attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's Board of Directors;
- for transactions involving the provision of goods or services by the Company, nothing has come to the auditors' attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- nothing has come to the auditors' attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- nothing has come to the auditors' attention that causes them to believe that the amounts of the continuing connected transactions have exceeded the total amount of the annual caps set by the Company.

Confirmation by Independent Directors

The Company's Independent Directors have reviewed the above continuing connected transactions which were subject to the reporting, announcement and/or independent shareholders' approval requirements, and confirmed that:

- the transactions were entered into in the ordinary and usual course of business of the Company;
- the transactions were conducted on normal commercial terms;
- the transactions were entered into in accordance with the agreements governing those continuing connected transactions, and the terms are fair and reasonable and in the interests of shareholders of the Company as a whole; and
- the amounts of the above transactions have not exceeded the relevant annual caps.

Other Major Connected Transactions

Capital Injection to China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership)

As approved by the thirty-seventh meeting of the seventh session of the Board of Directors of the Company, the Company (as the limited partner) entered into a supplemental agreement to a partnership agreement with China Life Properties Investment Management Company Limited ("China Life Properties", as the general partner) on 6 June 2024, to increase its capital contribution to China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (the "Partnership") and to extend the term of the Partnership from six years to ten years. Upon completion of the capital injection by the Company, the total capital contribution by all partners of the Partnership will be increased from RMB9,001,000,000 to RMB13,901,000,000, of which the capital contribution by the Company will be increased from RMB9,000,000,000 to RMB13,900,000,000. Of the Company's additional capital contribution, it is expected that not more than RMB3,100,000,000 will be applied for the acquisition of 49.895% equity interest in and relevant debts of Beijing Xingtai Tonggang Real Estate Co., Ltd. (the "Project Company"). The Project Company is mainly responsible for the development and operation of Project INDIGO II, a flagship commercial complex located in Dawangjing Business Circle, Beijing. Upon completion of the acquisition, the Project Company will not become a subsidiary of the Company or the Partnership.

China Life Properties is an indirect wholly-owned subsidiary of CLIC, and therefore a connected person of the Company. The above transaction constituted a one-off connected transaction of the Company that was subject to the reporting and announcement requirements but was exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

The Company has complied with the disclosure requirement under Chapter 14A of the Listing Rules in respect of the above one-off connected transaction.

Statement on Claims, Debt Transactions and Guarantees etc. of a Non-operating Nature with Related Parties

During the Reporting Period, the Company was not involved in claims, debt transactions or guarantees of a non-operating nature with related parties.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

During the Reporting Period, the Company neither acted as trustee, contractor or lessee of other companies' assets, nor entrusted, contracted or leased its assets to other companies, the profit or loss from which accounted for 10% or more of the Company's profits for the Reporting Period, nor were there any such matters that occurred in previous periods but subsisted during the Reporting Period.

During the Reporting Period, China Life Insurance Company Limited neither gave external guarantees nor provided guarantees to its holding subsidiaries. As at the end of the Reporting Period, the external guarantee balance of the holding subsidiaries of the Company was RMB296 million⁵.

⁵ The guarantee occurred before the company became a holding subsidiary of the Company in 2023, and did not involve the provision of guarantee for the Company's shareholders, effective controller or their related parties.

Entrusted investment management during the Reporting Period or any entrusted investment management occurred in previous periods but subsisted during the Reporting Period: Investment is one of the principal businesses of the Company. The Company mainly adopts the mode of entrusted investment for management of its investment assets, and has established a diversified framework of entrusted investment management with China Life's internal managers playing the key role and the external managers offering effective supports. The internal managers include AMC and its subsidiaries, and CLI and its subsidiaries. The external managers comprise both domestic and overseas managers, including fund companies, securities companies and other professional investment management institutions. The Company selected different investment managers based on the purpose of allocation of various types of investments, their risk features and the expertise of different managers, so as to establish a great variety of investment portfolios and improve the efficiency of insurance fund utilisation. The Company entered into entrusted investment management agreements or asset management contracts with all managers and supervised the managers' daily investment performance through the measures such as investment guidelines, asset custody and performance appraisals. The Company also adopted risk control measures in respect of specific investments based on the characteristics of different managers and investment products.

Except as otherwise disclosed in this report, the Company had no other material contracts during the Reporting Period.

UNDERTAKINGS MADE BY THE PARTIES INCLUDING THE COMPANY'S EFFECTIVE CONTROLLER, SHAREHOLDERS, RELATED PARTIES, ACQUIRERS AND THE COMPANY WHICH ARE EITHER GIVEN OR EFFECTIVE DURING THE REPORTING PERIOD

Prior to the listing of the Company's A Shares (30 November 2006), land use rights were injected by CLIC into the Company during its reorganisation. Out of these, four pieces of land (with a total area of 10,421.12 square meters) had not had its formalities in relation to the change of ownership completed. Further, out of the properties injected into the Company, there were six properties (with a gross floor area of 8,639.76 square meters) in respect of which the formalities in relation to the change of ownership had not been completed. CLIC undertook to assist the Company in completing the above-mentioned formalities within one year of the date of listing of the Company's A Shares, and in the event that such formalities could not be completed within such period, CLIC would bear any potential losses to the Company due to the defective ownership.

CLIC strictly followed these commitments. As at the end of the Reporting Period, save for the two properties and related land of the Company's Shenzhen Branch, the ownership registration formalities of which had not been completed due to historical reasons, all other formalities in relation to the change of land and property ownership had been completed. The Shenzhen Branch of the Company continues to use such properties and land, and no other parties have questioned or hindered the use of such properties and land by the Company.

The Company's Shenzhen Branch and the other co-owners of the properties have issued a letter to the governing department of the original owner of the properties in respect of the confirmation of ownership of the properties, requesting it to report the ownership issue to the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"), and requesting the SASAC to confirm the respective shares of each co-owner in the properties and to issue written documents in this regard to the department of land and resources of Shenzhen, so as to assist the Company and the other co-owners to complete the formalities in relation to the division of ownership of the properties.

Given that the change of ownership of the above two properties and related land use rights were directed by the co-owners, and all formalities in relation to the change of ownership were proceeded slowly due to reasons such as issues rooted in history and government approvals, CLIC, the controlling shareholder of the Company, made further commitment as follows: CLIC will assist the Company in completing, and urge the co-owners to complete, the formalities in relation to the change of ownership in respect of the above two properties and related land use rights as soon as possible. If the formalities cannot be completed due to the reasons of the co-owners, CLIC will take any other legally practicable measures to resolve the issue and will bear any potential losses suffered by the Company as a result of the defective ownership.

ALLEGED VIOLATION OF LAWS AND REGULATIONS BY, PENALTIES IMPOSED ON AND RECTIFICATION OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, EFFECTIVE CONTROLLER, DIRECTORS, SUPERVISORS OR SENIOR MANAGEMENT

During the Reporting Period, the Company was not investigated for suspected crimes according to law, and none of its controlling shareholders, effective controller, Directors, Supervisors and senior management were subject to any compulsory measures for suspected crimes according to law. The Company or its controlling shareholders, effective controller, Directors, Supervisors and senior management were not subject to any criminal punishment, investigation by the CSRC for alleged violation of laws and regulations, administrative penalty by the CSRC, or material administrative penalty by other competent authorities, nor were they detained by the disciplinary inspection and supervision authorities for alleged serious violation of disciplines or laws or duty-related crimes which had an impact on their performance of duties. None of the Company's Directors, Supervisors and senior management were subject to any compulsory measures by other competent authorities for alleged violation of laws and regulations which had an impact on their performance of duties.

RESTRICTION ON MAJOR ASSETS

The major assets of the Company are financial assets. During the Reporting Period, there was no major asset of the Company being seized, detained or frozen that is subject to the disclosure requirements.

OTHER MATTERS

The "Resolution on the Issue of Capital Supplementary Bonds by the Company" was considered and approved at the First Extraordinary General Meeting 2023 of the Company. As approved by the NFRA and the People's Bank of China, the Company issued capital supplementary bonds in a total amount of RMB35 billion in the National Interbank Bond Market on 24 September 2024. The issue was completed on 26 September 2024. The proceeds from the issue of the bonds will be used, in accordance with applicable laws and regulatory approvals, to replenish the Company's supplementary tier 1 capital, enhance its solvency, create conditions for the positive development of the Company's business, and support its sustained and stable growth.

CORPORATE GOVERNANCE

REPORT OF THE BOARD OF DIRECTORS

Directors of the Company during the Reporting Period and up to the date of this report were as follows:

EXECUTIVE DIRECTORS	Cai Xiliang (Chairman)	appointed on 4 December 2024
	Li Mingguang	
	Liu Hui	appointed on 17 May 2024
	Ruan Qi	appointed on 17 May 2024
	Bai Tao	resigned on 30 September 2024
NON-EXECUTIVE DIRECTORS	Wang Junhui	
	Hu Jin	appointed on 14 November 2024
	Hu Rong	appointed on 14 November 2024
	Zhuo Meijuan	retired on 27 June 2024
INDEPENDENT DIRECTORS	Lam Chi Kuen	
	Zhai Haitao	
	Chen Jie	
	Lu Feng	appointed on 19 November 2024
	Huang Yiping	resigned on 19 November 2024

PRINCIPAL BUSINESS

The Company is a leading life insurance company in China and possesses an extensive distribution network comprising exclusive agents, direct sales representatives, and dedicated and non-dedicated agencies, providing products and services such as individual and group life insurance, accident and health insurance. The Company is one of the largest institutional investors in China, and becomes one of the largest insurance asset management companies in China through its controlling shareholding in AMC. The Company also has controlling shareholding in Pension Company.

BUSINESS REVIEW

Overall Operation of the Company during the Reporting Period

For details of the overall operation of the Company during the Reporting Period, the future development of its business and the principal risks faced by it, please refer to the sections headed “Management Discussion and Analysis” and “Internal Control and Risk Management” in this annual report. These discussions form part of the “Report of the Board of Directors”.

Environmental and Social Responsibilities

In pursuit of its strategic goal of “building a world-class and responsible life insurance company” in ESG, the Company further advanced its ESG and green finance management and practices, and established an ESG management model with China Life’s characteristics. The Company’s MSCI ESG rating was upgraded to A, positioning it at the forefront of the PRC life insurance industry.

Work on Green Finance

The Company deepened its deployment of green finance by introducing a variety of financial services aimed at supporting the construction of an ecological civilisation, which continuously released the effectiveness of green finance and contributed to the comprehensive green transformation of economic and social development. It consistently solidified its capabilities in green insurance services, providing diversified insurance protection plans, including accident, medical and life insurance, to upstream and downstream enterprises operating along the green industry chain. The Company continuously enhanced its capabilities in green investment management, integrating ESG considerations throughout the investment process and actively supporting green transportation, green transformation, green rural industries and the “One Belt One Road” green low-carbon construction.

Work on Low-carbon Operation

By adopting an environmentally friendly operational model and proactively addressing climate change, the Company took concrete actions to support the “dual carbon” strategy. It further enhanced its capabilities in green operations and consistently optimised carbon footprint management. In 2024, the paperless insurance application rate for individual

long-term insurance policies reached 99.9%, the utilisation rate of individual online claims settlement was 96.7%, and the claims settled by electronic invoices exceeded 9.09 million. The Company made steady progress in developing its climate risk management system and launched climate risk scenario analysis and stress testing to evaluate the scope of potential impacts of climate risks on investments, operations and products, thereby creating a framework for climate risk scenario and stress test analysis.

Work on Social Responsibility

With a steadfast commitment to the “people-centric” development philosophy and leveraging its strengths on principal business, the Company fulfilled its social responsibilities through actions. It focused on deepening and refining inclusive finance, aiming to be a key provider in the multi-tiered social security system. The Company participated in carrying out over 200 supplementary major medical expenses insurance programs to reduce people’s medical expense burden. It undertook a total of 80 long-term care insurance programs and implemented over 130 city-customised commercial medical insurance projects, thereby expanding the depth of inclusive insurance protection. In response to the aging population and the demand for diversified pension security, the Company advanced its pension business, with the number of newly underwriting elderly individuals reaching 140 million and the third-pillar private pension business ranking first in the industry in 2024. The Company developed a distinctive healthcare and senior-care services ecosystem, launching 17 residential senior-care services projects in a total of 14 cities. Actively engaging in social welfare practices, the Company made continuous contributions to charitable undertakings, donating RMB21 million to the China Life Foundation in 2024. It encouraged its employees to take active part in volunteer service activities to collaboratively build a better society, boasting over 350 youth volunteer service teams and more than 3,000 registered youth volunteers, and conducting over 600 volunteer service activities in 2024.

Specific Work on Consolidation of Achievements in Poverty Alleviation and Rural Revitalisation Undertakings

In 2024, the Company strengthened its corporate responsibility, coordinated its joint forces from all fronts to offer assistance, and continued to improve its long-term mechanism for assistance, so as to make every effort to enhance the quality and efficiency of finance and insurance serving rural revitalisation. The Company dispatched 1,027 cadres staying at villages for assistance, and undertook projects in 1,445 assistance localities, an increase of 274 from the previous year. It devoted assistance funds of RMB5 million for the year and purchased over RMB31 million agricultural products for assistance, helping farmers to improve both production and income. The Company made substantial efforts to develop insurance business in response to the demands of rural residents for diversified insurance protection and offered risk protection of RMB32 trillion for 270 million rural residents within the year. The claims payment

of RMB15,800 million were made to 4.63 million people, which helped guard against the bottom line of poverty. Based on the characteristics of rural residents, the Company commenced insurance business related to rural revitalisation and developed four new products in the rural revitalisation series to provide multi-level insurance protections, offering risk protection of RMB2.6 trillion for the year. The Company learned and practiced the experience acquired from “Ten Million Projects”, strived to make innovation in assistance measures, and expanded the coverage of assistance, so as to enhance the effectiveness of assistance initiatives and facilitate rural revitalisation in all aspects.

Compliance by the Company with the Relevant Laws and Regulations that have a Significant Impact

The Company adhered to the code of conduct of “being trustworthy, assuming risks, emphasising on services and being legal compliant” and promoted the compliance culture and concepts of “being compliant on a proactive basis, and creating value from compliance”, thereby creating the compliance environment of “starting from the top level and having responsibility for all to be compliant”. The Company strictly observed and effectively implemented applicable laws and regulations and regulatory requirements, such as the Insurance Law, the Company Law, the Securities Law, the “Consumer Rights Protection Law”, the “Personal Information Protection Law”, the “Anti-Money Laundering Law”, the “Regulations on Preventing and Dealing with Illegal Fund-raising”, the “Provisions on the Administration of Insurance Companies”, the “Measures for the Administration of the Utilisation of Insurance Funds”, the “Standards for the Corporate Governance of Banking and Insurance Institutions”, the “Provisions on the Administration of Solvency of Insurance Companies”, the “Measures for the Administration of Connected Transactions of Banking and Insurance Institutions”, the “Measures for the Administration of Banking and Insurance Supervision and Statistics”, the “Measures for the Administration of Operational Risks of Banking and Insurance Institutions”, the “Measures for the Administration of Insurance Sales”, the “Measures for the Administration of Criminal Cases Involving Financial Institutions” and the “Anti-insurance Fraud Measures”, consistently improved its systems and mechanisms, and stringently implemented the spirit and requirements of major regulatory documents on insurance product development and design, information disclosure, sales management, insurance agents management, protection of consumers’ rights and interests and customers’ information, corporate governance, fund utilisation, solvency management, connected transactions management, reinsurance management, data governance, anti-money laundering, criminal case management, and anti-insurance fraud, etc., as released by the NFRA, for the purpose of further carrying

out compliance management responsibilities at all levels and across various lines. The Company consistently optimised the compliance management framework of “three lines of defense” to ensure that the three lines of defense performed their own functions and responsibilities and collaborated with each other, which formed a joint force in compliance management. The Company also consolidated its foundation in all aspects for its steady and healthy development and firmly held on to the bottom line of the systematic risk, which guaranteed the healthy and high-quality development of the Company on an ongoing basis.

Relationship between the Company and its Customers

Being customer-centric all along, the Company was committed to offering high-quality services to customers and provided insurance services and value-added services for more than 600 million customers on a cumulative basis⁶.

The Company placed significant emphasis on the protection of consumers’ rights and interests, embedding it as a crucial element in its efforts to serve the Party and the overall interests of national development, prevent and mitigate risks, and advance high-quality development. The Company integrated the protection of consumers’ rights and interests throughout its entire business process, further optimised the development of the systems and mechanisms for the protection of consumers’ rights and interests, promoted the effective operation of various mechanisms for the protection of consumers’ rights and interests such as consumer protection review, consumer information disclosure, consumer information protection, and consumer education and promotion, etc., with an aim of gradually standardising and regulating the protection of consumers’ rights and interests and advancing the implementation of a “comprehensive consumer protection” paradigm. In 2024, the Company’s educational and promotional activities increased by 55.4% year on year, with the number of consumers involved rising by 52.5% year on year.

Please also refer to the “Digitalised and Intelligent Operations and Services” in the section headed “Management Discussion and Analysis” in this annual report.

⁶ The cumulative number of customers served refers to policyholders and insured customers under all individual insurance policies underwritten by the Company, including terminated individual insurance policies, but excluding group insurance policies and group retained business insurance policies.

Relationship between the Company and its Employees

The Company created a harmonious labour relationship according to law and entered into employment contracts with its employees in a timely manner. The Company strengthened the management of employees in all aspects by establishing the following mechanisms: an employee management mechanism with the characteristics of focus on grassroots, combination of training and working of employees, hierarchical responsibilities and unified standards; a performance management mechanism that was strategy-based and results-oriented, adopted hierarchical classification, and focused on application; and a remuneration distribution mechanism that was based on the principles of salary determined by position, remuneration paid based on performance, emphasis on incentives and preference for grassroots, and was compatible with the high-quality development requirements of the Company. The Company also emphasised on the cultivation and development of employees by building and optimising a “four-in-one” talent training system targeting new employees, professional talents, young cadres, and management cadres at all levels, pursued classification of employees for training with an equal emphasis on full coverage, integrated cultivation and training throughout the growth process of cadres and employees, and continued to focus on empowerment. The Company attached importance to humanistic concern by constantly improving the mechanism for communication with employees, safeguarding the legitimate rights and interests of employees in a practical manner and encouraging employees to arrange vacations and annual leave in a scientific way, with an aim to achieve work-life balance.

The Company consistently valued the rights and interests of employees by actively promoting the construction of a corporate democratic management system with employee representative meetings as the fundamental form to protect the democratic rights of employees and facilitate joint development between employees and the Company. The Company and its provincial branches have comprehensively established the system of employee representative meetings, safeguarding all meeting rights according to law and consistently following up on the implementation of resolutions to effectively oversee the handling of proposals. At the first meeting of the third session of the employee representative meeting of the Company, 79 proposals were submitted, covering areas such as the work environment and welfare benefits, with 78 implemented, achieving a implementation rate of 99%. On 12 December 2024, the Company successfully convened the first meeting of the fourth session of the employee representative meeting and the first meeting of the second session of the member representative meeting in accordance with the “Trade Union Law”, the “Constitution of the All-China Federation of Trade Unions”, the “Regulations for the Election of Grassroot Trade Unions” and the provisions and requirements of the higher-level trade unions, with 205 employee representatives in attendance. During the meetings, representatives diligently

performed their duties, listened to and reviewed the “Report on Business Operation and Management of China Life Insurance Company Limited”, and listened to and adopted the “Report on Financial Position of China Life Insurance Company Limited”, the “Report on the Solicitation and Completion of Proposals from Employee Representatives” and the “Report on the Amendments to and Issuance of the ‘Measures for the Administration of Employment of China Life Insurance Company Limited’”. A total of 44 proposals were solicited at this session of employee representative meetings, focusing on key areas such as business expansion, internal management and employee care. The employee representatives offered valuable advice for the Company’s development, which effectively leveraged the role of employee representative meetings in corporate democratic management.

For details regarding the Company’s employees (including the number of employees, professional composition, education levels, employee diversity, remuneration policy and training plans), please refer to the section headed “Directors, Supervisors, Senior Management and Employees” in this annual report.

For information during the Reporting Period such as the environmental and social responsibilities of the Company, the relationship between the Company and its customers, and the relationship between the Company and its employees, please also refer to the full text of the 2024 Environmental, Social and Governance & Social Responsibility Report separately disclosed by the Company on the website of the SSE (www.sse.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) simultaneously.

FORMULATION AND IMPLEMENTATION OF PROFIT DISTRIBUTION POLICY

In accordance with Article 217 of the Articles of Association, the Basic Principles of the Company’s Profit Distribution Policy are as follows:

- The Company shall take the investment return for investors into full account and allocate the required percentage of the Company’s realised distributable profits to shareholders as dividends each year;
- The Company shall maintain a sustainable and steady profit distribution policy and at the same time take into consideration the Company’s long-term interest, general interest of all the shareholders and the sustainable development of the Company;
- The Company shall give priority to cash dividends as its profit distribution manner.

In accordance with Article 218 of the Articles of Association, the Company's Profit Distribution Policy is as follows:

- Profit distribution modes: The Company may distribute dividends in the form of cash or shares or a combination of cash and shares. If practicable, the Company may distribute interim dividends. The Company's dividends shall not bear interest, save in the case where the Company fails to distribute the dividends to the shareholders on the day when dividends were due to have been distributed;
- Conditions for and percentage of distribution of cash dividends: If the Company makes profits in a given year and the cumulative undistributed profit is positive, the Company shall distribute dividends in the form of cash and the cumulative profits distributed in cash over the past three years by the Company shall be no less than thirty percent (30%) of the average annual distributable profits in recent three years;
- Conditions for distribution of share dividends: If the Company's operation is sound and the Board of Directors is of the opinion that share dividends distribution is in the interest of all the Company's shareholders since the Company's stock price does not match the Company's share capital, the Company may propose a share dividends distribution plan if the conditions for cash dividends listed above are satisfied.

In addition, the Company's profit distribution is required to comply with relevant regulatory requirements. If the Company's core solvency ratio or comprehensive solvency ratio does not meet the minimum requirements, the regulatory authorities may adopt regulatory measures against the Company due to its failure to meet the minimum requirements, which may restrict the Company's ability to distribute dividends to its shareholders.

In accordance with Article 219 of the Articles of Association, the Procedures of Reviewing the Company's Profit Distribution Proposal are as follows:

The Company's profit distribution proposal shall be reviewed by the Board of Directors. The Board of Directors shall have a sufficient discussion of the reasonableness of the profit distribution proposal. After a special resolution regarding the proposal is reached and independent opinions have been given by the Company's Independent Directors, the proposal shall be submitted to the Company's general meeting for approval. In reviewing the profit distribution proposal, the Company shall provide online voting mechanism to the shareholders. When deliberating on specific cash dividend proposal by the Company's general meeting, the Company shall make active communication with shareholders, especially small- and medium-sized shareholders, through various channels. The Company shall also fully solicit opinions and appeals from shareholders, and give timely reply to concerns of small- and medium-sized shareholders.

Profit Distribution Plan and Public Reserves Capitalisation Plan for the Year 2024 and the Distribution of Cash Dividends for the Recent Three Fiscal Years

According to the 2024 interim profit distribution plan approved at the First Extraordinary General Meeting 2024 held on 30 October 2024, based on 28,264,705,000 shares in issue, the Company has distributed 2024 interim cash dividends of RMB0.20 per share (inclusive of tax) to all shareholders of the Company, totalling approximately RMB5,653 million. In accordance with the profit distribution plan for the year 2024 approved by the Board on 26 March 2025, based on 28,264,705,000 shares in issue, the Company proposed to distribute 2024 final cash dividends of RMB0.45 per share (inclusive of tax) to all shareholders of the Company, totalling approximately RMB12,719 million. The foregoing profit distribution plan is subject to the approval by the 2024 Annual General Meeting. If the Company's profit distribution plan for the year 2024 is approved, together with the 2024 interim cash dividends distributed by the Company, annual cash dividends in 2024 will be RMB0.65 per share (inclusive of tax), totalling approximately RMB18,372 million, representing 17% of the net profit attributable to equity holders of the Company in the consolidated statements.

Dividends payable to domestic shareholders are declared, valued and paid in RMB. Dividends payable to shareholders of the Company's overseas-listed foreign shares are declared and valued in RMB and paid in the currency of the jurisdiction in which the overseas-listed foreign shares are listed (if the Company is listed in more than one jurisdiction, dividends shall be paid in the currency of the Company's principal jurisdiction of listing as determined by the Board). The Company shall pay dividends to shareholders of overseas-listed foreign shares in conformity with the PRC regulations on foreign exchange control. If no such regulations are in place, the applicable exchange rate is the average closing rate published by the People's Bank of China one week before the date of declaration of the distribution of dividends.

No public reserve capitalisation is provided for in the profit distribution plan for the year.

The profit distribution policy of the Company complied with the Articles of Association and the examination and approval procedures of the Company. It clearly defined the dividend distribution standards and percentages, with comprehensive decision-making procedures and system. Small- and medium-sized shareholders of the Company have sufficient opportunities to express their opinions and appeals, and their legitimate rights have been well protected. The Independent Directors diligently considered the profit distribution policy and expressed their independent opinions in this regard.

The distribution of cash dividends for the recent three fiscal years:

	RMB million
Cumulative amount of cash dividends for the recent three fiscal years (inclusive of tax) (1)	44,376
Cumulative amount of repurchases and cancellations for the recent three fiscal years (2)	–
Cumulative amount of cash dividends and repurchases and cancellations for the recent three fiscal years (3)=(1)+(2)	44,376
Average annual net profit attributable to equity holders of the Company for the recent three fiscal years (4)	53,376
Cash dividend ratio for the recent three fiscal years (%) (5)=(3)/(4)	83
Net profit attributable to equity holders of the Company in the consolidated statements for the most recent fiscal year	106,935
Undistributed profits at the end of the year in the statements of the Company for the most recent fiscal year	357,928

DISTRIBUTABLE RESERVES

As at 31 December 2024, the distributable reserves of the Company was RMB357,928 million.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Company are set out in Note 7 in the Notes to the Consolidated Financial Statements in this annual report.

SHARE CAPITAL

Details of the movement in share capital of the Company are set out in Note 32 in the Notes to the Consolidated Financial Statements in this annual report.

MANAGEMENT CONTRACTS

No management or administration contracts for the whole or substantial part of any business of the Company were entered into during the Reporting Period.

PENSION PLAN

Full-time employees of the Company are covered by various government-sponsored pension plans, under which the employees are entitled to a monthly pension based on certain formulae. These government agencies are responsible for the pension liability to these employees upon retirement. The Company contributes on a monthly basis to these pension plans for full-time employees. All contributions made under the government-sponsored pension plans described above are fully attributable to employees of the Company

at the time of the payment and the Company is unable to forfeit any amounts contributed by it to such plans. In addition to the government-sponsored pension plans, the Company established an employee annuity fund plan pursuant to the relevant laws and regulations in the PRC, whereby the Company is required to contribute to the plan at fixed rates of the employees' salary costs. Contributions made by the Company under the annuity fund plan that is forfeited in respect of those employees who resign from their positions prior to the full vesting of the contributions will be recorded in the public account of the annuity fund and shall not be used to offset any contributions to be made by the Company in the future. All funds in the public account will be attributed to the employees whose accounts are in normal status after the approval procedures are completed as required. Under these plans, the Company has no legal or constructive obligation for retirement benefit beyond the contributions made.

INTEREST-BEARING LOANS AND OTHER BORROWINGS

As at the end of the Reporting Period, the interest-bearing loans and other borrowings of the Company included a bank loan of GBP7 million with a maturity date on 16 April 2025 and a bank loan of GBP275 million with a maturity date on 16 May 2025, both of which are fixed rate bank loans. Interest-bearing loans and other borrowings also included a bank loan of USD952 million with a maturity date on 22 September 2025 and a bank loan of EUR427 million with a maturity date on 8 September 2026, both of which are floating rate bank loans. Details of the interest-bearing loans and other borrowings of the Company are set out in Note 15 in the Notes to the Consolidated Financial Statements in this annual report.

CHARITABLE DONATIONS

The total amount of charitable donations made by the Company during the Reporting Period was approximately RMB22.50 million.

INFORMATION OF TAX DEDUCTION FOR HOLDERS OF LISTED SECURITIES

Shareholders of the Company are taxed and/or enjoy tax relief for the dividend income received from the Company in accordance with the "Individual Income Tax Law of the People's Republic of China", the "Enterprise Income Tax Law of the People's Republic of China", and relevant administrative rules, governmental regulations and regulatory documents. Please refer to the announcements published by the Company on the website of the SSE on 5 July 2024 and 7 November 2024 for the information on income tax in respect of the dividend distributed to A Share shareholders during the Reporting Period, and the announcements published by the Company on the HKExnews website of Hong Kong Exchanges and Clearing Limited on 27 June 2024 and 30 October 2024 for the information on income tax in respect of the dividend distributed to H Share shareholders during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities (including the sale of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

H SHARE STOCK APPRECIATION RIGHTS

No H Share stock appreciation rights of the Company were granted or exercised in 2024. The Company will deal with such rights and related matters in accordance with the PRC governmental policies.

DAY-TO-DAY OPERATIONS OF THE BOARD

Details of the Board meetings and the Board's performance of its duties during the Reporting Period are set out in the section headed "Report of Corporate Governance" in this annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

None of the Directors or Supervisors has entered into any service contracts with the Company and its subsidiaries that are not terminable within one year or can only be terminated by the Company with payment of compensation (other than statutory compensation).

INTERESTS OF DIRECTORS AND SUPERVISORS (AND THEIR CONNECTED ENTITIES) IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors or Supervisors (and their connected entities) is or was materially interested, directly or indirectly, in any transaction, arrangement or contract of significance entered into by the Company or its controlling shareholders or any of their respective subsidiaries at any time during the Reporting Period or subsisted at the end of the Reporting Period.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

No arrangements to which the Company, any of its subsidiaries or holding companies, or any subsidiary of the Company's holding companies is a party, and whose objects are, or one of whose objects is, to enable Directors or Supervisors (including their spouses and children under the age of 18) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, subsisted at any time during the Reporting Period or at the end of the Reporting Period.

DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE IN THE SHARES OF THE COMPANY

As at the end of the Reporting Period, none of the Directors, Supervisors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or which had to be notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS OF THE COMPANY

The Board has established written guidelines on no less exacting terms than the Model Code for Directors and Supervisors of the Company in respect of their dealings in the securities of the Company. After making specific inquiries to all the Directors and Supervisors of the Company, they confirmed that they had complied with the Model Code and the Company's own guidelines during the Reporting Period.

PERMITTED INDEMNITY PROVISION

The Company made appropriate insurance arrangement with respect to legal actions that might be faced by its Directors in connection with corporate activities, and such insurance arrangement was in force during the Reporting Period and up to the date of this report.

PRE-EMPTIVE RIGHTS AND ARRANGEMENTS FOR SHARE OPTIONS AND SHARE AWARDS

According to the Articles of Association and relevant PRC laws, there is no provision for any pre-emptive rights of the shareholders of the Company. At present, the Company does not have any arrangements for share options or share awards.

RESPONSIBILITY STATEMENT OF DIRECTORS ON FINANCIAL REPORTS

The Directors are responsible for overseeing the preparation of the financial report for each financial period which gives a true and fair view of the Company's financial position, performance results and cash flows for that period. To the best knowledge of the Directors, there was no event or condition during the Reporting Period that might have a material adverse effect on the continuing operation of the Company.

BOARD'S STATEMENT ON INTERNAL CONTROL

In accordance with the requirements of the "Standard Regulations on Corporate Internal Control", the Board conducted an assessment on internal control relating to the Company's financial reporting functions, and confirmed that its internal control was effective as at 31 December 2024.

MAJOR CUSTOMERS

In 2024, the gross written premiums received from the Company's five largest customers accounted for less than 5% of the Company's gross written premiums for the year. There is no related party of the Company among the five largest customers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the latest practicable date (26 March 2025), not less than 25% of the issued share capital of the Company (being the minimum public float applicable to the shares of the Company) was held in public hands.

AUDITORS

Taking into account the requirements of the Company for audit services and in compliance with the relevant regulations for selection and appointment of auditors, after conducting the tender process and evaluating the results, and as approved by the 2023 Annual General Meeting of the Company, Ernst & Young Hua Ming LLP and Ernst & Young (the two aforesaid auditors are collectively referred to as "EY") have been appointed as the PRC and overseas auditors of the Company for the year 2024, who will hold office until the conclusion of the 2024 Annual General Meeting. EY served as the Company's auditors for the first year.

Remuneration paid by the Company to the auditors is subject to the approval at the shareholders' general meeting, pursuant to which the Board is authorised to determine the amount and make payment. Audit fees paid by the Company to the auditors will not affect the independence of the auditors.

Remuneration paid by the Company to EY in 2024 was as follows:

RMB million

Service/Nature	Fees
Audit, review and agreed-upon procedures fee	48.28
Including: Internal control audit fee	4.00
Non-audit services fee (tax services and consultation services)	6.42
Total	54.70

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, the PRC and overseas auditors of the Company for the year 2023, had retired as the auditors of the Company upon conclusion of the 2023 Annual General Meeting. The Company had communicated with the auditors originally engaged by it in connection with the change of auditors, and such auditors did not raise any objection against the change.

The Company is taking active actions to proceed with the selection and appointment of its auditors for the year 2025, and investors are advised to pay attention to the announcements made by the Company in its listed jurisdictions for the further development in this regard.

By Order of the Board
Cai Xiliang
Chairman

26 March 2025

REPORT OF THE BOARD OF SUPERVISORS

Pursuant to the Company Law and the Articles of Association, the Company has established a Board of Supervisors. The Board of Supervisors performs the following duties in accordance with the Company Law, the Articles of Association and the “Procedural Rules for the Board of Supervisors Meetings”: to examine the finances of the Company; to monitor whether the Directors, President, Vice Presidents and other senior management of the Company have acted in contravention of laws, regulations, the Articles of Association and resolutions of the shareholders’ general meetings when discharging their duties; to review the financial information of the Company such as financial reports, results reports and profit distribution plans to be approved by the Board; to propose the convening of extraordinary shareholders’ general meetings, to propose resolutions at shareholders’ general meetings and to perform any other duties under the laws, regulations and regulatory rules of the Company’s listed jurisdictions.

The Board of Supervisors consists of Non-employee Representative Supervisors, such as shareholder representatives, and Employee Representative Supervisors, of which the Employee Representative Supervisors shall not be less than one-third of the Board of Supervisors. Non-employee Representative Supervisors, such as shareholder representatives, shall be elected and removed by a shareholders’ general meeting while Employee Representative Supervisors shall be elected and removed by employees of the Company in a democratic manner.

The Board of Supervisors is accountable to the shareholders and reports its work to the shareholders’ general meeting according to relevant laws. It is also responsible for appraising the Company’s operations, financial reports, connected transactions and internal control, etc. during the Reporting Period.

Meetings of the Board of Supervisors are convened by the Chairman of the Board of Supervisors. According to the Articles of Association, the Company formulated the “Procedural Rules for the Board of Supervisors Meetings” and established protocols for the Board of Supervisors meetings. Board of Supervisors meetings are categorised as regular or ad-hoc meetings in accordance with the degree of pre-planning involved. There are at least three regular meetings each year, mainly to adopt and review financial reports and periodic reports, and examine the financial condition and internal control of the Company. Ad-hoc meetings are convened when necessary.

In 2024, the Company successfully completed the re-election of its Board of Supervisors, with the eighth session of the Board of Supervisors of the Company being elected at the 2023 Annual General Meeting and the twelfth extraordinary meeting of the third session of the employee representative meeting of the Company. Currently, the eighth session of

the Board of Supervisors comprises Mr. Cao Weiqing, an Employee Representative Supervisor, Mr. Gu Haishan, a Non-employee Representative Supervisor, Ms. Ye Yinglan and Mr. Dong Haifeng, both being Employee Representative Supervisors, with Mr. Cao Weiqing acting as the Chairman of the Board of Supervisors. In June 2024, Mr. Niu Kailong retired as a Supervisor of the Company due to the expiration of the term of the seventh session of the Board of Supervisors. In October 2024, Mr. Lai Jun resigned from his position as a Supervisor of the Company due to the reason of age.

MEETINGS AND ATTENDANCE

During the Reporting Period, seven meetings were held by the Board of Supervisors of the Company. Attendance records of individual Supervisors are as follows:

Name of Supervisor	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Cao Weiqing	7/7	0/7
Gu Haishan	2/2	0/2
Ye Yinglan	6/7	1/7
Dong Haifeng	4/4	0/4

During the Reporting Period, attendance records of the resigned and retired Supervisors at the meetings of the Board of Supervisors are as follows:

Name of Supervisor	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Niu Kailong	3/3	0/3
Lai Jun	5/5	0/5

Notes:

- 1. The number of meetings attended in person includes meetings attended on-site and by way of telephone or video conference.
- 2. Supervisors who were unable to attend any meeting of the Board of Supervisors authorised other Supervisors to attend and vote at the meeting on their behalf.

ACTIVITIES OF THE BOARD OF SUPERVISORS

Convening and attending meetings of the Board of Supervisors and diligently discharging their duties. In 2024, pursuant to the regulatory requirements of the jurisdictions where the Company is listed, the Articles of Association and the “Procedural Rules for the Board of Supervisors Meetings” of the Company, the Board of Supervisors held seven meetings in total, during which 38 proposals were considered and four reports were debriefed. All Supervisors earnestly expressed their views, actively participated in discussions and diligently discharged their duties, thereby providing valuable advice for the business development of the Company. The matters considered and supervised by the Board of Supervisors included the Company’s periodic reports and financial reports, annual and interim profit distribution plans, remuneration of senior management, anti-money laundering work, consumer rights protection work, connected transactions, audit reports of senior management, special audit reports, internal control and risk management.

Attending and participating in corporate governance meetings and actively exercising their supervisory role. In 2024, the Board of Supervisors attended the 2023 Annual General Meeting and the First Extraordinary General Meeting 2024 of the Company, and participated in the meetings of the Board. All members of the Board of Supervisors participated in the meetings of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management and Consumer Rights Protection Committee, the Strategy and Assets and Liabilities Management Committee, and the Connected Transactions Control Committee, respectively, in accordance with the work allocation among Supervisors determined by the Board of Supervisors. By attending these meetings, all Supervisors diligently discharged their duties, oversaw the procedures for convening meetings, carefully listened to the matters considered at the meetings, and participated in discussions when necessary, thus proactively pushing forward the further enhancement of corporate governance.

Keeping abreast of the business operations of the Company on a regular basis and paying attention to any major solvency risks that might arise in the course of its business operations. Members of the Board of Supervisors kept abreast of the business operations of the Company on a regular basis by reviewing the financial reports of the Company, supervised its financial operation and paid attention to any major solvency risks that might arise in the course of its business operations. Through their participation in meetings of the Board and the specialised Board committees, all Supervisors understood the management of solvency risks of the Company and performed their supervisory function with respect to the decision-making of the Company on solvency risks.

Supervising the performance of duties by the Board and senior management in reputational risk management. Members of the Board of Supervisors listened to an annual reputational risk management report prepared by the senior management through participation in the meetings of the Board and the Risk Management and Consumer Rights Protection Committee, so as to supervise the performance of duties by the Board and senior management in reputational risk management.

Organising the evaluations of the performance of duties by Directors and Supervisors. The Board of Supervisors commenced the evaluations of the performance of duties by Directors and Supervisors in accordance with the “Measures for the Evaluation of the Performance of Duties by Directors and Supervisors” of the Company. Based on the performance of duties by Directors and Supervisors in 2024, the members of the Board of Supervisors evaluated and scored each of the Directors of the Company by reference to the information regarding the performance of duties by Directors obtained during their participation of meetings of the Board and various specialised Board committees, and evaluated and scored each of the Supervisors of the Company through a combination of self-assessment by and mutual assessment among Supervisors, and eventually formed evaluation opinions on individual Directors and Supervisors, which therefore improved the mechanism for the supervision and evaluation of duty performance of Directors and Supervisors. The final evaluation by the Board of Supervisors concluded that all members of both the Board and the Board of Supervisors of the Company were competent in their performance of duties in 2024.

Proactively engaging in investigation and research, examining and gaining insights into the Company’s business operations and development. In 2024, according to the work plan of the Board of Supervisors of the Company, the members of the Board of Supervisors conducted investigation and research on Xiamen Branch and Longyan Branch in Fujian Province with respect to, among others, the implementation of the spirits of the third plenary session of the 20th CPC Central Committee and the central inspection and rectification, business development and market benchmarking, consumer rights protection, and risk prevention and control, communicated in person with relevant branch representatives for exchange of ideas, and actively listened to the relevant advice and recommendations, which provided support for the Board of Supervisors to gain a deeper understanding of the business development of branches, and enhance its performance of duties and decision-making in a scientific manner.

Attending training courses and constantly enhancing performance of duties by the Supervisors. In 2024, the members of the Board of Supervisors further developed and refreshed their knowledge reserve by actively attending various special training courses organised by the securities exchanges of the Company's listed jurisdictions, listed companies associations and the Company itself, so as to enhance their performance of duties. All members of the Board of Supervisors attended the on-site training program on anti-money laundering and a special training course for directors and supervisors in 2024 as organised by the Listed Companies Association of Beijing (the "LCAB").

INDEPENDENT OPINION OF THE BOARD OF SUPERVISORS ON CERTAIN MATTERS

During the Reporting Period, the Board of Supervisors of the Company performed its supervisory duties in a diligent manner in accordance with the requirements of the Company Law, the Articles of Association and the "Procedural Rules for the Board of Supervisors Meetings". The Board of Supervisors had no objection in respect of the matters under its supervision during the Reporting Period.

The Company's operations in compliance with law. During the Reporting Period, the Company operated in compliance with the law. Its operations and decision-making procedures were in compliance with the Company Law and the Articles of Association. All Directors and senior management of the Company observed the principles of diligence and integrity, and performed their duties conscientiously. The Board of Supervisors is not aware of any of them having violated any law, regulation, or any provision in the Articles of Association or harmed the interests of the Company in the course of discharging their duties.

The authenticity of the financial report. The Company's annual financial report truly reflected its financial position and operating results. Ernst & Young Hua Ming LLP and Ernst & Young have performed audits and issued standard and unqualified auditors' reports in respect of the financial statements for the year 2024 in accordance with the China Standards on Auditing of PRC Certified Public Accountants and the International Standards on Auditing, respectively.

Acquisition and sale of assets. During the Reporting Period, the prices for acquisition and sale of assets by the Company were fair and reasonable. The Board of Supervisors is not aware of any insider trading, any acts harming the interests of shareholders or incurring any loss to the Company's assets.

Connected transactions. During the Reporting Period, the connected transactions of the Company were on commercial terms. The Board of Supervisors is not aware of any acts harming the interests of the Company.

Internal control system and self-evaluation report on internal control. During the Reporting Period, the Company continued to improve its internal control system, and enhance the effectiveness of such system. The Board of Supervisors of the Company reviewed the self-evaluation report on the Company's internal control and did not raise any objection against the self-evaluation report of the Board regarding the Company's internal control.

Information disclosure. The Company performed its obligation of information disclosure in strict compliance with the regulatory requirements, seriously implemented various information disclosure management systems, and disclosed information in a timely and fair manner. The Board of Supervisors is not aware of any false representations, misleading statements or material omissions during the Reporting Period. The Board of Supervisors reviewed the periodic reports prepared by the Board and provided written opinions on its review.

By Order of the Board of Supervisors
Cao Weiqing
Chairman of the Board of Supervisors

26 March 2025

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS INFORMATION

CHANGES IN SHARE CAPITAL

During the Reporting Period, there was no change in the total number of shares and the share capital structure of the Company.

ISSUE AND LISTING OF SECURITIES

As at the end of the Reporting Period, the Company had not issued any securities in the last three years. During the Reporting Period, there was no change in the total number of shares and the share structure of the Company due to bonus issues or placings, nor were there any internal employees' shares.

INFORMATION ON SHAREHOLDERS AND EFFECTIVE CONTROLLER

Total Number of Shareholders and their Shareholdings

Total number of ordinary share shareholders as at the end of the Reporting Period	No. of A Share shareholders: 83,273 No. of H Share shareholders: 23,405	Total number of ordinary share shareholders as at the end of the month prior to the disclosure of the annual report	No. of A Share shareholders: 85,299 No. of H Share shareholders: 23,235
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Particulars of Top Ten Shareholders of the Company

Unit: Shares

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held as at the end of the Reporting Period	Increase/Decrease during the Reporting Period	Number of shares subject to selling restrictions	Number of shares pledged or frozen
China Life Insurance (Group) Company	State-owned legal person	68.37%	19,323,530,000	–	–	–
HKSCC Nominees Limited	Overseas legal person	25.94%	7,331,228,476	+3,704,674	–	–
China Securities Finance Corporation Limited	State-owned legal person	2.51%	708,240,246	–	–	–
Central Huijin Asset Management Limited	State-owned legal person	0.41%	117,165,585	–	–	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.29%	82,473,605	+38,118,666	–	–
Industrial and Commercial Bank of China Limited – SSE 50 Exchange Traded Index Securities Investment Fund	Other	0.11%	31,302,670	+10,995,967	–	–
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Index Securities Investment Fund	Other	0.10%	28,745,434	+16,342,701	–	–
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Index Initiative Securities Investment Fund	Other	0.07%	19,836,747	+15,928,600	–	–
Industrial and Commercial Bank of China Limited – Huaxia CSI 300 Exchange Traded Index Securities Investment Fund	Other	0.05%	13,186,665	+9,786,700	–	–
National Social Security Fund Portfolio 114	Other	0.05%	13,000,000	+1,000,000	–	–

Notes:

1. The above shares are tradable shares not subject to selling restrictions. As at the end of the Reporting Period, except for the unknown situation regarding HKSCC Nominees Limited, none of the other shareholders of the Company as described above have lent their shares through refinancing.
2. HKSCC Nominees Limited is a company that holds shares on behalf of the clients of the Hong Kong stock brokers and other participants of the CCASS system. The relevant regulations of the HKSE do not require such persons to declare whether their shareholdings are pledged or frozen. Hence, HKSCC Nominees Limited is unable to calculate or provide the number of shares that are pledged or frozen.
3. Industrial and Commercial Bank of China Limited – SSE 50 Exchange Traded Index Securities Investment Fund, Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Index Securities Investment Fund and Industrial and Commercial Bank of China Limited – Huaxia CSI 300 Exchange Traded Index Securities Investment Fund have Industrial and Commercial Bank of China Limited as their fund depositary. Save as above, the Company was not aware of any connected relationship and concerted parties as defined by the “Measures for the Administration of the Takeover of Listed Companies” among the top ten shareholders of the Company.

Information relating to the Controlling Shareholder and Effective Controller

The controlling shareholder of the Company is CLIC, and its relevant information is set out below:

Name of company	China Life Insurance (Group) Company
Legal representative	Cai Xiliang
Date of incorporation	22 August 1996 (CLIC’s predecessor was PICC (Life) Co., Ltd. incorporated in August 1996. It was renamed as China Life Insurance Company, a company approved for formation by the State Council in January 1999. With the approval of the former China Insurance Regulatory Commission in 2003, China Life Insurance Company was restructured as CLIC.)
Major businesses	Insurance services including receipt of premiums and payment of benefits in respect of the in-force life, health, accident and other types of personal insurance business, and the reinsurance business; holding or investing in domestic and overseas insurance companies or other financial insurance institutions; funds application business permitted by PRC laws and regulations or approved by the State Council of the PRC; other businesses approved by insurance regulatory agencies.
Shareholdings in other subsidiaries and affiliates listed in China or abroad during the Reporting Period	As at 31 December 2024, CLIC held 1,785,098,644 H shares of Town Health International Medical Group Limited (which is one of the companies listed in China or abroad in which CLIC has over 5% of the total share capital), representing 26.35% of its total shares.

The effective controller of the Company is the Ministry of Finance. The equity and controlling relationship between the Company and its effective controller is set out as below:



During the Reporting Period, there was no change to the controlling shareholder and the effective controller of the Company. As at the end of the Reporting Period, there was no other corporate shareholder holding more than 10% of the shares in the Company.

INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY HELD BY SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS UNDER HONG KONG LAWS AND REGULATIONS

So far as is known to the Directors, Supervisors and the chief executive of the Company, as at 31 December 2024, the following persons (other than the Directors, Supervisors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong), or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the HKSE:

Name of substantial shareholder	Capacity	Class of shares	Number of shares held	Percentage of the respective class of shares	Percentage of the total number of shares in issue
China Life Insurance (Group) Company	Beneficial owner	A Shares	19,323,530,000 (L)	92.80%	68.37%
BlackRock, Inc. ^(Note 1)	Interest in controlled corporation	H Shares	455,221,964 (L) 2,922,000 (S)	6.12% 0.04%	1.61% 0.01%
Citigroup Inc. ^(Note 2)	Interest in controlled corporation, approved lending agent	H Shares	448,533,110 (L) 28,858,612 (S) 370,282,684 (P)	6.02% 0.38% 4.97%	1.59% 0.10% 1.31%
FMR LLC ^(Note 3)	Interest in controlled corporation	H Shares	438,809,640 (L)	5.90%	1.55%

The letter "L" denotes a long position. The letter "S" denotes a short position. The letter "P" denotes interest in a lending pool.

(Note 1): BlackRock, Inc. was interested in a total of 455,221,964 H shares of the Company in accordance with the provisions of Part XV of the SFO. Of these shares, BlackRock Investment Management, LLC, BlackRock Financial Management, Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Advisors, LLC, BlackRock Japan Co., Ltd., BlackRock Asset Management Canada Limited, BlackRock Investment Management (Australia) Limited, BlackRock Asset Management North Asia Limited, BlackRock (Netherlands) B.V., BlackRock Advisors (UK) Limited, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock Asset Management Deutschland AG, BlackRock Fund Managers Limited, BlackRock Life Limited, BlackRock (Singapore) Limited, BlackRock Asset Management Schweiz AG and Aperio Group, LLC were interested in 2,423,000 H shares, 11,907,000 H shares, 106,040,736 H shares, 183,848,000 H shares, 631,000 H shares, 7,809,397 H shares, 4,988,000 H shares, 4,578,000 H shares, 23,838,423 H shares, 9,011,322 H shares, 271,000 H shares, 76,619,958 H shares, 281,000 H shares, 8,783,749 H shares, 333,000 H shares, 8,519,993 H shares, 266,554 shares, 3,561,000 H shares, 103,000 H shares and 1,407,832 H shares, respectively. All of these entities are either controlled or indirectly controlled subsidiaries of BlackRock, Inc. Of these 455,221,964 H shares, 5,097,000 H shares were cash settled unlisted derivatives.

BlackRock, Inc. held by way of attribution a short position as defined under Part XV of the SFO in 2,922,000 H shares (0.04%). Of these 2,922,000 H shares, 2,682,000 H shares were cash settled unlisted derivatives.

(Note 2): Citigroup Inc. was interested in a total of 448,533,110 H shares in accordance with the provisions of Part XV of the SFO. Of these shares, Citibank, N.A., Citigroup First Investment Management Limited, Citigroup Global Markets Hong Kong Limited, Citigroup Global Markets Funding Luxembourg S.C.A., Citigroup Global Markets Limited, Citibank (Switzerland) AG and Citibank Europe plc were interested in 398,188,499 H shares, 6,644,905 H shares, 38,489,634 H shares, 1,283 H shares, 2,419,006 H shares, 1,119,634 H shares and 1,670,149 H shares, respectively. All of these entities are either controlled or indirectly controlled subsidiaries of Citigroup Inc.

Included in the 448,533,110 H shares, 370,282,684 H shares (4.97%) were interest in the lending pool, as defined under Section 5(4) of the Securities and Futures (Disclosure of Interests – Securities Borrowing and Lending) Rules. Of these 448,533,110 H shares, 3,261,000 H shares were physically settled listed derivatives, 26,896,552 H shares were physically settled unlisted derivatives and 1,967,564 H shares were cash settled unlisted derivatives.

Citigroup Inc. held a short position as defined under Part XV of the SFO in 28,858,612 H shares (0.38%). Of these 28,858,612 H shares, 6,443,000 H shares were physically settled listed derivatives, 7,058,248 H shares were physically settled unlisted derivatives and 128,285 H shares were cash settled unlisted derivatives.

(Note 3): FMR LLC was interested in a total of 438,809,640 H shares of the Company in accordance with the provisions of Part XV of the SFO. Of these shares, Fidelity Management & Research Company LLC, Fidelity Management & Research (Hong Kong) Limited, Fidelity Institutional Asset Management Trust Company and FIAM LLC were interested in 165,804,208 H shares, 134,649,344 H shares, 15,951,407 H shares and 87,588,803 H shares, respectively. All of these entities are either controlled or indirectly controlled subsidiaries of FMR LLC.

Save as disclosed above, the Directors, Supervisors and the chief executive of the Company are not aware of any other party who, as at 31 December 2024, had an interest or short position in the shares and underlying shares of the Company which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Current Directors, Supervisors and Senior Management

Name	Position	Gender	Date of birth	Term	Salary/ Remuneration paid in RMB ten thousands	Other benefits, social insurance, housing provident fund and enterprise annuity fund paid by the Company in RMB ten thousands	Total emoluments received from the Company during the Reporting Period in RMB ten thousands (before tax)	Whether received emolument from connected parties of the Company
Cai Xiliang	Chairman of the Board Executive Director	Male	August 1966	Since 4 December 2024	–	–	–	Yes
Li Mingguang	Executive Director President	Male	July 1969	Appointed as an Executive Director since 16 August 2019, President since November 2023	–	–	–	Yes
Liu Hui	Executive Director Vice President Chief Investment Officer Board Secretary	Female	February 1970	Appointed as an Executive Director since 17 May 2024, a Vice President since July 2023, Chief Investment Officer since December 2023, Board Secretary since January 2025	125.30	36.59	161.89	No
Ruan Qi	Executive Director Vice President Chief Risk Officer Chief Network Security Officer	Male	July 1966	Appointed as an Executive Director since 17 May 2024, a Vice President since April 2018, Chief Risk Officer since December 2022, Chief Network Security Officer since March 2024	125.30	34.59	159.89	No
Wang Junhui	Non-executive Director	Male	July 1971	Since 16 August 2019	–	–	–	Yes
Hu Jin	Non-executive Director	Female	November 1971	Since 14 November 2024	–	–	–	Yes
Hu Rong	Non-executive Director	Male	March 1977	Since 14 November 2024	–	–	–	Yes
Lam Chi Kuen	Independent Director	Male	April 1953	Since 29 June 2021	42.00	0	42.00	No
Zhai Haitao	Independent Director	Male	January 1969	Since 14 October 2021	42.00	0	42.00	Yes
Chen Jie	Independent Director	Female	April 1970	Since 13 July 2022	42.00	0	42.00	No
Lu Feng	Independent Director	Male	July 1957	Since 19 November 2024	3.50	0	3.50	No
Cao Weiqing	Chairman of the Board of Supervisors	Male	September 1965	Since 4 November 2022	134.25	34.56	168.81	No
Gu Haishan	Non-employee Representative Supervisor	Male	June 1974	Since 9 October 2024	–	–	–	Yes
Ye Yinglan	Employee Representative Supervisor	Female	October 1974	Since 21 June 2023	90.44	28.10	118.54	No
Dong Haifeng	Employee Representative Supervisor	Male	August 1978	Since 2 July 2024	34.52	11.82	46.34	No

Name	Position	Gender	Date of birth	Term	Salary/ Remuneration paid in RMB ten thousands	Other benefits, social insurance, housing provident fund and enterprise annuity fund paid by the Company in RMB ten thousands	Total emoluments received from the Company during the Reporting Period in RMB ten thousands (before tax)	Whether received emolument from connected parties of the Company
Bai Kai	Vice President	Male	June 1974	Since August 2023	125.30	35.24	160.54	No
Xu Chongmiao	Chief Compliance Officer Person in Charge of Compliance	Male	October 1969	Appointed as Chief Compliance Officer since April 2024, Person in Charge of Compliance since July 2018	106.60	32.86	139.46	No
Hou Jin	Chief Actuary	Female	January 1980	Appointed as Chief Actuary since November 2023	82.80	27.52	110.32	No
Hu Zhijun	Person in Charge of Audit	Female	July 1971	Since November 2023	97.76	28.39	126.15	No
Yuan Ying	Person in Charge of Finance	Female	February 1978	Since July 2024	31.07	11.41	42.48	No
Total	/	/	/	/	1,082.84	281.08	1,363.92	/

Notes:

- None of the current Directors, Supervisors and senior management of the Company held any shares of the Company during the Reporting Period.
- According to the Articles of Association, Directors of the Company serve for a term of three years and may be re-elected. However, Independent Directors may not serve for more than six years. Supervisors of the Company serve for a term of three years and may be re-elected.
- The positions of the Directors, Supervisors and senior management in this report reflect their positions as at the date of this report. The emoluments are calculated based on their terms of office during the Reporting Period.
- According to the requirements of the relevant measures for the administration of remuneration of the Company, the final amount of emoluments of the current Directors, Supervisors and senior management of the Company is currently subject to review and approval. The result of the review will be disclosed when the final amount is confirmed.
- As elected by the First Extraordinary General Meeting 2024 of the Company and the eighth meeting of the eighth session of the Board of Directors convened on the same day and upon approval by the NFRA, Mr. Cai Xiliang served as the Chairman of the Board and an Executive Director of the Company from 4 December 2024.
As elected by the First Extraordinary General Meeting 2023 of the Company and upon approval by the NFRA, Ms. Liu Hui and Mr. Ruan Qi served as Executive Directors of the Company from 17 May 2024.
As elected by the 2023 Annual General Meeting of the Company and upon approval by the NFRA, Ms. Hu Jin and Mr. Hu Rong served as Non-executive Directors of the Company from 14 November 2024, and Mr. Lu Feng served as an Independent Director of the Company from 19 November 2024.
- As elected by the 2023 Annual General Meeting of the Company and upon approval by the NFRA, Mr. Gu Haishan served as a Non-employee Representative Supervisor of the Company from 9 October 2024.
As elected by the twelfth extraordinary meeting of the third session of the employee representative meeting of the Company and upon approval by the NFRA, Mr. Dong Haifeng served as an Employee Representative Supervisor of the Company from 2 July 2024.
- As considered and approved by the seventh meeting of the eighth session of the Board of Directors of the Company and upon approval by the NFRA, Ms. Liu Hui served as the Board Secretary of the Company from 10 January 2025.
As considered and approved by the thirty-seventh meeting of the seventh session of the Board of Directors of the Company, Mr. Xu Chongmiao served as the Chief Compliance Officer of the Company from 26 April 2024.
As considered and approved by the thirty-sixth meeting of the seventh session of the Board of Directors of the Company and upon approval by the NFRA, Ms. Yuan Ying served as the Person in Charge of Finance of the Company from 10 July 2024.

Resigned and Retired Directors, Supervisors and Senior Management

Name	Previous position	Gender	Date of birth	Term	Salary/ Remuneration paid in RMB ten thousands	Other benefits, social insurance, housing provident fund and enterprise annuity fund paid by the Company in RMB ten thousands	Total emoluments received from the Company during the Reporting Period in RMB ten thousands (before tax)	Whether received emolument from connected parties of the Company	Reason for changes
Bai Tao	Chairman of the Board Executive Director	Male	March 1963	31 May 2022 – 30 September 2024	-	-	-	Yes	Resigned due to the adjustment of work arrangements
Zhuo Meijuan	Non-executive Director	Female	July 1964	21 June 2023 – 27 June 2024	-	-	-	Yes	Retired due to the expiration of her term of office
Huang Yiping	Independent Director	Male	March 1964	13 July 2022 – 19 November 2024	38.50	0	38.50	No	Resigned due to his reappointment as a member of the Monetary Policy Committee of the People's Bank of China
Niu Kailong	Non-employee Representative Supervisor	Male	September 1974	14 October 2021 – 27 June 2024	-	-	-	Yes	Retired due to the expiration of his term of office
Lai Jun	Employee Representative Supervisor	Male	May 1964	14 October 2021 – 14 October 2024	79.51	22.26	101.77	No	Resigned due to the reason of age
Yang Hong	Vice President	Female	February 1967	July 2019 – March 2024	30.81	9.49	40.30	No	Resigned due to the adjustment of work arrangements
Zhao Guodong	Vice President Board Secretary	Male	November 1967	August 2023 – July 2024 February 2023 – July 2024	62.65	17.26	79.91	No	Resigned due to the adjustment of work arrangements
Hu Jin	Person in Charge of Finance	Female	November 1971	February 2023 – March 2024	-	-	-	Yes	Resigned due to the adjustment of work arrangements
Total	/	/	/	/	211.47	49.01	260.48	/ /	

Notes:

- None of the resigned or retired Directors, Supervisors and senior management of the Company held any shares of the Company during the Reporting Period.
- This table sets out the information of Directors, Supervisors and senior management who resigned or retired during the period from the beginning of the Reporting Period to the date of this report.
- The emoluments are calculated based on the terms of office of the resigned and retired Directors, Supervisors and senior management during the Reporting Period.
- According to the requirements of the relevant measures for the administration of remuneration of the Company, the final amount of emoluments of the resigned and retired Directors, Supervisors and senior management of the Company is currently subject to review and approval. The result of the review will be disclosed when the final amount is confirmed.



Mr. Cai Xiliang, born in 1966, Chinese

Mr. Cai Xiliang became the Chairman of the Board of Directors of the Company in December 2024. He has been the Chairman of the Board of Directors of China Life Insurance (Group) Company since November 2024. He served as the Chairman of each of China Life Asset Management Company Limited and China Life Property and Casualty Insurance Company Limited from November 2022 to March 2025. Mr. Cai served as the Vice Chairman and the President of China Life Insurance (Group) Company from July 2022 to August 2024. From 2016 to 2022, he served as the Deputy Secretary of the Party Committee, the Vice Chairman and the General Manager of China Export & Credit Insurance Corporation, and a member of the Party Committee and the Deputy General Manager of CITIC Group Corporation. Mr. Cai graduated from Shanghai University of Finance and Economics with a master's degree in economics.



Mr. Li Mingguang, born in 1969, Chinese

Mr. Li became an Executive Director of the Company in August 2019. He has been the Secretary of the Party Committee of the Company since July 2023 and the President of the Company since November 2023. He has been a member of the Party Committee and a Vice President of China Life Insurance (Group) Company since April 2023 and November 2023, respectively. From July 2023 to July 2024, he served as the Chairman of China Life Investment Management Company Limited. Mr. Li joined the Company in 1996 and successively served as the Responsible Actuary, the General Manager of the Actuarial Department, the Chief Actuary, the Board Secretary, a Vice President and the temporary Person in Charge of the Company. He graduated from Shanghai Jiaotong University with a bachelor's degree in 1991, Central University of Finance and Economics with a master's degree in 1996 and Tsinghua University with an EMBA in 2010. Mr. Li is a Fellow of the China Association of Actuaries (FCAA) and a Fellow of the Institute and Faculty of Actuaries (FIA). He was the Chairman of the first session of the China Actuarial Working Committee and the Secretary-general of both the first and the second sessions of the China Association of Actuaries. He is currently the Vice Chairman of the China Association of Actuaries. Mr. Li receives a special government allowance from the State Council.



Ms. Liu Hui, born in 1970, Chinese

Ms. Liu became an Executive Director of the Company in May 2024. She has been a Vice President of the Company since July 2023, the Chief Investment Officer of the Company since December 2023, and the Board Secretary of the Company since January 2025. She has been a Director of China Guangfa Bank Co., Ltd. since January 2024, a Director of China Life Asset Management Company Limited since August 2023, and a Director of China Life Franklin Asset Management Company Limited since April 2023. From 2014 to 2022, Ms. Liu served as a Vice President of China Life Investment Holding Company Limited, and an Executive Director and a Vice President of China Life Investment Management Company Limited. Ms. Liu successively obtained a bachelor's degree in economics from Renmin University of China and a master's degree in business administration from Tsinghua University, and is a senior economist.



Mr. Ruan Qi, born in 1966, Chinese

Mr. Ruan became an Executive Director of the Company in May 2024. He has been a Vice President of the Company since April 2018, the Chief Risk Officer of the Company since December 2022, and the Chief Network Security Officer of the Company since March 2024. Mr. Ruan has been a Director of China Life Property and Casualty Insurance Company Limited since April 2024. He has been the temporary Person in Charge and a Director of China Life Ecommerce Company Limited since January 2024 and May 2023, respectively. He has been the Chairman of Wonders Information Co., Ltd. since July 2023. He successively served as the General Manager (at the general manager level of the provincial branches) of the Information Technology Department and the Chief Information Technology Officer of the Company from 2016 to 2018. Mr. Ruan served as the General Manager of China Life Data Center and the General Manager (at the general manager level of the provincial branches) of the Information Technology Department of the Company from 2014 to 2016, and the Deputy General Manager and the General Manager of the Information Technology Department of the Company from 2004 to 2014. He successively served as the Deputy Division Chief of the Computer Division, the Deputy Manager (responsible for daily operations) and the Manager of the Information Technology Department of Fujian Branch of the Company from 2000 to 2004. Mr. Ruan graduated from Beijing Institute of Posts and Telecommunications in August 1987, majoring in computer science and communications with a bachelor's degree in engineering, and from Xiamen University with a master's degree in business administration for senior management (EMBA) in December 2007, and is a senior engineer.



Mr. Wang Junhui, born in 1971, Chinese

Mr. Wang became a Non-executive Director of the Company in August 2019. He has been the Chairman of China Life Pension Company Limited since November 2023 and the Chief Investment Officer of China Life Insurance (Group) Company since August 2016. He has been a Director of China United Network Communications Limited since March 2021. From 2004 to 2023, he successively served as an Assistant to the President, a Vice President and the President of China Life Asset Management Company Limited, and the President of China Life Investment Holding Company Limited. Mr. Wang graduated from the School of Computer Science of Beijing University of Technology with a bachelor's degree in software in 1995 and from Chinese Academy of Fiscal Sciences of the Ministry of Finance of the PRC with a doctoral degree in finance in 2008, and is a senior economist.



Ms. Hu Jin, born in 1971, Chinese

Ms. Hu became a Non-executive Director of the Company in November 2024. She has been the General Manager of the Finance Department of China Life Insurance (Group) Company since June 2024. She has been a Director of each of China Life Insurance (Overseas) Company Limited and China Life Asset Management Company Limited since January 2024 and September 2024, respectively. From 2013 to 2024, she successively served as the Deputy General Manager of the Finance Department, the Deputy General Manager of the Accounting Department, the General Manager of the Shared Service Center (Financial Sector), the General Manager of the Finance Department and the Person in Charge of Finance of the Company, and the Deputy General Manager (responsible for daily operations) of the Finance Department of China Life Insurance (Group) Company. Ms. Hu graduated from Renmin University of China in 1993, majoring in accounting with a bachelor's degree in economics, and obtained a master's degree in economics in 2006. She is admitted as a certified public accountant in the PRC, and is a principal senior accountant. She was listed in the "Financial Talent Pool" and "Accounting Talent Pool" of the Ministry of Finance of the PRC in 2020, and was a member of the Financial Accounting Expert Working Group of the Ministry of Finance of the PRC in 2019.



Mr. Hu Rong, born in 1977, Chinese

Mr. Hu became a Non-executive Director of the Company in November 2024. He has been the Person in Charge of Compliance of China Life Insurance (Group) Company since April 2024. He has been the Deputy General Manager of the Legal Compliance Department and the Deputy General Manager (responsible for daily operations) of the Risk Management Department of China Life Insurance (Group) Company since December 2023. He has been a Supervisor of China Life Insurance (Overseas) Company Limited since January 2025. He served as the Deputy General Manager (responsible for daily operations) of the Risk Management Department/Internal Control and Compliance Department of China Life Insurance (Group) Company from September 2023 to December 2023. He successively served as an Assistant to the General Manager of the Supervision Department and an Assistant to the General Manager and the Deputy General Manager (responsible for daily operations) of the Legal and Compliance Department of China Life Investment Holding Company Limited, the Deputy General Manager (responsible for daily operations) and the General Manager of the Risk Management and Legal Compliance Department and the General Manager of the Infrastructure Investment Business Department of China Life Investment Management Company Limited from 2016 to 2023. Mr. Hu successively graduated from Xiamen University and the People's Public Security University of China, and possesses a master's degree in law.



Mr. Lam Chi Kuen, born in 1953, Chinese

Mr. Lam became an Independent Director of the Company in June 2021. He is currently an Independent Non-executive Director of each of China Cinda Asset Management Co., Ltd. and Luks Group (Vietnam Holdings) Company Limited. He served as an Independent Non-executive Director of China Pacific Insurance (Group) Co., Ltd. from 2013 to 2019. Mr. Lam, a practicing certified public accountant in Hong Kong for approximately 35 years, was a partner and senior consultant of Ernst & Young from 1992 to 2013 and has extensive experience in accounting, auditing and financial management. Mr. Lam received a Higher Diploma in Accounting from the Hong Kong Polytechnic College (the current Hong Kong Polytechnic University). He is a member of the Hong Kong Institute of Certified Public Accountants and a senior member of the Association of Chartered Certified Accountants.



Mr. Zhai Haitao, born in 1969, Chinese

Mr. Zhai became an Independent Director of the Company in October 2021. He is the President and Founding Partner of Primavera Capital Group, and an Independent Non-executive Director of China Everbright Water Limited. From 2000 to 2009, Mr. Zhai worked at and held various positions in Goldman Sachs Group, including the Managing Director, the Chief Representative of its Beijing Office, the Director of the Strategic Cooperation Office between Goldman Sachs Group and Industrial and Commercial Bank of China, and the Credit Rating Consultant of the Ministry of Finance of the PRC and China Development Bank. From 1995 to 1998, he was the Deputy Representative of the People's Bank of China Representative Office for the Americas based in New York. From 1990 to 1995, Mr. Zhai worked at the International Department of the People's Bank of China. Mr. Zhai holds a master's degree in international affairs from Columbia University, a master's degree in business administration from New York University and a bachelor's degree in economics from Peking University.



Ms. Chen Jie, born in 1970, Chinese

Ms. Chen became an Independent Director of the Company in July 2022. She is the Director and a researcher of the Commercial Law Research Unit of the Institute of Law, a professor and doctoral tutor of Chinese Academy of Social Sciences. She is a member of the Chinese Legal System Committee of China Democratic League, as well as the Vice Chairman of China Business Law Society, an Executive Director of each of the Institute of Commercial Law and the Institute of Securities Law of China Law Society. Ms. Chen is also a member of each of the Appeal Review Committee and Legal Professional Advisory Committee of Shenzhen Stock Exchange, a member of each of the Expert Advisory Committee of Beijing Financial Court and Expert Advisory Committee of Chengyu Financial Court, and an arbitrator of each of Beijing Arbitration Commission/Beijing International Arbitration Center, Shenzhen Court of International Arbitration, China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission and Shanghai Arbitration Commission. Ms. Chen has been an Independent Director of GigaDevice Semiconductor Inc. since December 2024 and an Independent Director of Deppon Logistics Co., Ltd. since October 2022. Ms. Chen obtained a bachelor's degree in law from East China College of Political Science and Law, a master's and doctoral degrees in law from Peking University, and a post-doctoral qualification from the Institute of Law of Chinese Academy of Social Sciences.



Mr. Lu Feng, born in 1957, Chinese

Mr. Lu became an Independent Director of the Company in November 2024. He is a professor of economics of the National School of Development and the chair professor of the Alumni College Development Fund of Peking University. He concurrently serves as a member of the Academic Committee of China Finance 40 Forum. Mr. Lu taught at the Economics Department of the University of Leeds of the United Kingdom from 1994 to 1995 and the Economics Department of Renmin University of China from 1985 to 1989, and previously visited and conducted research at Harvard University of the United States, The Australian National University and the Institute of Development Studies of the United Kingdom. He was also a consultation specialist of the Ministry of Human Resources and Social Security and the Ministry of Agriculture of the PRC, a member of the Advisory Committee of "ASEAN + 3 Macroeconomic Research Office (AMRO)", an international organisation, and a member of the Consultation Committee of World Development Report 2016 of the World Bank. Mr. Lu obtained a bachelor's degree in law and master's degree in economics from Renmin University of China and a doctoral degree in economics from the University of Leeds of the United Kingdom.



Mr. Cao Weiqing, born in 1965, Chinese

Mr. Cao became the Chairman of the Board of Supervisors of the Company in November 2022. He has been a member and the Deputy Secretary of the Party Committee of the Company since 2022. He successively served as the Secretary of the Discipline Inspection Committee, the Chairman of the Board of Supervisors and a Vice President of China Life Asset Management Company Limited from 2016 to 2022. He served as the Deputy General Manager (at the general manager level of the provincial branches) of Hebei Branch of the Company from 2014 to 2016, and concurrently acted as the Secretary of the Discipline Inspection Committee and the Chairman of the Labour Union of such branch. From 2002 to 2014, he successively served as the Deputy General Manager of the Personnel Department of China Life Insurance Company, as well as the Deputy General Manager and General Manager of the Strategic Planning Department and the General Manager of the Equity Management Department of China Life Insurance (Group) Company. Mr. Cao graduated from Nankai University with a master's degree in economics, and is a senior economist.



Mr. Gu Haishan, born in 1974, Chinese

Mr. Gu became a Supervisor of the Company in October 2024. He has been the Director of the Audit Bureau and the General Manager of the Audit Center of China Life Insurance (Group) Company since June 2024, and the Person in Charge of Audit of China Life Insurance (Group) Company since April 2024. He successively served as the Deputy General Manager (at the level of an assistant to the departmental general manager of the head office) of the Company's Shenzhen Branch, an Assistant to the General Manager of the Asset Management Department, an Assistant to the General Manager of the Real Estate Project Investment Department, an Assistant to the General Manager and the Deputy General Manager of the Asset Management Department, the Deputy Director (responsible for daily operations) and Director of the Management Office of the Science Park and the General Manager of the Asset Management Department of the Company, and the Person in Charge of Audit, the Deputy Director of the Audit Bureau and the Deputy General Manager (responsible for daily operations) of the Audit Center of China Life Insurance (Group) Company. Mr. Gu graduated from Tsinghua University with a master's degree in engineering.



Ms. Ye Yinglan, born in 1974, Chinese

Ms. Ye became a Supervisor of the Company in June 2023. She has been the General Manager of the Asset Management Department of the Company since November 2023. She served as the General Manager of the Integrated Finance Department of the Company from June 2023 to February 2025. Ms. Ye joined the Company in 1999 and successively served as an Assistant to the General Manager and the Deputy General Manager of the Finance Department, the Deputy General Manager, the Deputy General Manager (responsible for daily operations) and the General Manager of the Finance Management Department, and the General Manager of the Fund Sales Management Department of the Company from 2009 to 2023. Ms. Ye graduated from Wuhan University with a doctoral degree in economics.



Mr. Dong Haifeng, born in 1978, Chinese

Mr. Dong became a Supervisor of the Company in July 2024. He has been the Director of the General Office/Office for Rural Revitalisation of the Company since July 2022. Mr. Dong joined the Company in 2001 and successively served as an Assistant to the General Manager and the Deputy General Manager of the Strategy and Marketing Department, the Deputy Director of the General Office/Office for Poverty Alleviation, and the Deputy Director of the General Office/Office for Rural Revitalisation of the Company from 2016 to 2022. Mr. Dong graduated from Zhongnan University of Economics and Law with a master's degree in economics.

SENIOR MANAGEMENT

Mr. Li Mingguang, Ms. Liu Hui, Mr. Ruan Qi, please see the section “Directors” for their personal profiles.



Mr. Bai Kai, born in 1974, Chinese

Mr. Bai became a Vice President of the Company in August 2023. He has been the Chairman of the Board of Directors of China Life Nianfeng Insurance Agency Co., Ltd. since February 2024. He successively served as the Deputy General Manager, the Deputy General Manager (responsible for daily operations) and the General Manager of Hubei Branch, and an Assistant to the President of the Company from 2017 to 2023, and the General Manager of Huanggang Branch in Hubei Province and the Deputy General Manager of Qingdao Branch of the Company from 2011 to 2017. Mr. Bai graduated from Party School of the CPC Hubei Provincial Committee, majoring in economics and management, and was a postgraduate.



Mr. Xu Chongmiao, born in 1969, Chinese

Mr. Xu became the Chief Compliance Officer of the Company in April 2024. He has been the Person in Charge of Compliance of the Company since July 2018, and the General Manager of the Legal and Compliance Department and the Legal Officer of the Company since September 2014. He has been a Director of China Insurance Security Fund Co., Ltd. since December 2024. From 2006 to 2014, he successively served as the Deputy General Manager of the Legal Affairs Department, the Deputy General Manager of the Legal and Compliance Department and the Legal Officer at the general manager level of the Company. From 2000 to 2006, he successively served as the Deputy Division Chief of the Regulations Division of the Development and Research Department and a senior regulations researcher of the Legal Affairs Department of the Company. Mr. Xu graduated from Fudan University in August 1991, majoring in economic law with a bachelor's degree in law, and from Renmin University of China in July 1996 and July 2005, respectively, majoring in economic law with master's and doctoral degrees in law. Mr. Xu is admitted as a lawyer and certified public accountant in the PRC, and receives a special government allowance from the State Council.



Ms. Hou Jin, born in 1980, Chinese

Ms. Hou became the Chief Actuary of the Company in November 2023. She has been the General Manager of the Actuarial Department of the Company since September 2023. She served as the General Manager of the Product Department of the Company from November 2023 to February 2025. Ms. Hou successively served as a senior actuary (Grade III), an Assistant to the General Manager and the Deputy General Manager of the Actuarial Department and the temporary Chief Actuary of the Company from 2017 to 2023. Ms. Hou successively graduated from Southwestern University of Finance and Economics and Nankai University, with a bachelor's degree and a master's degree in economics, and is a full member of the China Association of Actuaries and a member of the Society of Actuaries.



Ms. Hu Zhijun, born in 1971, Chinese

Ms. Hu became the Person in Charge of Audit of the Company in November 2023. She has been the General Manager of the Audit Department of the Company since October 2022. She was a Supervisor of the Company from July 2022 to June 2023. Ms. Hu joined the Company in 2006 and successively served as an Assistant to the General Manager and the Deputy General Manager of Tianjin Branch, the Deputy General Manager and the Secretary of the Discipline Inspection Committee of Beijing Branch, and the General Manager of the Asset Management Department of the Company from 2009 to October 2022. Prior to joining the Company, she worked at China Packing Import & Export Tianjin Company and other companies. Ms. Hu graduated from Tianjin Institute of Finance and Economics in 1993, majoring in accounting with a bachelor's degree in economics, and from Nankai University in 2006, majoring in corporate management with a master's degree in management. Ms. Hu is admitted as a certified public accountant in the PRC. She is a principal senior accountant and the national leading accounting talent recognised by the Ministry of Finance of the PRC in the first session of its assessment and selection, and was listed in the "Financial Talent Pool" of the Ministry of Finance of the PRC.



Ms. Yuan Ying, born in 1978, Chinese

Ms. Yuan became the Person in Charge of Finance of the Company in July 2024. She has been the Deputy General Manager (responsible for daily operations) of the Finance Department of the Company since December 2023. She has been a Director of China Life Nianfeng Insurance Agency Co., Ltd. since September 2024. She successively served as an Assistant to the General Manager of the Accounting Department, and an Assistant to the General Manager and the Deputy General Manager of the Finance Department of the Company from 2018 to 2023. Ms. Yuan graduated from Peking University with a master's degree in management.



Mr. Heng Victor Ja Wei, born in 1977, British

Mr. Heng is the managing partner of Morison Heng. He holds a Master of Science degree of the Imperial College of Science, Technology and Medicine, the University of London, and is a member of The Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants. Mr. Heng has over 20 years of experience in accounting and auditing for private and public companies and financial consultancy. He serves as an Independent Non-executive Director of each of Lee & Man Chemical Company Limited, Matrix Holdings Limited, TradeGo Fintech Limited and Veson Holdings Limited, all of which are listed on the main board of the HKSE, as well as an Independent Non-executive Director of Bacui Technologies International Ltd., which is listed on the Singapore Exchange.

Positions Held by Current Directors, Supervisors and Senior Management in Shareholders of the Company

Name	Name of shareholder	Position	Term
Cai Xiliang	China Life Insurance (Group) Company	Chairman	Since November 2024
Li Mingguang	China Life Insurance (Group) Company	Vice President	Since November 2023
Wang Junhui	China Life Insurance (Group) Company	Chief Investment Officer	Since August 2016
Hu Jin	China Life Insurance (Group) Company	General Manager of the Finance Department	Since June 2024
Hu Rong	China Life Insurance (Group) Company	Person in Charge of Compliance	Since April 2024
		Deputy General Manager of the Legal Compliance Department and the Deputy General Manager (responsible for daily operations) of the Risk Management Department	Since December 2023
Gu Haishan	China Life Insurance (Group) Company	Person in Charge of Audit	Since April 2024
		Director of the Audit Bureau and the General Manager of the Audit Center	Since June 2024

Remuneration of Directors, Supervisors and Senior Management

Decision-making procedures for the remuneration of Directors, Supervisors and senior management: The remuneration of Directors and Supervisors are approved by shareholders at general meetings, whereas the remuneration of senior management is approved by the Board of Directors.

Abstention from voting by Directors during the discussion of their remuneration at Board meetings: The “Proposal in relation to the Remuneration of Directors and Supervisors of the Company” and the “Proposal in relation to the Remuneration of Directors and Supervisors of the Company for the Year 2023” were considered and approved at the thirty-sixth meeting of the seventh session of the Board of Directors and the tenth meeting of the eighth session of the Board of Directors of the Company, respectively. The Board of Directors agreed to submit the proposals to the general meeting for approval, and all Directors abstained from voting during the discussion of their remuneration.

Specific recommendations given by the Nomination and Remuneration Committee with respect to the remuneration of Directors, Supervisors and senior management: The “Proposal in relation to the Remuneration of Directors and Supervisors of the Company” and the “Proposal in relation to the Remuneration of Senior Management of the Company”, the “Proposal in relation to the Remuneration of Directors and Supervisors of the Company for the Year 2023” and the “Proposal in relation to the Remuneration of Senior Management of the Company for the Year 2023” were considered and approved at the fourteenth meeting of the Nomination and Remuneration Committee of the seventh session of the Board of Directors and the fifth meeting of the Nomination and Remuneration Committee of the eighth session of the Board of Directors of the Company, respectively. Having been fully reviewed by the Directors present at the meeting, the Nomination and Remuneration Committee unanimously approved the proposals and agreed to submit the same to the Board of Directors for review.

Basis for determination of the remuneration of Directors, Supervisors and senior management: The remuneration of Directors, Supervisors and senior management are determined based on the operating results of the Company and the performance appraisal conducted by the Board of Directors, and in accordance with the measures for the administration of remuneration of the Company.

Actual payment of remuneration to Directors, Supervisors and senior management: During the Reporting Period, the remuneration actually received by all Directors, Supervisors and senior management (including the resigned and retired Directors, Supervisors and senior management) from the Company totalled RMB16.2440 million. In accordance with the relevant requirements of the measures for the administration of remuneration of the Company, the standard for performance-based bonuses (as part of the remuneration) payable to Directors, Supervisors and senior management of the Company in 2024 has not yet been determined.

EMPLOYEES AND BRANCHES

Employees

Number of employees of the Company	96,650
Number of employees of the Company's major subsidiaries	2,039
Employees in total	98,689
Retired employees of the Company and its major subsidiaries for which extra costs have to be incurred	79

As at the end of the Reporting Period, the composition of the employees of the Company and its major subsidiaries is as follows:

Class of professional composition	Number of employees
Management and administration	19,229
Sales and sales management	43,231
Finance and auditing	4,562
Insurance verification, claim processing and customer services	22,076
Other expertise and technicians	6,120
Others	3,471
Total	98,689

Class of education level	Number of employees
Master and above	7,586
Bachelor	71,710
College diploma	17,445
Secondary school	783
Others	1,165
Total	98,689

Employee Diversity

The Company attached great importance to the enhancement of its development and competitiveness arising from the diversity of its employees. As at the end of the Reporting Period, there were four female members in the senior management of the Company, accounting for 50% of the senior management; the percentage of female employees of the Company and its major subsidiaries was 57%.

Remuneration Policy for Employees

The Company has established a remuneration and incentive system with reference to employee's positions, the Company's performance and market conditions. In accordance with the regulatory requirements and its needs for business operations and management, the Company has developed the systems for the deferred payment of remuneration and the recovery and deduction of performance-based remuneration for Directors, Supervisors, senior management and personnel in key positions in 2023, so as to balance the relationship between short-term and long-term objectives, as well as returns and risks, ensure that remuneration incentives align with high-quality performance and prevent aggressive business practices and illegal activities, which consistently promoted the stable operations and sustainable development of the Company. During the Reporting Period, performance-based remuneration was recovered and deducted for a total of 2 individuals, amounting to RMB1.1064 million in total (including suspending unpaid portion).

Training Plans

In 2024, the Company focused on enhancing the qualities and abilities of its cadres and employees in all aspects. According to the "four-in-one" training system, the Company collaborated closely with Party schools, colleges and universities to provide continuous employment and on-the-job training for leading cadres at the headquarters, provincial, municipal and county levels. It launched training programs for young and middle-aged cadres as well as rotation training for young cadres in talent pools, and advanced full coverage of the three-year and four-stage training program for new employees. Focusing on nurturing professional talents across various business lines and sectors, the Company further refined its training systems and mechanisms, developed a team of full-time and part-time lecturers and a training management team, optimised training methods and approaches through innovation, and strived to enhance training quality and efficiency, which ensured a supply of high-quality talents for the Company's high-quality development.

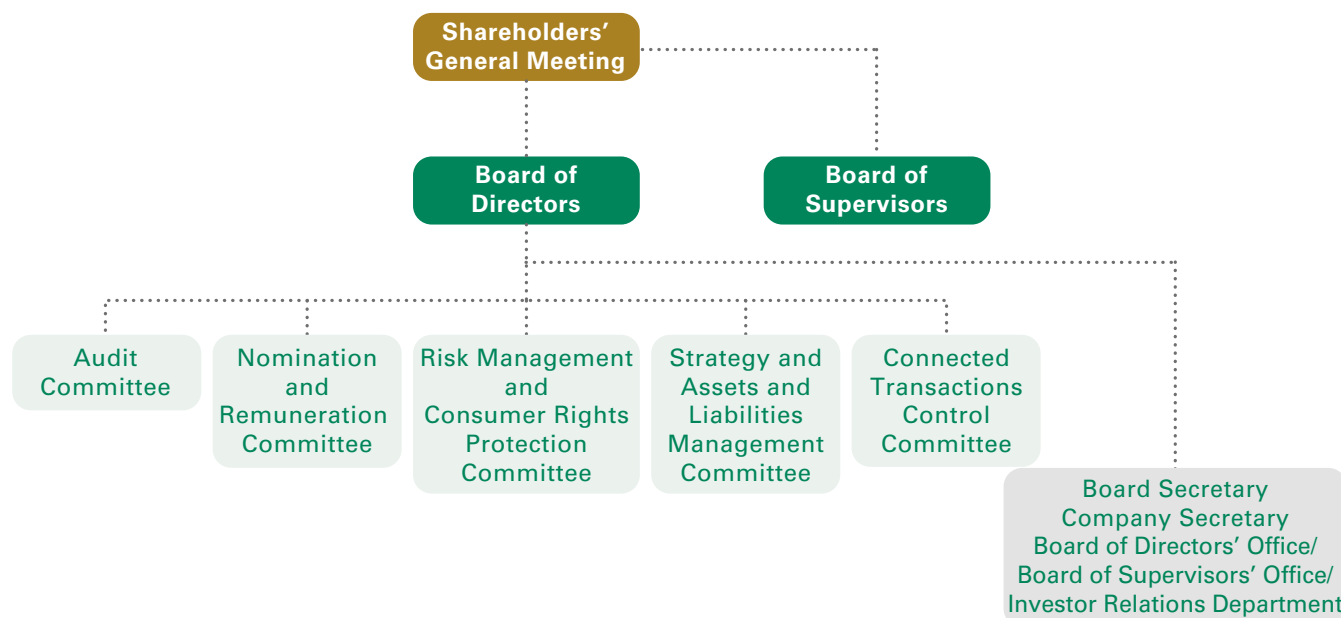
Branches

As at the end of the Reporting Period, the Company had approximately 18,000 branches (including branches at the provincial or prefecture level, sub-branches, sales offices and sales & services offices).

REPORT OF CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Company implements good corporate governance policies and strongly believes that through fostering sound corporate governance, further enhancing its transparency and establishing an effective system of accountability, the Company can operate in a more systematic manner, make decisions in a more scientific way, and boost the confidence of investors.



Corporate Governance Structure Chart

With the establishment of a corporate governance system with reasonably designed structure, well-developed mechanism, strict rules and regulations, as well as high efficiency in operation as its core objectives, the Company constantly promotes the development of its corporate governance, strictly performs its obligation of information disclosure, enhances its transparency and actively serves the interests of public investors so as to enhance its image and position in the capital market.

The Company has set up a corporate governance structure with well-defined duties and responsibilities strictly in accordance with relevant laws, regulations and regulatory requirements, including the Company Law and the Securities Law. The corporate governance structure of the Company generally meets the regulatory requirements of its listed jurisdictions and the relevant provisions. The Company has carried out its corporate governance procedures strictly in accordance with relevant laws, regulations and regulatory requirements, including the Company Law and the Securities Law, as well as the requirements of its Articles of Association and procedural rules. The shareholders' general meeting, Board of Directors and Board of Supervisors of the Company have been functioning independently and coordinately.

In accordance with the regulatory requirements of its listed jurisdictions and the relevant provisions of its Articles of Association, the Company has continuously improved the decision-making mechanism of the Board. The Board is

accountable to shareholders of the Company with respect to the assets and resources entrusted to it by the shareholders, and performs its duties on corporate governance. All members of the Board have taken initiatives to look into the Company's affairs and have had a comprehensive understanding of the Company's businesses. They have devoted sufficient time in performing their duties as Directors with due care and in a diligent and efficient manner. By setting up mechanisms including regular reporting of business development strategies and marketing tactics, the management of the Company can periodically report the business operations, development strategies and marketing tactics to the Board, which provides a basis for the Board's decision-making.

The Company has actively promoted the development of corporate governance, continuously improved its corporate governance structure and enhanced its scientific decision-making ability. In order to improve the decision-making efficiency of the specialised Board committees, the Board has established five specialised Board committees, i.e. the Audit Committee, the Nomination and Remuneration Committee, the Risk Management and Consumer Rights Protection Committee, the Strategy and Assets and Liabilities Management Committee, and the Connected Transactions Control Committee. These specialised Board committees conduct studies on specific matters, hold meetings both on a regular and an ad-hoc basis, communicate with the management, provide advice and recommendations for the Board's consideration, and deal with matters entrusted or

authorised by the Board, for the purposes of improving the Board’s efficiency and intensifying the Board’s functions.

The Board of Supervisors of the Company has carried out its work and diligently performed its duties in accordance with the Articles of Association and the “Procedural Rules for the Board of Supervisors Meetings”. Members of the Board of Supervisors attended the shareholders’ general meetings and the Board of Supervisors meetings, participated in the Board meetings and the meetings of the specialised Board committees based on their work allocation, and conducted investigations on local branches to have an in-depth understanding of the implementation of the decisions made by the Board, so as to diligently perform their role of supervision.

The Company has made information disclosure in a timely, open and transparent manner pursuant to the requirements of the listing rules of its listed jurisdictions. The Company has continuously improved its management of investor relations and enriched its communication with investors in both form and substance, thus ensuring that all its shareholders enjoy equal rights and have access to information about the Company in an open, fair, true and accurate manner.

The Company has intensified its management of subsidiaries on an ongoing basis by optimising the management mechanism. The Company has formulated the “Measures for the Administration of Subsidiaries and Major Associates” to strengthen its management of performance of duties by the Directors, Supervisors and senior management designated to non-wholly owned subsidiaries and major associates, as well as its support to their duty performance, thereby increasing the Company’s management and control of subsidiaries in corporate governance.

The Company has applied the principles of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules of the HKSE. Save for code provision C.2.1 of the CG Code, the Company has complied with all code provisions of the CG Code during the Reporting Period. Pursuant to code provision C.2.1, the roles of chairman and chief executive should be separate and not be held by the same individual. After Mr. Bai Tao resigned as the Chairman of the Board of the Company on 30 September

2024, Mr. Li Mingguang assumed the roles and duties of the Chairman of the Board while continuing to act as the President of the Company, which deviated from the above code provision C.2.1. However, such arrangement was temporary. Under the oversight of other Board members, the Board maintained an appropriately balanced power structure to ensure adequate checks and protect the interests of the Company and its shareholders. With the appointment of Mr. Cai Xiliang as the new Chairman of the Board effective from 4 December 2024, the Company has re-complied with code provision C.2.1 of the CG Code.

During the Reporting Period, the Company was awarded the “Hong Kong Corporate Governance Excellence Award 2024”. It was also awarded, among others, Grade A in the assessment by the SSE of information disclosure of listed companies for the year 2023-2024, the “Most Honored Company in Asia” in the assessment and selection of the “2024 Best Management Team in Asia” awards by the Institutional Investor, and the “Best Practice Case of the Board of Directors’ Office of Listed Companies for the Year 2024” by the China Association for Public Companies (the “CAPCO”).

SHAREHOLDERS’ GENERAL MEETING

The shareholders’ general meeting, as an organ of the highest authority of the Company, exercises its duties and functions in accordance with relevant laws. Its duties and powers include the election, appointment and removal of Directors and Non-employee Representative Supervisors, review and approval of the reports of the Board of Directors and the Board of Supervisors, review and approval of the annual budget and final accounts of the Company, and any other matters required by the Articles of Association to be approved by way of resolution of the shareholders’ general meeting. The Company ensures that all shareholders are equally treated so as to ensure that the rights of all shareholders are protected, including the right of access to information in relation to, and the right to vote in respect of, major matters of the Company. The Company has the ability to operate and manage its business autonomously, and is separate and independent from its controlling shareholder in its business operations, personnel, assets and financial matters.

Shareholders’ general meetings convened during the Reporting Period are as follows:

Session of the meeting	Date of the meeting	Index for websites on which resolutions were published	Date of publication of resolutions
2023 Annual General Meeting	27 June 2024	www.sse.com.cn www.hkexnews.hk www.e-chinalife.com	27 June 2024
First Extraordinary General Meeting 2024	30 October 2024	www.sse.com.cn www.hkexnews.hk www.e-chinalife.com	30 October 2024

Nineteen proposals, including the “Proposal in relation to the Report of the Board of Directors of the Company for the Year 2023”, the “Proposal in relation to the Report of the Board of Supervisors of the Company for the Year 2023”, the “Proposal in relation to the Financial Report of the Company for the Year 2023” and the election of Directors of the eighth session of the Board of Directors, were considered and approved by a combination of on-site and online voting, and the “Duty Report of the Independent Directors of the Company for the Year 2023” and the “Report on the Overall Status of Connected Transactions of the Company for the Year 2023” were debriefed and reviewed at the 2023 Annual General Meeting held in Beijing on 27 June 2024.

Two proposals, namely the “Proposal in relation to the Election of Mr. Cai Xiliang as an Executive Director of the Eighth Session of the Board of Directors of the Company” and the “Proposal in relation to the 2024 Interim Profit Distribution Plan of the Company”, were considered and approved by a combination of on-site and online voting at the First Extraordinary General Meeting 2024 held in Beijing on 30 October 2024.

Attendance records of the current Directors at the shareholders’ general meetings convened during the Reporting Period are as follows:

Name of Director	Type of Director	Number of shareholders’ general meetings required to attend for the year	Number of meetings attended in person
Cai Xiliang	Executive Director	0	0
Li Mingguang	Executive Director	2	2
Liu Hui	Executive Director	2	2
Ruan Qi	Executive Director	2	1
Wang Junhui	Non-executive Director	2	2
Hu Jin	Non-executive Director	0	0
Hu Rong	Non-executive Director	0	0
Lam Chi Kuen	Independent Director	2	2
Zhai Haitao	Independent Director	2	2
Chen Jie	Independent Director	2	2
Lu Feng	Independent Director	0	0

Attendance records of the resigned or retired Directors at the shareholders’ general meetings convened during the Reporting Period are as follows:

Name of Director	Type of Director	Number of shareholders’ general meetings required to attend for the year	Number of meetings attended in person
Bai Tao	Executive Director	1	1
Zhuo Meijuan	Non-executive Director	1	0
Huang Yiping	Independent Director	2	2

BOARD

The Board is the standing decision-making body of the Company and its main duties include: performing the function of corporate governance of the Company, convening shareholders’ general meetings, implementing resolutions passed at such meetings, improving the Company’s corporate governance policies, approving the Company’s development strategies and operation plans, formulating and supervising the Company’s financial policies, annual budgets and financial reports, providing an objective evaluation on the Company’s operating results in its financial reports and other disclosure documents, dealing with senior management personnel matters, arranging for Directors and senior management to attend various training courses, attaching importance to the enhancement of their professional quality, reviewing the compliance policies of the Company, assessing the internal control systems of the Company and reviewing the compliance by the Company with the CG Code. The day-to-day management and operation of the Company are delegated to the management. The responsibilities of Non-executive Directors and Independent Directors include, without limitation, regularly attending meetings of the Board and the specialised Board committees of which they are members, providing opinions at meetings of the Board and the specialised Board committees, resolving any potential conflict of interest, serving on the Audit Committee, the Nomination and Remuneration Committee and other specialised Board committees, and inspecting, supervising and reporting on the performance of the Company. The Board is accountable to the shareholders of the Company and reports to them.

In 2024, the Company successfully completed the re-election of its Board of Directors, with the eighth session of the Board of Directors of the Company elected at the 2023 Annual General Meeting of the Company. Currently, the Board of the Company comprises eleven members, including four Executive Directors, three Non-executive Directors and four Independent Directors. The number of Independent Directors complies with the minimum requirement of three Independent Directors and the requirement that at least one-third of the Board be represented by Independent

Directors under the regulatory rules of the industry and its listed jurisdictions. All members of the Board have devoted sufficient time in dealing with the affairs of the Board and attended the relevant training courses organised by external regulatory authorities and the Company according to regulatory requirements. They have referred to regulatory documents on a regular basis so as to keep themselves informed of the regulatory development in a timely manner. The Company has applied director's liability insurances for its Directors, which provide protection to Directors for liabilities that might arise in the course of their performance of duties according to law and facilitate Directors to fully perform their duties. So far as the Company is aware, no financial, business, family or other material relationship exists among members of the Board of Directors, the Board of Supervisors and the senior management.

In 2024, Independent Directors of the Board of the Company possessed extensive experience in various fields, such as macro economy, financial management, legal compliance, accounting and auditing. The Company also complies with the requirement of the Listing Rules of the HKSE that at least one of its Independent Directors has appropriate professional qualifications or accounting qualifications or related financial management expertise. As required under the Listing Rules of the SSE and the HKSE, the Company has obtained a written confirmation from each of its Independent Directors in respect of their independence. The Company is of the opinion that all of the Independent Directors are independent of the Company and strictly perform their duties as Independent Directors. Pursuant to the Articles of Association, Directors shall be elected at the shareholders' general meeting for a term of three years and may be re-elected on expiry of the three-year term. However, Independent Directors may not serve for more than six years.

The Company has developed a well-established procedure for nomination and election of Directors, under which the Board shall, when nominating Directors, consider their professional ability and conduct, and also take into account the requirement for diversity of the Board members. Complementarity among the Board members in aspects including but not limited to gender, age, culture, educational background, professional experience, skills and expertise will be considered in the selection of candidates for Directors. The Company will also take into account factors based on its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board and the Nomination and Remuneration Committee will from time to time discuss the measurable objective for achieving diversity of the Board. In relation to gender diversity, the Company sets its phased objective for 2024 as having three female Directors to serve on the Board. The above objective of gender diversity has been achieved as scheduled. The Company will also continue to take active actions in identifying female Directors and management members. The Company believes that the

gender diversity in the Board would bring more inspiration to the Board and enhance the business development of the Company. Currently, the Board of the Company comprises eleven members with extensive experience in various fields, such as financial management, macro economy, financial accounting, law and management. The diversified composition of the Board is as follows:

Directors by type	Executive Director	Non-executive Director	Independent Director
Number of Directors	4 persons	3 persons	4 persons
Directors by location	Mainland China		Hong Kong, China
Number of Directors	9 persons		2 persons
Directors by gender	Male		Female
Number of Directors	8 persons		3 persons

Meetings of the Board are held both on a regular and an ad-hoc basis. Regular meetings are convened at least four times a year for the examination and approval of proposals, such as annual report, interim report, quarterly reports, related financial reports, and major business operations of the year. Meetings are convened by the Chairman of the Board and a notice is given to all Directors 14 days before such meetings. Agendas and related documents are sent to the Directors at least 3 days prior to such meetings. In 2024, all notices, agendas and related documents in respect of such regular Board meetings were sent to Directors in compliance with the above requirements. By fully reviewing all the relevant proposals, the Board has confirmed that the information contained in its periodic reports and financial reports is true, accurate and complete and contains no false representations, misleading statements or material omissions, and no event or situation which would have material adverse impacts on the Company's ongoing operation has been found.

The practice of obtaining Board consent through the circulation of written resolutions does not constitute a regular Board meeting. An ad-hoc Board meeting may be convened in urgent situations if requisitioned by any of the following: shareholders representing over one-tenth of voting shares, Directors constituting more than one-third of the total number of Directors, the Board of Supervisors, more than two Independent Directors, the Chairman of the Board or the President of the Company. If the resolution to be considered at such ad-hoc Board meetings has been circulated to all the Directors and more than half of the Directors having voting rights approve such resolution by signing the resolution in writing, the ad-hoc Board meeting need not be physically convened and such resolution in writing shall become an effective resolution.

Board meetings convened during the Reporting Period are as follows:

Session of the meeting	Date of the meeting	Resolutions adopted at the meeting
Thirty-fourth meeting of the seventh session of the Board	25 January 2024	Four proposals, including the "Proposal in relation to the Asset Strategic Allocation Plan of the Company for the Years from 2024 to 2026", were considered and approved.
Thirty-fifth meeting of the seventh session of the Board	28 February 2024	One proposal, namely the "Proposal in relation to the 'Product Tracing Report of the Company for 2023'", was considered and approved.
Thirty-sixth meeting of the seventh session of the Board	27 March 2024	44 proposals, including the "Proposal in relation to the Financial Report of the Company for the Year 2023" and the "Proposal in relation to the Remuneration of Directors and Supervisors of the Company", were considered and approved, and six reports, including the "Report on the Business Operations and Management of the Company for 2023", were debriefed.
Thirty-seventh meeting of the seventh session of the Board	26 April 2024	13 proposals, including the "Proposal in relation to the First Quarter Report of the Company for 2024" and the "Proposal in relation to the 'Report of Corporate Governance of the Company for the Year 2023'", were considered and approved, and four reports, including the "Report on the Company's Business Operations for the First Quarter of 2024 and Work Arrangement for the Next Stage", were debriefed.
Thirty-eighth meeting of the seventh session of the Board	24 May 2024	Three proposals, including the "Proposal in relation to the Nomination of Mr. Lu Feng as a Candidate for Independent Directors of the Eighth Session of the Board of Directors of the Company", were considered and approved.
Thirty-ninth meeting of the seventh session of the Board	11 June 2024	Three proposals, including the "Proposal in relation to the 'Capital Planning of the Company for the Years from 2024 to 2026'" and the "Proposal in relation to the Appointment of the Auditors of the Company for the Year 2024", were considered and approved.
Fortieth meeting of the seventh session of the Board	26 June 2024	Three proposals, including the "Proposal in relation to the Arrangement for the 2024 Interim Profit Distribution of the Company", were considered and approved.
First meeting of the eighth session of the Board	27 June 2024	Two proposals, including the "Proposal in relation to the Composition of Specialised Committees of the Eighth Session of the Board of Directors of the Company", were considered and approved.
Second meeting of the eighth session of the Board	10 July 2024	One proposal, namely the "Proposal in relation to the Designation of Ms. Liu Hui to Assume the Roles and Duties of the Board Secretary of the Company", was considered and approved.
Third meeting of the eighth session of the Board	15 July 2024	One proposal, namely the "Proposal in relation to the Financing Arrangement for Project Jincheng", was considered and approved.

Session of the meeting	Date of the meeting	Resolutions adopted at the meeting
Fourth meeting of the eighth session of the Board	25 July 2024	Two proposals, including the “Proposal in relation to the Solvency Report of the Company for the Second Quarter of 2024”, were considered and approved.
Fifth meeting of the eighth session of the Board	29 August 2024	Ten proposals, including the “Proposal in relation to the Financial Report of the Company for the First Half of 2024”, were considered and approved, and six reports, including the “Report on the Company’s Business Operations for the First Half of 2024 and Work Arrangement for the Second Half of 2024”, were debriefed.
Sixth meeting of the eighth session of the Board	30 September 2024	Three proposals, including the “Proposal in relation to the Election of Mr. Li Mingguang, an Executive Director of the Company, to Assume the Roles and Duties of the Chairman of the Board of Directors”, were considered and approved.
Seventh meeting of the eighth session of the Board	11 October 2024	One proposal, namely the “Proposal in relation to the Nomination of Ms. Liu Hui as the Board Secretary of the Company”, was considered and approved.
Eighth meeting of the eighth session of the Board	30 October 2024	13 proposals, including the “Proposal in relation to the Election of Mr. Cai Xiliang as the Chairman of the Eighth Session of the Board of Directors of the Company” and the “Proposal in relation to the Third Quarter Report of the Company for 2024”, were considered and approved, and two reports, including the “Report on the Company’s Business Operations for the First Three Quarters of 2024 and Work Arrangement for the Fourth Quarter of 2024”, were debriefed.
Ninth meeting of the eighth session of the Board	15 November 2024	One proposal, namely the “Proposal in relation to the Nomination of Ms. Hou Jin as an Assistant to the President of the Company”, was considered and approved.
Tenth meeting of the eighth session of the Board	17 December 2024	18 proposals, including the “Proposal in relation to the Results of Performance Appraisal of Senior Management of the Company for the Year 2023” and the “Proposal in relation to the Renewal of the ‘Policy Management Agreement’ for the Years from 2025 to 2027 between the Company and China Life Insurance (Group) Company”, were considered and approved, and one report, namely the “Audit Report on the Solvency Risk Management System of the Company for the Year 2024”, was debriefed.

If a Director is materially interested in a matter to be considered by the Board, the Director having such conflict of interest shall have no voting right on the matter to be considered and shall not be counted in the quorum for the Board meeting. All Directors shall have access to the advice and services of the Board Secretary and the Company

Secretary. Detailed minutes of Board meetings regarding matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the Board Secretary. Minutes of Board meetings are available upon reasonable notice for inspection and comment upon by Directors.

Currently, the eighth session of the Board of the Company comprises the following members: Mr. Cai Xiliang, the Chairman of the Board and an Executive Director, Mr. Li Mingguang, Ms. Liu Hui and Mr. Ruan Qi, all being Executive Directors, Mr. Wang Junhui, Ms. Hu Jin and Mr. Hu Rong, all being Non-executive Directors, and Mr. Lam Chi Kuen, Mr. Zhai Haitao, Ms. Chen Jie and Mr. Lu Feng, all being Independent Directors. In June 2024, Ms. Zhuo Meijuan retired as a Non-executive Director of the Company due to the expiration of the term of the seventh session of the Board. Due to the adjustment of work arrangements, Mr. Bai Tao resigned from his positions as the Chairman of the Board and an Executive Director of the Company in September 2024. Due to his reappointment as a member of the Monetary Policy Committee of the People's Bank of China, Mr. Huang Yiping resigned from his position as an Independent Director of the Company and the relevant positions in the specialised Board committees in March 2024, which took effect in November 2024.

In 2024, all members of the Board further developed and refreshed their information and knowledge in aspects such as laws and regulations of securities markets, regulatory trends, macro economy and the development trend of the insurance industry by attending special training courses on certain topics as organised by the securities exchanges of the Company's listed jurisdictions, listed companies associations and the Company itself. All current members of the Board of the Company attended the on-site training program on anti-money laundering. Mr. Li Mingguang, an Executive Director, attended a training course for the chairman of the board of directors and general managers as organised by the CAPCO and a special training course for directors and supervisors

in 2024 as organised by the LCAB. Ms. Liu Hui and Mr. Ruan Qi, both being Executive Directors, attended a training course of the SSE for the first-time directors, supervisors and senior management of listed companies in 2024 (Session IV) and a special training course of the LCAB for directors and supervisors in 2024. Mr. Wang Junhui, a Non-executive Director, attended a special training course of the LCAB for directors and supervisors in 2024.

Furthermore, in accordance with Rule 3.09D of the Listing Rules of the HKSE, during the Reporting Period, Ms. Liu Hui, Mr. Ruan Qi, Ms. Hu Jin, Mr. Hu Rong, Mr. Lu Feng and Mr. Cai Xiliang, the new Directors, obtained the legal advice referred to in Rule 3.09D of the Listing Rules of the HKSE from Latham & Watkins LLP, the legal adviser of the Company as to the laws of Hong Kong, on 8 May 2024, 8 May 2024, 25 July 2024, 25 July 2024, 25 July 2024 and 13 November 2024, respectively (all prior to their appointments), and each Director has confirmed that he/she understood all requirements under the Listing Rules of the HKSE that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the HKSE.

Pursuant to the "Measures for the Evaluation of the Performance of Duties by Directors and Supervisors" of the Company and other requirements, and after taking into account the actual situation of its corporate governance, the Company conducted an evaluation of the performance of duties by Directors. Based on the self-assessment of Directors and the evaluation of the Board of Supervisors, all members of the Board of the Company were evaluated as competent in their performance of duties in 2024.

Meetings and Attendance

During the Reporting Period, a total of 17 meetings (including 5 regular Board meetings and 12 ad-hoc Board meetings) were held by the Board of the Company, of which 10 meetings were convened by way of on-site meeting, 7 meetings by way of participation through communication tools. Attendance records of the current individual Directors are as follows:

Name of Director	Type of Director	Number of meetings required to attend	Number of meetings attended in person	Number of meetings participated through communication tools	Number of meetings attended by proxies	Number of meetings absent
Cai Xiliang	Executive Director	1	1	0	0	0
Li Mingguang	Executive Director	17	10	7	0	0
Liu Hui	Executive Director	13	8	5	0	0
Ruan Qi	Executive Director	13	6	5	2	0
Wang Junhui	Non-executive Director	17	7	7	3	0
Hu Jin	Non-executive Director	2	2	0	0	0
Hu Rong	Non-executive Director	2	2	0	0	0
Lam Chi Kuen	Independent Director	17	10	7	0	0
Zhai Haitao	Independent Director	17	9	7	1	0
Chen Jie	Independent Director	17	9	7	1	0
Lu Feng	Independent Director	1	1	0	0	0

Attendance records of the resigned or retired Directors of the Company at the Board meetings convened during the Reporting Period are as follows:

Name of Director	Type of Director	Number of meetings required to attend	Number of meetings attended in person	Number of meetings participated through communication tools	Number of meetings attended by proxies	Number of meetings absent
Bai Tao	Executive Director	12	4	6	2	0
Zhuo Meijuan	Non-executive Director	7	3	3	1	0
Huang Yiping	Independent Director	16	7	7	2	0

Note: Directors who were unable to attend any meeting of the Board authorised other Directors to attend and vote at the meeting on their behalf.

Performance of Duties by Independent Directors

Currently, a total of four Independent Directors serve on the Board of the Company, accounting for over one-third of the total number of members of the Board and being in line with the requirements of relevant laws and regulations, as well as the Articles of Association. These four Independent Directors possess extensive experience in various fields, such as macro economy, financial management, legal compliance, accounting and auditing, and serve as the Chairmen/Chairpersons of the specialised Board committees. Other than receiving their remuneration as Independent Directors of the Company, they do not have any business or financial interest in the Company and its subsidiaries, nor hold any management positions in the Company. The Company has received annual confirmation letters for self-inspection from each of the Independent Directors to confirm their independence and, after the assessment of the Board, considered them to satisfy the criteria for independent directors and the requirements of independence under the regulatory rules of the Company's listed jurisdictions.

Attendance of Meetings by Independent Directors

In 2024, all Independent Directors diligently fulfilled their responsibilities by attending meetings of the Board and the specialised committees, and special meetings of Independent Directors convened by the Company, providing independent opinions on matters considered by the Board in an objective and fair manner, including connected transactions, the nomination of Directors and senior management and their remunerations, and annual and interim profit distribution plans, thereby supporting the Board in making decisions in a scientific manner. The Independent Directors remained focused on the business operations and management of the Company and proactively engaged in the development of the specialised Board committees. They enhanced communications with the management and functional departments of the Company, attentively listened to relevant work reports, and concentrated on matters related to the Company's strategic planning, major investment decisions,

key personnel appointments and removals, enterprise-wide risk management, and amendments to important systems. They actively discussed the details of proposals from the Board and the specialised Board committees, and prompted the relevant departments of the Company to provide additional information as necessary in a timely manner. In 2024, the Independent Directors of the Company gave their consent to the matters resolved by the Board and the specialised Board committees of the Company.

Communications between Independent Directors and All Parties of the Company

In 2024, the Independent Directors of the Company held a separate special meeting with the Chairman of the Board, during which the Independent Directors put forward their own views and opinions on various aspects such as the macro-environment, business development, and risk management, etc., based on their experience in their respective professional fields. They gave constructive advice and recommendations on matters including the transformation and development, product strategy, and technological resource integration of the Company, providing valuable advice to the Chairman of the Board of the Company on advancing the high-quality development of the Company.

Investigation and Research by Independent Directors and the Trainings for Them

The Company placed a high value on communication with its Independent Directors, organising on-site inspections as well as investigation and research activities on its investment projects to provide the Independent Directors with insights into the overall post-investment management of its real estate investments. Furthermore, the Independent Directors of the Company listened to a special report on product development with the topic of "From Product Design to Benefit Creation", which offered them a deeper understanding of the product development process within the framework of the Company's asset-liability interaction management strategy.

In the meanwhile, the Independent Directors further developed and refreshed their professional knowledge by actively attending special training courses on certain topics as organised by the securities exchanges of the Company's listed jurisdictions, listed companies associations and the Company itself. In 2024, the four Independent Directors of the Company attended the on-site training program of the Company on anti-money laundering. Mr. Lam Chi Kuen, Mr. Zhai Haitao and Ms. Chen Jie, all being Independent Directors, attended the SSE's "Zero Tolerance and Disclosure Policy for Securities Violations" corporate listing series, a special course on the "Highlights and Advice of Anti-fraud Performance by Independent Directors of Listed Companies", a training course of the CAPCO on the development of independent directors' capabilities and a special training course of the LCAB for directors and supervisors in 2024. Mr. Lu Feng, an Independent Director, obtained the legal advice referred to in Rule 3.09D of the Listing Rules of the HKSE prior to his appointment, and attended a pre-appointment training course of the SSE for independent directors and a special course on the "Highlights and Advice of Anti-fraud Performance by Independent Directors of Listed Companies".

Performance of Other Duties

In 2024, the Independent Directors of the Company seriously listened to the issues that domestic and overseas investors were concerned about from results briefings, ensuring the communication and exchange of opinions with small- and medium-sized shareholders. There were no obstacles encountered by the four Independent Directors of the Company during their performance of duties. In 2024, the Company provided various materials to Independent Directors, which facilitated them to comprehend information associated with the insurance industry. Independent Directors have access to adequate resources and may obtain external professional advice to ensure the performance of their duties. All Independent Directors obtained information relating to the operation and management of the Company through various channels, which therefore formed the basis of their scientific and prudent decisions.

The Company believes that the composition of the Board of Directors of the Company (including the number and proportion of Independent Directors) and the above mechanism for the performance of duties by Independent Directors can ensure that independent views and input are available to the Board of Directors.

CHAIRMAN AND PRESIDENT

As at the date of this report for disclosure, Mr. Cai Xiliang is the Chairman of the Board of the Company. The Chairman of the Board is the legal representative of the Company, primarily responsible for convening and presiding over Board meetings, ensuring the implementation of Board resolutions, attending annual general meetings and arranging attendance by Chairmen/Chairpersons of Board committees to answer questions raised by shareholders, signing securities issued by the Company and other important documents, providing leadership for the Board to ensure that the Board works effectively and performs its responsibilities, encouraging all Directors to make a full and active contribution to the Board's affairs, and promoting a culture of openness and debate. The Chairman of the Board is accountable to and reports to the Board. As at the date of this report for disclosure, Mr. Li Mingguang is the President of the Company. The President is responsible for the day-to-day operations of the Company, mainly including implementing strategies, policies, operation plans and investment schemes approved by the Board, formulating the Company's internal management structure and fundamental management systems, drawing up basic rules and regulations of the Company, submitting to the Board any requests for appointment or removal of senior management and exercising other rights granted to him under the Articles of Association and by the Board. The President is fully accountable to the Board for the operations of the Company.

BOARD OF SUPERVISORS

The composition of the Board of Supervisors and the profile of each Supervisor are set forth in the section headed "Directors, Supervisors, Senior Management and Employees" of this report, and the details of the duty performance of the Board of Supervisors are set forth in the section headed "Report of the Board of Supervisors".

AUDIT COMMITTEE

Currently, the Audit Committee of the eighth session of the Board of the Company comprises Mr. Lam Chi Kuen, Mr. Zhai Haitao and Ms. Chen Jie, all being Independent Directors, with Mr. Lam Chi Kuen acting as the Chairman. All members of the Audit Committee have extensive experience in financial matters. The principal duties of the committee are to review and supervise the preparation of the Company's financial reports, assess the effectiveness of the Company's internal control system, supervise the Company's internal audit system and its implementation, and recommend the engagement or replacement of external auditors and other tasks in relation to internal and external audits. The committee is also responsible for communications between the internal and external auditors and the establishment of the internal whistleblowing mechanism of the Company.

Meetings and Attendance

During the Reporting Period, seven meetings were held by the Audit Committee of the Board of the Company. Attendance records of individual members are as follows:

Name of member	Position	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Lam Chi Kuen	Independent Director, Chairman of the Audit Committee of the eighth session of the Board	7/7	0/7
Zhai Haitao	Independent Director, member of the Audit Committee of the eighth session of the Board	7/7	0/7
Chen Jie	Independent Director, member of the Audit Committee of the eighth session of the Board	6/7	1/7

Notes:

1. The number of meetings attended in person includes meetings attended on-site and by way of telephone or video conference.
2. Directors who were unable to attend any meeting of specialised Board committees authorised other Directors to attend and vote at the meeting on their behalf.

The meetings convened are as follows:

Meetings convened	Description
26 March 2024 Thirteenth meeting of the Audit Committee of the seventh session of the Board	Thirteen proposals, including the "Proposal in relation to the Financial Report of the Company for the Year 2023" and the "Proposal in relation to the Appointment of PricewaterhouseCoopers for the Implementation of the Agreed-upon Procedures of the Company for the First Quarter of 2024", were considered and approved.
25 April 2024 Fourteenth meeting of the Audit Committee of the seventh session of the Board	Four proposals, including the "Proposal in relation to the First Quarter Report of the Company for 2024", were considered and approved, and two reports, namely the "Report of PricewaterhouseCoopers on the Results of Agreed-upon Procedures for the First Quarter of 2024" and the "Audit Report on the Asset and Liability Management of the Company for the Year 2023", were debriefed.
11 June 2024 Fifteenth meeting of the Audit Committee of the seventh session of the Board	Two proposals, namely the "Proposal in relation to the Appointment of Auditors for the Interim Review of the Company for 2024" and the "Proposal in relation to the Appointment of Auditors of the Company for the Year 2024", were considered and approved.
26 June 2024 Sixteenth meeting of the Audit Committee of the seventh session of the Board	One report, namely the "Report of Ernst & Young on the Interim Review Plan for 2024", was debriefed.
28 August 2024 First meeting of the Audit Committee of the eighth session of the Board	Three proposals, including the "Proposal in relation to the Financial Report of the Company for the First Half of 2024", were considered and approved, and one report, namely the "Report of Ernst & Young on the Interim Review for 2024", was debriefed.

Meetings convened	Description
29 October 2024 Second meeting of the Audit Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Third Quarter Report of the Company for 2024”, was considered and approved, and one report, namely the “Report of Ernst & Young on the Results of Agreed-upon Procedures for the Third Quarter of 2024 and the Annual Review Plan”, was debriefed.
17 December 2024 Third meeting of the Audit Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Amendments to the ‘Accounting System of the Company’”, was considered and approved.

Performance of Duties by the Audit Committee

In 2024, the Audit Committee of the Board of the Company performed its relevant duties and functions in strict compliance with the “Procedural Rules for the Audit Committee Meetings”. During meetings of the Audit Committee, all members reviewed the proposals in relation to, among others, the audit of the Company, its financial reports, selection and appointment of external auditors, nomination of the Person in Charge of Finance, internal control and compliance, and actively participated in discussions at the meetings.

Reviewing and approving financial information of the Company and the disclosure thereof. The Audit Committee of the Board, according to its duties, reviewed and approved the Company’s financial reports for the year 2023, the first quarter of 2024, the first half of 2024 and the third quarter of 2024. The Audit Committee was of the view that the financial reports of the Company reflected the overall situation of the Company in a true, accurate and complete manner. By reviewing and monitoring the completeness of financial statements, annual report and accounts, interim report and quarterly reports of the Company, examining significant matters such as financial statements and reports, and focusing on changes in accounting estimates, changes in major accounting items, compliance with accounting standards, information on the difference between the financial statements prepared under ASBE and IFRSs and the major accounting policies under new accounting standards, the Audit Committee guaranteed the accuracy, completeness and consistency of the financial information publicly disclosed by the Company.

Supervising and assessing the internal audits of the Company. In 2024, the internal audit department of the Company regularly updated the Audit Committee on the progress of the Company’s internal audits, the development of its audit system and significant audit matters. The Audit Committee of the Board reviewed the proposals of the Company in relation to, among others, the internal audit work for 2023 and the internal audit work for the first half of 2024, communicated any matters of concern in a timely and effective manner, further understood the duties of the Company’s audit department, and supervised the compliance and effectiveness of the internal audit function. The Audit

Committee was of the view that the internal audit function of the Company was effective during the Reporting Period.

Selecting and appointing external auditors and overseeing their performance of duties. In 2024, the Audit Committee was involved in selecting and appointing the auditors for the interim review for 2024 and the auditors for the annual audit for 2024 of the Company by reviewing the overall arrangements and tender documents related to such selection and appointment and having its members participated in the on-site bid evaluations for the selection and appointment of auditors. The Audit Committee performed its review duty in a compliant manner and examined the qualifications, professional capabilities and independence, etc. of external auditors. It reviewed the “Proposal in relation to the Appointment of Auditors for the Interim Review of the Company for 2024” and the “Proposal in relation to the Appointment of Auditors of the Company for the Year 2024”, and agreed to submit such proposals to the Board of the Company for consideration. The Audit Committee highly valued communication with external auditors and supervised the performance of duties by the external auditors in a diligent and responsible way. Besides regular meetings, the Audit Committee convened communication meetings in advance with external auditors so as to discuss the annual audit plan of the Company, determine the service scope of the annual audit, listen to the report given by the auditors with respect to the results of the audit on and review of periodic financial reports of the Company, and gave opinions and advice on the agreed-upon procedures proposed annually and quarterly by the external auditors of the Company and the pre-approval of the service scope. Based on the duty performance of the auditors for the annual audit, the Audit Committee reported to the Board of the Company on its oversight of the auditors’ performance for the year 2024.

Supervising and assessing the effectiveness of internal control of the Company. The Audit Committee of the Board provided guidance to the Company on the management of internal control, devised the working plan for internal control assessment, reviewed the work report on assessment of internal control, and inspected the rectification of problems identified in the internal control pursuant to the “Standard Regulations on Corporate Internal Control” and other domestic and overseas regulatory requirements.

The Audit Committee earnestly performed its duties and responsibilities and monitored the Company to carry out its work in compliance with laws and regulations pursuant to the relevant requirements of the NFRA and the securities exchanges of the Company’s listed jurisdictions. As required by its duties and responsibilities, the Audit Committee reviewed the annual work report on and working plan for internal control assessment, and the annual compliance report of the Company to ensure that its work was conducted strictly according to the relevant regulatory requirements in a reasonable and efficient manner.

NOMINATION AND REMUNERATION COMMITTEE

Currently, the Nomination and Remuneration Committee of the eighth session of the Board comprises Ms. Chen Jie, an Independent Director, Mr. Wang Junhui, a Non-executive Director, and Mr. Lam Chi Kuen, an Independent Director, with Ms. Chen Jie acting as the Chairperson. The Nomination and Remuneration Committee is mainly responsible for reviewing the structure of the Board, its number of members and composition and drawing up plans for the appointment, succession and appraisal criteria of Directors and senior management. The committee is also responsible for formulating training and remuneration policies for the senior management of the Company. The Nomination and

Remuneration Committee, as an advisor to the Board on the nomination of Directors, shall first discuss and agree on the list of candidates to be nominated as new Directors, following which such candidates are recommended to the Board. The Board shall then determine whether such candidates should be proposed for election at the shareholders’ general meeting. The major criteria considered by the Nomination and Remuneration Committee and the Board are educational background, management and research experience in the insurance industry, and the candidates’ commitment to the Company. As to the nomination of Independent Directors, the Nomination and Remuneration Committee will give special consideration to the independence of the relevant candidates. The Nomination and Remuneration Committee determines, with delegated responsibility by the Board, the specific remuneration packages of all Executive Directors and senior management. The fixed salary of the Executive Directors and other members of senior management are determined in accordance with market levels and their respective positions, and the amount of their performance-related bonuses is determined according to the results of performance appraisals. Directors’ fees and the volume of stock appreciation rights to be granted are determined with reference to market levels and the actual circumstances of the Company.

Meetings and Attendance

During the Reporting Period, eight meetings were held by the Nomination and Remuneration Committee of the Board of the Company. Attendance records of individual members are as follows:

Name of member	Position	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Chen Jie	Independent Director, Chairperson of the Nomination and Remuneration Committee of the eighth session of the Board	7/8	1/8
Wang Junhui	Non-executive Director, member of the Nomination and Remuneration Committee of the eighth session of the Board	6/8	2/8
Lam Chi Kuen	Independent Director, member of the Nomination and Remuneration Committee of the eighth session of the Board	8/8	0/8

- Notes:
1. The number of meetings attended in person includes meetings attended on-site and by way of telephone or video conference.
 2. Directors who were unable to attend any meeting of specialised Board committees authorised other Directors to attend and vote at the meeting on their behalf.

The meetings convened are as follows:

Meetings convened	Description
26 March 2024 Fourteenth meeting of the Nomination and Remuneration Committee of the seventh session of the Board	Twenty proposals, including the “Proposal in relation to the Remuneration of Directors and Supervisors of the Company”, were considered and approved.
25 April 2024 Fifteenth meeting of the Nomination and Remuneration Committee of the seventh session of the Board	Three proposals, including the “Proposal in relation to the Nomination of Mr. Xu Chongmiao as the Chief Compliance Officer of the Company”, were considered and approved.
24 May 2024 Sixteenth meeting of the Nomination and Remuneration Committee of the seventh session of the Board	One proposal, namely the “Proposal in relation to the Nomination of Mr. Lu Feng as a Candidate for Independent Directors of the Eighth Session of the Board of Directors of the Company”, was considered and approved.
30 September 2024 First meeting of the Nomination and Remuneration Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Nomination of Mr. Cai Xiliang as a Candidate for Executive Directors of the Eighth Session of the Board of Directors of the Company”, was considered and approved.
11 October 2024 Second meeting of the Nomination and Remuneration Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Nomination of Ms. Liu Hui as the Board Secretary of the Company”, was considered and approved.
29 October 2024 Third meeting of the Nomination and Remuneration Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Performance Target Contracts of Senior Management of the Company for the Year 2024”, was considered and approved.
15 November 2024 Fourth meeting of the Nomination and Remuneration Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Nomination of Ms. Hou Jin as an Assistant to the President of the Company”, was considered and approved.
17 December 2024 Fifth meeting of the Nomination and Remuneration Committee of the eighth session of the Board	Three proposals, including the “Proposal in relation to the Remuneration of Directors and Supervisors of the Company for the Year 2023”, were considered and approved.

Performance of Duties by the Nomination and Remuneration Committee

In 2024, the Nomination and Remuneration Committee of the Board of the Company performed its relevant duties and functions in strict compliance with the “Procedural Rules for the Nomination and Remuneration Committee Meetings”. All members of the Nomination and Remuneration Committee performed their obligations in a responsible manner and reviewed the proposals on the nomination of Directors of the eighth session of the Board and senior management of the Company, their business objectives and performance appraisal results, the remuneration of Directors, Supervisors and senior management, and the reports on the duty performance of the Audit Committee and the Nomination and Remuneration Committee. During meetings of the Nomination and Remuneration Committee of the Board, all members actively participated in discussions and gave guiding opinions on the proposals considered and discussed at the meetings.

Nomination and proposed appointment of Directors and senior management officers of the Company and the Board diversity policy. The Company firmly believes that the Board diversity may enhance the decision-making capability of the Board, and considers the Board diversity as a key factor for maintaining a sound corporate governance standard and achieving the sustainable development of the Company. In 2024, in accordance with the “Procedural Rules for the Nomination and Remuneration Committee Meetings” and the Board diversity policy, the Nomination and Remuneration Committee actively participated in the re-election of the Board and reviewed the proposals on the nomination of the candidates for Directors of the eighth session of the Board. The Nomination and Remuneration Committee seriously reviewed the structure of the Board, its number of members and composition (including taking into account diversity factors, such as gender, age, cultural and educational background, skills, expertise and experience), fully reviewed the professional qualifications and industrial background of the candidates for Directors of the eighth session of the Board and members of the Board committees, and examined the independence and qualifications of the candidates for Independent Directors and provided opinions on its review. Furthermore, the Nomination and Remuneration Committee reviewed the proposals on the nomination of senior management of the Company, and conducted a careful assessment on the qualifications, skills, expertise and experience of candidates to ensure that the candidates met the requirements set by the Company, and agreed to submit such proposals to the Board for consideration.

Proposing remuneration policy of Directors, Supervisors and senior management of the Company. The Nomination and Remuneration Committee of the Board took into account various factors such as business development management, strategic investment decisions, and corporate governance, reviewed the proposals on the remuneration of Directors, Supervisors and senior management of the Company for the year 2023, approved the terms of service contracts between the Company and each of the Executive Directors, Non-executive Directors and Independent Directors and pushed forward the signing of service contracts between the Company and all Directors.

Carrying out the evaluation of the performance of duties by Directors, Supervisors and senior management of the Company and their performance appraisal. The Nomination and Remuneration Committee of the Board reviewed proposals on the results of evaluating the performance of duties by Directors of the Company for the year 2023, the results of performance appraisal of senior management of the Company for the year 2023 and the performance target contracts of senior management for the year 2024, and made recommendations to the Board in respect of matters such as the determination of performance target, performance appraisal procedures and results.

RISK MANAGEMENT AND CONSUMER RIGHTS PROTECTION COMMITTEE

Currently, the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board comprises Mr. Lu Feng, an Independent Director, Mr. Ruan Qi, an Executive Director, Ms. Hu Jin and Mr. Hu Rong, both being Non-executive Directors, and Ms. Chen Jie, an Independent Director, with Mr. Lu Feng acting as the Chairman. The Risk Management and Consumer Rights Protection Committee is mainly responsible for formulating the Company’s system of risk control benchmarks, establishing well-developed risk management and internal control systems and the system for the management of consumer rights protection, reviewing the Company’s risk preference, risk tolerance and the work reports from the senior management and the consumer rights protection department, formulating the Company’s risk management policy and major policy on consumer rights protection, reviewing the assessment reports in relation to the Company’s risk management and internal control, studying major investigation findings on risk management and internal control matters and the business management’s response to these findings as delegated by the Board or on its own initiative, dealing with major disagreements, major risk emergency events or crisis events in risk management, and supervising and directing the senior management and the relevant departments to resolve any issues identified during the rectification process in a timely manner.

Meetings and Attendance

During the Reporting Period, six meetings were held by the Risk Management and Consumer Rights Protection Committee of the Board of the Company. Attendance records of individual members are as follows:

Name of member	Position	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Lu Feng	Independent Director, Chairman of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	1/1	0/1
Ruan Qi	Executive Director, member of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	3/3	0/3
Hu Jin	Non-executive Director, member of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	1/1	0/1
Hu Rong	Non-executive Director, member of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	1/1	0/1
Chen Jie	Independent Director, member of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	5/6	1/6

Attendance records of the resigned or retired Directors at meetings are as follows:

Name of member	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Huang Yiping	2/5	3/5
Zhuo Meijuan	2/3	1/3

Notes:

- Due to his reappointment as a member of the Monetary Policy Committee of the People's Bank of China, Mr. Huang Yiping resigned as an Independent Director of the Company and the Chairman of the Risk Management and Consumer Rights Protection Committee of the Board in March 2024, which took effect in November 2024.
- Mr. Lu Feng became the Chairman of the Risk Management and Consumer Rights Protection Committee of the Board in November 2024.
- Mr. Ruan Qi became a member of the Risk Management and Consumer Rights Protection Committee of the Board in May 2024.
- Ms. Hu Jin became a member of the Risk Management and Consumer Rights Protection Committee of the Board in November 2024.
- Mr. Hu Rong became a member of the Risk Management and Consumer Rights Protection Committee of the Board in November 2024.
- Mr. Wang Junhui ceased to be a member of the Risk Management and Consumer Rights Protection Committee from November 2024. During his tenure as a member of the Risk Management and Consumer Rights Protection Committee in 2024, the Risk Management and Consumer Rights Protection Committee convened five meetings, four of which Mr. Wang Junhui attended in person.
- Ms. Zhuo Meijuan retired as a Non-executive Director of the Company and a member of the Risk Management and Consumer Rights Protection Committee due to the expiration of her term of office in June 2024.
- The number of meetings attended in person includes meetings attended on-site and by way of telephone or video conference.
- Directors who were unable to attend any meeting of specialised Board committees authorised other Directors to attend and vote at the meeting on their behalf.

The meetings convened are as follows:

Meetings convened	Description
24 January 2024 Fourteenth meeting of the Risk Management and Consumer Rights Protection Committee of the seventh session of the Board	Three proposals, including the "Proposal in relation to the Risk Compliance Analysis on the Asset Strategic Allocation Plan of the Company for the Years from 2024 to 2026", were considered and approved.
26 March 2024 Fifteenth meeting of the Risk Management and Consumer Rights Protection Committee of the seventh session of the Board	Eleven proposals, including the "Proposal in relation to the Business Plan of the Company for the Years from 2024 to 2026", were considered and approved, and one report, namely the "Report on the Assessment and Management of Liquidity Risk of the Company for the Year 2023", was debriefed.
25 April 2024 Sixteenth meeting of the Risk Management and Consumer Rights Protection Committee of the seventh session of the Board	One proposal, namely the "Proposal in relation to the Financial Budget of the Company for the Year 2024", was considered and approved.
28 August 2024 First meeting of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	Two proposals, including the "Proposal in relation to the 'Report on the Enterprise-wide Risk Management of the Company for the Second Quarter of 2024'", were considered and approved, and one report, namely the "Report on the Notification of the Regulator's Assessment of the Consumer Rights Protection of the Company and the Rectification Measures Taken for the Year 2023", was debriefed.
29 October 2024 Second meeting of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	Two proposals, including the "Proposal in relation to the Amendments to the 'Measures for the Administration of Operational Risks of the Company'", were considered and approved.
17 December 2024 Third meeting of the Risk Management and Consumer Rights Protection Committee of the eighth session of the Board	Five proposals, including the "Proposal in relation to the Authorisation for the Company's Investment in Financial Products for the Year 2025", were considered and approved, and one report, namely the "Audit Report on the Solvency Risk Management System of the Company for 2024", was debriefed.

Performance of Duties by the Risk Management and Consumer Rights Protection Committee

In 2024, the Risk Management and Consumer Rights Protection Committee of the Board of the Company performed its duties and functions in strict compliance with the “Procedural Rules for the Risk Management and Consumer Rights Protection Committee Meetings”. All members of the Risk Management and Consumer Rights Protection Committee performed their obligations in a responsible manner and reviewed the proposals in relation to the internal control system of the Company, its risk management and consumer rights protection. During meetings of the Risk Management and Consumer Rights Protection Committee, all members actively participated in discussions and gave guiding opinions on the proposals considered and discussed at the meetings.

Reviewing the risk analysis on major matters concerning the business operations and management of the Company. In line with the regulatory requirements of the former China Banking and Insurance Regulatory Commission on the C-ROSS, the Risk Management and Consumer Rights Protection Committee assessed the risks of major matters concerning the business operations and management of the Company, consistently focused on the various risks faced by the Company and their management, and reviewed and approved the proposals in relation to the business plan of the Company for the years from 2024 to 2026, the risk compliance analysis on the asset strategic allocation plan of the Company for the years from 2024 to 2026 and the authorisation for investment for the year 2025, and provided guiding opinions on risk control for major matters concerning the business operations and management of the Company.

Reviewing the assessment reports on business risk and internal control of the Company. The Risk Management and Consumer Rights Protection Committee closely monitored and controlled and effectively prevented internal and external risks of the Company, and assisted the Board in reviewing the assessment reports on business risk and internal control of the Company, according to the national and international regulatory requirements. The Risk Management and Consumer Rights Protection Committee reviewed in advance the reports on risk management such as the annual and interim reports on the enterprise-wide risk management of the Company, the audit report on the solvency risk management system for the year 2024 and the report on the assessment and management of liquidity risk of the Company for the year 2023, which offered professional support to the Board’s decision-making in a scientific manner.

Reviewing the reports in relation to consumer rights protection on a regular basis. The Risk Management and Consumer Rights Protection Committee reviewed the report on the consumer rights protection of the Company for the year 2023, the internal appraisal results of consumer rights protection for the year 2023 and the detailed rules for assessment and appraisal indicators of consumer rights protection for the year 2024, the work proposal for consumer rights protection for 2024, the report on the notification of the regulator’s assessment of consumer rights protection and the rectification measures taken for the year 2023, and the special audit report on consumer rights protection for 2024.

Optimising the system of the Company in relation to internal control and risk management. The Risk Management and Consumer Rights Protection Committee assisted the Board in optimising the system of the Company in relation to internal control and risk management, considered the proposals in relation to the formulation of the rules on the management of consumer rights protection of the Company, the amendments to the measures for the administration of case prevention of the Company, the amendments to the measures for the administration of operational risks of the Company, the amendments to the measures for the administration of risks of money laundering and terrorist financing of the Company and the amendments to the measures for the administration of liquidity risks of the Company. Further, the Company regularly notified the Risk Management and Consumer Rights Protection Committee of its integrated risk rating results given by the NFRA.

STRATEGY AND ASSETS AND LIABILITIES MANAGEMENT COMMITTEE

Currently, the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board comprises Mr. Zhai Haitao, an Independent Director, Mr. Li Mingguang and Ms. Liu Hui, both being Executive Directors, Mr. Wang Junhui, a Non-executive Director, and Mr. Lu Feng, an Independent Director, with Mr. Zhai Haitao acting as the Chairman. The Strategy and Assets and Liabilities Management Committee of the Company is mainly responsible for the drawing-up of long-term development strategies of the Company, conducting studies on important matters concerning assets and liabilities management and the relevant policies and systems, the system for the application and management of insurance funds, major strategic investment decisions and major asset strategic allocation plan, and making recommendations in respect thereof.

Meetings and Attendance

During the Reporting Period, six meetings were held by the Strategy and Assets and Liabilities Management Committee of the Board of the Company. Attendance records of individual members are as follows:

Name of member	Position	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Zhai Haitao	Independent Director, Chairman of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	6/6	0/6
Li Mingguang	Executive Director, member of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	5/6	1/6
Liu Hui	Executive Director, member of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	3/3	0/3
Wang Junhui	Non-executive Director, member of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	5/6	1/6
Lu Feng	Independent Director, member of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	1/1	0/1

Attendance record of the resigned Director at meetings is as follows:

Name of member	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Huang Yiping	2/5	3/5

Notes:

- Due to his reappointment as a member of the Monetary Policy Committee of the People's Bank of China, Mr. Huang Yiping resigned as an Independent Director of the Company and a member of the Strategy and Assets and Liabilities Management Committee of the Board in March 2024, which took effect in November 2024.
- Mr. Lu Feng became a member of the Strategy and Assets and Liabilities Management Committee of the Board in November 2024.
- Ms. Liu Hui became a member of the Strategy and Assets and Liabilities Management Committee of the Board in May 2024.
- The number of meetings attended in person includes meetings attended on-site and by way of telephone or video conference.
- Directors who were unable to attend any meeting of specialised Board committees authorised other Directors to attend and vote at the meeting on their behalf.

The meetings convened are as follows:

Meetings convened	Description
24 January 2024 Sixteenth meeting of the Strategy and Assets and Liabilities Management Committee of the seventh session of the Board	Two proposals, including the “Proposal in relation to the Asset Strategic Allocation Plan of the Company for the Years from 2024 to 2026”, were considered and approved.
26 March 2024 Seventeenth meeting of the Strategy and Assets and Liabilities Management Committee of the seventh session of the Board	Five proposals, including the “Proposal in relation to the Business Plan of the Company for the Years from 2024 to 2026”, were considered and approved.
25 April 2024 Eighteenth meeting of the Strategy and Assets and Liabilities Management Committee of the seventh session of the Board	One proposal, namely the “Proposal in relation to the Financial Budget of the Company for the Year 2024”, was considered and approved, and one report, namely the “Report on the Situation Relevant to the Assets and Liabilities Management of the Company for the Year 2023”, was debriefed.
28 August 2024 First meeting of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	Two proposals, including the “Proposal in relation to the Company’s Budget for Investment in Fixed Assets for the Year 2024”, were considered and approved.
29 October 2024 Second meeting of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Results of Performance Appraisal of the Company for the Year 2023”, was considered and approved.
17 December 2024 Third meeting of the Strategy and Assets and Liabilities Management Committee of the eighth session of the Board	Four proposals, including the “Proposal in relation to the Management Guidelines on the Investment by China Life Investment Management Company Limited under the Entrustment of the Company for the Year 2025”, were considered and approved.

Performance of Duties by the Strategy and Assets and Liabilities Management Committee

In 2024, the Strategy and Assets and Liabilities Management Committee of the Board of the Company performed its relevant duties and functions in strict compliance with the “Procedural Rules for the Strategy and Assets and Liabilities Management Committee Meetings”. All members of the Strategy and Assets and Liabilities Management Committee carefully reviewed the proposals on the three-year business plan of the Company, annual investment plan and authorisation, relevant systems on assets and liabilities management, and sustainable development strategies, and listened to the report on the situation relevant to the assets and liabilities management for the previous year. Members of the Strategy and Assets and Liabilities Management Committee diligently performed their duties. During meetings of the Strategy and Assets and Liabilities Management Committee, all members actively participated in discussions and gave professional advices.

Reviewing annual asset allocation plan and entrusted investments of the Company. The Strategy and Assets and Liabilities Management Committee reviewed the proposals on the asset allocation plans of the Company, including the asset strategic allocation plan for the years from 2024 to 2026, asset allocation plan for the year 2024, the investment plan for self-use real estate for the year 2024 and related authorisation, the management guidelines on the investment by CLI under the entrustment of the Company for the year 2025, the authorisation of investment in financial products for the year 2025, the authorisation of investment in single asset management plan for the year 2025, and the overseas investment plan for the year 2025 and related authorisation of investment.

Discussing the Company’s development plans and major strategic projects. The Strategy and Assets and Liabilities Management Committee reviewed the proposals on the medium- and long-term development plan and sustainable development strategy of the Company, including the business plan of the Company for the years from 2024 to 2026, evaluation report on the outline of the “14th Five-Year” development plan of the Company for the year 2023, and the report concerning sustainable development for 2023.

Listening to the report concerning assets and liabilities management of the Company. The Strategy and Assets and Liabilities Management Committee listened to the report on the situation relevant to the assets and liabilities management of the Company for the year 2023, and followed up to understand the overall management of assets and liabilities of the Company.

CONNECTED TRANSACTIONS CONTROL COMMITTEE

Currently, the Connected Transactions Control Committee of the eighth session of the Board comprises Ms. Chen Jie, Mr. Lam Chi Kuen, Mr. Zhai Haitao and Mr. Lu Feng, all being Independent Directors, with Ms. Chen Jie acting as the Chairperson. The principal duties of the Connected Transactions Control Committee are to confirm connected parties of the Company, manage, examine and approve connected transactions to control risks relating to connected transactions, and focus on the compliance, fairness and necessity of connected transactions, which provide an important basis for the Board’s decision-making in connected transactions management.

Meetings and Attendance

During the Reporting Period, five meetings were held by the Connected Transactions Control Committee of the Board of the Company. Attendance records of individual members are as follows:

Name of member	Position	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Chen Jie	Independent Director, Chairperson of the Connected Transactions Control Committee of the eighth session of the Board	4/5	1/5
Lam Chi Kuen	Independent Director, member of the Connected Transactions Control Committee of the eighth session of the Board	5/5	0/5
Zhai Haitao	Independent Director, member of the Connected Transactions Control Committee of the eighth session of the Board	5/5	0/5
Lu Feng	Independent Director, member of the Connected Transactions Control Committee of the eighth session of the Board	1/1	0/1

Attendance record of the resigned Director at meetings is as follows:

Name of member	Number of meetings attended in person/Number of meetings required to attend	Number of meetings attended by proxies/Number of meetings required to attend
Huang Yiping	2/4	2/4

Notes:

- Due to his reappointment as a member of the Monetary Policy Committee of the People's Bank of China, Mr. Huang Yiping resigned as an Independent Director of the Company and a member of the Connected Transactions Control Committee of the Board in March 2024, which took effect in November 2024.
- Mr. Lu Feng became a member of the Connected Transactions Control Committee of the Board in November 2024.
- The number of meetings attended in person includes meetings attended on-site and by way of telephone or video conference.
- Directors who were unable to attend any meeting of specialised Board committees authorised other Directors to attend and vote at the meeting on their behalf.

The meetings convened are as follows:

Meetings convened	Description
26 March 2024 Fifteenth meeting of the Connected Transactions Control Committee of the seventh session of the Board	Two proposals, including the “Proposal in relation to the ‘Report on the Overall Status of Connected Transactions of the Company for the Year 2023’”, were considered and approved, and one report, namely the “Report on Confirming the List of Connected Parties of the Company as of 31 December 2023”, was debriefed.
25 April 2024 Sixteenth meeting of the Connected Transactions Control Committee of the seventh session of the Board	One proposal, namely the “Proposal in relation to Matters Associated with the Follow-on Offering of the Qihang Fund”, was considered and approved.
26 June 2024 Seventeenth meeting of the Connected Transactions Control Committee of the seventh session of the Board	One proposal, namely the “Proposal in relation to Matters Associated with the Post-investment of the Qihang Fund”, was considered and approved.
28 August 2024 First meeting of the Connected Transactions Control Committee of the eighth session of the Board	One proposal, namely the “Proposal in relation to the Execution of the ‘Agreement Deposit Contract for RMB’ between the Company and China Guangfa Bank Co. Ltd.”, was considered and approved, and one report, namely the “Report on Confirming the List of Connected Parties of the Company as of 30 June 2024”, was debriefed.
17 December 2024 Second meeting of the Connected Transactions Control Committee of the eighth session of the Board	Five proposals, including the “Proposal in relation to the Renewal of the ‘Policy Management Agreement’ for the Years from 2025 to 2027 between the Company and China Life Insurance (Group) Company”, were considered and approved.

Performance of Duties by the Connected Transactions Control Committee

In 2024, the Connected Transactions Control Committee of the Board of the Company performed its duties and functions in strict compliance with the “Procedural Rules for the Connected Transactions Control Committee Meetings”. During meetings of the Connected Transactions Control Committee, all members reviewed the proposals in relation to the connected transactions of the Company, fully understood the necessity, feasibility and relevant risks of connected transactions, actively participated in discussions and gave opinions.

Confirming connected parties of the Company. The Connected Transactions Control Committee reviewed the “Report on Confirming the List of Connected Parties of the Company as of 31 December 2023” and the “Report on Confirming the List of Connected Parties of the Company as of 30 June 2024”, and reported to the Board in respect thereof.

Approving connected transactions. The Connected Transactions Control Committee reviewed the proposals on major connected transactions, such as the matters associated with the follow-on offering and post-investment of the Qihang Fund of the Company, fully discussed the necessity, feasibility and major risks of the connected transactions, and made recommendations to the Board in respect thereof.

Approving framework agreements for daily connected transactions. The Connected Transactions Control Committee reviewed the proposals on the framework agreements for daily connected transactions, such as the execution of the “Agreement Deposit Contract for RMB” between the Company and CGB, the renewal of the “Policy Management Agreement” for the years from 2025 to 2027 between the Company and CLIC, the execution of the “Agreement for Package Transactions in relation to the Entrustment of CLP&C as an Agent to Sell Insurance Products” between the Company and CLP&C, the execution of the “Sales Agency Agreement in relation to the Entrustment of the Company as an Agent to Sell Pension Products (Agreement for Package Transactions)” and the “Agency Agreement in relation to the Entrustment of Pension Company as an Agent to Sell Insurance Products (Agreement for Package Transactions)” between the Company and Pension Company, and the renewal of the asset management agreement between the Company and China Life Franklin Asset Management Company Limited, and fully reviewed the necessity, compliance and fairness of the daily connected transactions of the Company, which offered professional support to the Board’s decision-making in a scientific manner.

Reviewing the implementation of the system for connected transactions management. The Connected Transactions Control Committee reviewed the proposal on the report on the overall status of connected transactions of the Company for the year 2023.

INDEPENDENCE OF THE COMPANY FROM ITS CONTROLLING SHAREHOLDER

Employees: The Company is independent in the aspects of employment, human resources and remuneration management.

Assets: The Company owns all assets relating to the operation of its principal business. At present, the Company does not provide any guarantee for its shareholders. The Company’s assets are independent, complete, and independent of the shareholders of the Company and other related parties.

Finance: The Company has established a separate financial department, and developed an independent financial accounting system and financial management system; further, the Company makes financial decisions on its own; it employs separate financial personnel, opens separate accounts with banks and does not share bank accounts with CLIC; the Company, as a separate taxpayer, pays taxes individually according to law.

Organisation: The Company has established a well-developed organisational system, under which internal bodies such as the Board of Directors and the Board of Supervisors operate separately. There is no subordinate relationship between such internal bodies and the functional departments of the Company’s controlling shareholder.

Business operations: The Company independently develops personal insurance businesses, including life insurance, health insurance and accident insurance businesses; reinsurance relating to the above insurance businesses; funds application business permitted by applicable PRC laws and regulations or approved by the State Council; as well as all types of personal insurance services, consulting business and agency business; sale of securities investment funds; and other businesses approved by the insurance administrative and regulatory authorities of the PRC. The Company currently possesses the “Insurance Permit” (institution number: 000005) issued by an insurance administrative and regulatory authority. The Company is independently engaged in the businesses as prescribed in its business scope according to law, has separate sales and agency channels and is licensed to use licensed trademarks without consideration. The completeness and independence of the Company’s business operations will not be adversely affected by its relationship with related parties.

PERFORMANCE APPRAISAL AND INCENTIVES FOR SENIOR MANAGEMENT

The Company implements a term-of-service and target-related responsibility system for senior management. Performance target contracts are entered into between the Chairman of the Board and the President, and between the President and other senior management of the Company. The performance target contract system is an important tool in disassembling the strategic goals of the Company in a scientific manner, which is conducive towards the breakdown of targets and transmission of responsibility, enhancing the implementation capability of the Company and ensuring the successful completion of its annual business targets. The performance appraisal criteria listed in the individual performance target contracts of senior management are partially linked to the business targets of the Company and partially formulated with reference to the duties and functions of their respective positions. The remuneration for senior management mainly comprises position compensation, performance rewards, welfare benefits and medium- and long-term incentives. A mechanism for the recovery and deduction of performance-based remuneration is also established to balance the relationships between the current and long-term needs as well as the revenue and risk by making full use of remuneration tools.

SHAREHOLDERS’ INTERESTS

To safeguard shareholders’ interests, in addition to the right to participate in the Company’s affairs by attending shareholders’ general meetings, shareholders have the right to convene extraordinary shareholders’ general meetings under certain circumstances. If the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified by the Articles of Association, or the uncovered losses incurred amount to one-third of the Company’s total share capital, or if the Board or the Board of Supervisors deems necessary, or more than half of the

Directors (including at least two Independent Directors) request, or shareholders holding 10% or more shares of the Company make a requisition, the Board shall convene an extraordinary shareholders' general meeting within two months. Where shareholders holding 10% or more shares request an extraordinary shareholders' general meeting, such shareholders shall make a request in writing to the Board with a clear agenda. The Board shall, upon receipt of such a written request, convene a meeting as soon as possible. If the Board fails to convene a meeting within 30 days of the receipt of such a written request, shareholders making such a request may convene a meeting by themselves at the cost of the Company within four months of the receipt by the Board of such a written request.

In accordance with the Articles of Association, when the Company convenes the shareholders' general meeting, shareholders individually or in aggregate holding 3% or more of the shares of the Company shall have the right to submit proposals to the Company. The Company should include such matters that fall into the scope of the functions and powers of the shareholders' general meeting in the agenda of the meeting. Shareholders individually or in aggregate holding 3% or more of the shares of the Company may submit provisional proposals in writing to the convenor sixteen days prior to the shareholders' general meeting. The provisional proposals shall fall into the scope of the functions and powers of the shareholders' general meeting and specify explicit topics and specific resolutions. According to the new Company Law effective from 1 July 2024, the shareholding threshold for shareholders entitled to submit such proposals has been reduced to 1%.

Shareholders may put forward enquiries to the Board through the Board Secretary or the Company Secretary, or put forward proposals at shareholders' general meetings through their proxies. The Company has made available its contact details in its correspondence with shareholders to enable such enquiries or proposals to be properly directed.

CORPORATE CULTURE

By rooting in a financial culture with Chinese characteristics, the Company consistently adheres to the core corporate cultural philosophy of "success for you, success by you" ("Double Success") and embraces the corporate mission of "serving the overall interests of national development and safeguarding people's wellbeing". Such philosophy and mission are deeply integrated into the development strategy of the Company, serving as a crucial driver for achieving business objectives. The Double Success culture, underscoring the harmonious coexistence and mutual growth with the Party and the state, society, industry, customers, shareholders, internal corporate entities and employees, as well as striving and dedicating with a profound sense of national pride, provides cultural support for building

a world-class life insurance company with Chinese characteristics. In 2024, the Company organised a variety of cultural development initiatives, such as the "Upstream with Double Success" China Life Orator Corporate Culture Speech Contest and the "China Life Drama Star" short video competition, to stimulate employees' enthusiasm for participation and continuously enhance their sense of identity with the Company. Through diverse educational, training, and promotional activities, the Company actively cultivates and practices the financial culture with Chinese characteristics and the Double Success corporate culture, fully leveraging the role of culture in uniting and inspiring its workforce.

INFORMATION DISCLOSURE AND INVESTOR RELATIONS

The Company has established a well-developed, effective and practical information disclosure management system in strict compliance with the regulatory laws and regulations, relevant rules and self-regulatory requirements of its listed jurisdictions and the insurance industry, constantly enhanced the quality of information disclosure on the basis of strict compliance with laws and regulations, and continued to improve the effectiveness of information disclosure and transparency of information. Focusing on investor concerns, the Company has continued to deeply engage in making disclosure of information that have significant impacts on investors' value judgments and investment decisions, enriched the contents of information for voluntary disclosure, and provided the capital market and investors with simple and clear, more targeted and effective information, for the purpose of facilitating investors, especially medium and small investors, to better understand the Company's strategies and business highlights, and ensuring that investors obtain true, accurate and complete information in a compliant and effective manner. The Company has also regularly organised training courses and promotional activities relating to the relevant rules of information disclosure and corporate governance. It has properly arranged information disclosure on the basis that the differences between the laws and regulations of its listed jurisdictions in the PRC and overseas, and the differences between the regulatory requirements of its listed jurisdictions and the insurance industry, are well defined. The Company has strictly managed its inside information and carried out the registration and filing procedures on persons who have knowledge of inside information in compliance with law, strengthened the confidentiality of inside information, and safeguarded the legitimate rights and interests of investors, with a view to maintaining the fairness, impartiality and openness of information disclosure of the Company. In 2024, the Company was awarded Grade A in the assessment by the SSE of information disclosure of listed companies for the year of 2023-2024.

The Company has attached great importance to its contact and communication with domestic and overseas investors, and developed investor relations in a proactive way with its stringent attitude and innovative thinking. It has kept abreast of the pace of technological development, consistently made innovation in its communications with and services to investors, and offered various channels to facilitate such investors in keeping abreast of any major business development of the Company in a timely manner. The Company has set up the “Investor Relations” section on its official website at www.e-chinalife.com and the “China Life Investor Relations” WeChat public account, to facilitate investors in accessing announcements, operating results materials and other information for public disclosure as published by the Company on the stock exchanges of its listed jurisdictions in the PRC and overseas. In addition, investors may call the investor relations hotline of the Company at 86-10-63631241 or email the investor relations email address at ir@e-chinalife.com if they have any further inquiries. The Company will respond to such inquiries in a timely manner. In 2024, the Company held four results briefings and two shareholders’ general meetings, to facilitate convenient and open interaction with all shareholders through online live broadcasts or offline meetings, with the Chairman, President, Independent Directors, and senior management members of the Company participating in these activities multiple times. The senior management of the Company also communicated offline with nearly 100 institutional investors globally through non-deal roadshows for annual and interim results. Further, the Company constantly enhanced the efficiency of communication between the Company and the capital market through a variety of communication channels and means, including holding online and offline conferences with investors and analysts, attending investors’ meetings, timely updating information on the “Investor Relations” section on its official website, and responding to enquiries from investors and analysts. The Company’s investor relations team followed up on shareholder interactions through meetings with investors and analysts. The Company also focused on the protection of medium and small investors, actively responded to any enquiries from them, and kept in close contact with investors by various means such as email, phone and internet. On 26 March 2025, the “Measures for Market Value Management of China Life Insurance Company Limited” was considered and approved at the thirteenth meeting of the eighth session of the Board of Directors of the Company to further enhance efforts related to market value management. The Company reviews its policy for communication with shareholders once a year and considers that such policy remains effective based on the feedbacks received from investors and the capital market on investor relations. In 2024, the Company was honored with the “Best Investor Activity” award in the assessment and selection of Greater China Investor Relations hosted by the international publication “Investor Relations Magazine”, and also received the “Best Practice of 2023 Annual Report Presentation Meetings” award from the CAPCO, among other accolades.

CHANGES OF THE ARTICLES OF ASSOCIATION

During the Reporting Period, no amendment was made to the Articles of Association by the Company.

TRAINING OF COMPANY SECRETARY

Mr. Heng Victor Ja Wei, the Company Secretary, took no less than 15 hours of relevant professional training in 2024, satisfying the requirements under the Listing Rules.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company has consistently proceeded with tasks in compliance with the regulatory requirements of relevant regulatory authorities, such as the SSE and the HKSE, with respect to corporate internal control.

Internal Control

The Company has been devoting significant effort to the promotion of internal control and the construction of internal control-related systems. In accordance with the requirements of the “Standard Regulations on Corporate Internal Control”, the “Implementation Guidelines for Corporate Internal Control”, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited”, and the “Basic Standards of Internal Control for Insurance Companies” issued by the NFRA, the Company has carried out a lot of work on its internal control system construction, rules implementation and risk management by centering on its corporate governance structure. The Company has also formulated and issued the “Internal Control Implementation Manual of China Life Insurance Company Limited (2024 Edition)” to strengthen the implementation of internal control standards and internal control assessments, and actively promoted the culture and philosophy of internal control, thereby continuously enhancing the internal control of the Company.

Pursuant to the relevant requirements of the SSE, the Company is required to release an internal control self-assessment report simultaneously with the publication of its 2024 annual report. The Company has completed the internal control self-assessment as required by the SSE for the year ended 31 December 2024. Such assessment is conducted on an annual basis and in two stages, namely, interim assessment and supplementary test. The Company has confirmed after the assessment that the relevant internal controls were effective. The Company has also received from its independent auditors an unqualified opinion on the effectiveness of its internal controls in relation to financial reporting as at 31 December 2024. The Company’s assessment report and the report of its independent auditors will be included as an attachment to its annual report submitted to the SSE.

It is the responsibility of the Board of the Company to establish and effectively implement well-established internal control systems, assess their effectiveness and disclose the report on the internal control assessment. The Board and its Audit Committee are responsible for leading the implementation of internal control measures of the Company, and the Board of Supervisors supervises the internal control assessments performed by the Board. The Company has established the Risk Management Department in its headquarters and branches, which conducts tests on the management level, assesses the effectiveness of the establishment and implementation of internal control systems in accordance with the regulatory requirements of the jurisdictions where the Company is listed, and reports to the Board, the Audit Committee and the management.

In compliance with regulatory requirements and having considered the characteristics of its business and management requirements, the Company has established and implemented a series of internal control measures and procedures with respect to currency and funds, insurance business, external investments, physical assets, information technology, financial reporting and information disclosure to ensure the safety and integrity of its assets. By strictly complying with relevant PRC laws and regulations as well as the internal rules and regulations of the Company, the quality of accounting information has been improved.

A relatively well-developed internal control system has been established in terms of team-building, sales and operations, and system management for the sales channels, such as individual insurance, bancassurance, group insurance and health insurance. This internal control system regulates the relevant authorisations and operational workflows, and effectively adopts the measures to prevent and manage risks relating to the operation of exclusive agents. The Company has promulgated clear regulations for the workflows and authorisations relating to the verification of insurance policies, insurance claims and insurance preservation. The Company has also formulated business operation standards and service quality standards, developed systems of business, document and file management, and further regulated the management of business approval authority to strengthen its control over business risk and improve the quality of its services.

In accordance with relevant laws and regulations such as the “Accounting Law of the People’s Republic of China” and the “Enterprise Accounting Standards — Basic Standards” and specific standards and taking into account the needs of the Company for its business development, operation and management, the Company has formulated and issued the “Accounting System of China Life Insurance Company Limited”. The accounting units of the Company at all levels have implemented this in strict compliance with the requirements of the accounting system and various basic systems to regulate work relating to financial accounting and preparation of financial reports. The accounting units of the Company at all levels have assigned positions in a reasonable manner, clearly defined duties and responsibilities of such positions and their scope of authority on management, and strictly prohibited employees from serving incompatible positions concurrently, thus exercising control over financial risks in an efficient manner.

The Company has created a rigorous information disclosure system with well-developed workflows, including the provisions governing the basic responsibilities of periodic report disclosures, the major errors in periodic report disclosures and the responsibility attribution as set forth in the “Rules for the Administration of Information Disclosures of China Life Insurance Company Limited”. As at the end of the Reporting Period, there were no major errors in periodic report disclosures of the Company. The “Measures for the Administration of Registration of Persons Who Have Knowledge of Inside Information of China Life Insurance Company Limited” has been introduced to enhance the confidentiality of inside information of the Company and to register and submit information concerning persons who have knowledge of inside information. The relevant requirements under the “System of Internal Reporting of Material Information of China Life Insurance Company Limited” have been incorporated into the indicator system under the internal control report of the Company. Persons responsible for reporting material information obtain and identify potential material information at the level of operation and management by making use of various information technologies, and submit and report such information to the President and the Board of the Company as early as possible. The Board then makes the final decision on whether to release the material information, and discloses the same to such extent as it considers reasonable and practicable.

The Company has established a well-developed system relating to investment decisions in accordance with the relevant laws and regulations and based on the actual situation of investment management. The system defines the approval and decision-making authority, authorisation mechanism and specific decision-making procedures for investment management. All major investment decisions shall be approved and implemented in strict compliance with the internal decision-making process of the Company and the requirements of its investment management system. The Investment Decisions Committee is a permanent body of the Company for investment decisions, which is responsible for reviewing major investments and providing support to any investment decisions made by the management.

The Company has established a comprehensive information technology system to cover all aspects of IT work and formed a closed-loop control mechanism focusing on centralised review and publication, periodic inspection and continuous improvement. By conducting measures such as the inspection and evaluation of system implementation on a regular basis, the Company has facilitated the effective implementation of the system and enhanced the standardisation and normalisation of various IT work. Further, the Company has constantly promoted the construction of the systems of information safety and risk control, and formulated and implemented a series of effective information safety control measures at various stages of the life cycle of the IT system, thereby effectively ensuring the safe and steady operation of the Company. In 2024, the Company conducted several internal and external risk assessments to promote construction by inspection, with a view to consistently enhancing its capability in management and control of information safety risks.

The Risk Management Department, the Audit Department and the Legal and Compliance Department of the Company are responsible for the supervision and inspection of the Company's internal control measures. The Company identifies issues in the areas of system design, control implementation and risk management in a timely manner through the adoption of various measures such as walk-through tests, control tests and risk analysis. It also eliminates loopholes, guards against risks and reduces losses by adopting various measures to improve systems, enhance legal compliance and pursue accountability. In 2024, the Company actively adapted to the stringent financial regulatory environment both domestically and internationally and strictly complied with the regulatory requirements to constantly improve the organisational structure of internal audit, and further strengthened the mechanism for internal audit management,

which effectively performed the supervisory role of audit. The Company carried out the economic responsibility audit on its key responsible persons at all levels, the senior management audit on part of senior management of its headquarters and deputy heads of its branches at the provincial level, organised and performed a series of special audits closely related to the Company's business objectives, and conducted a variety of special audits on anti-money laundering, connected transactions, assets and liabilities management, solvency risk management system, application of funds, protection of consumers' rights and interests, reputational risk management, risk management of financial derivative transactions, compliance of intermediary business, and insurance fraud risk management pursuant to regulatory requirements. Meanwhile, the Company has put more efforts on the application of audit results, consistently strengthened the supervision and direction of rectification measures for any issues identified in audits, handover of the issues concerned and the responsibility attribution, proceeded with the integration of rectification measures, further improved the closed-loop management of internal audits, and facilitated its standardised management and compliance operation. The Company has consistently strengthened the construction of its compliance management system and improved the operational mechanism for compliance management on an ongoing basis, with a view to effectively identifying, guarding against and mitigating material compliance risks. The Company has also played an active role in advocating the business philosophy of "creating value from compliance" and made a serious effort towards fostering a corporate culture of "being compliant on a proactive basis", "starting from the top level" and "having responsibility for all to be compliant". In November 2024, the Company successfully passed the initial supervisory audit for certification under the national standard GB/T 35770-2022 and the international standard ISO 37301:2021. The Company will continue to deeply engage in building a law-based company by upholding the compliance objective of managing itself according to law and practicing the compliance philosophy of good faith business operations. It will remain focused on core tasks to enhance its ability to serve the overall interests in a compliant manner, concentrate on safe development to improve compliance risk management and control capabilities, and focus on value creation to optimise the use of compliance resources. By fully leveraging the functions and roles of the three lines of defense mechanism in compliance management, the Company will coordinate and implement risk prevention and control measures before, during and after events to promote operations, guard against risks, and create value through high-quality and efficient compliance management.

Risk Management

Risk Management System

The Company has established an organisational system for comprehensive risk management with the ultimate responsibility assumed by the Board, under the direct leadership of the management, having reliance on the risk management departments and with the close cooperation among the relevant functional departments, and developed a 5-tier organisational structure for risk management covering the corporate governance level, the headquarters level, the provincial branches level, the municipal branches level, and the county sub-branches level. With the reliance on the 5-tier risk management and control structure, the Company has put in place three lines of defense that focus on risk management: the first line of defense consists of branches and sub-branches at all levels and various functional departments that identify, assess, address, monitor and report risks at the front end of business; the second line of defense is composed of the Risk Management and Consumer Rights Protection Committee of the Board, as well as the Risk Management Committee and the Risk Management Department of the Company that take the lead in formulating the system, standards and limits for a variety of risks and make recommendations to address such risks; the third line of defense comprises the Audit Committee of the Board, as well as the internal audit department, the Office of the Discipline Inspection Committee and other departments of the Company that supervise the risk management workflows established by the Company and the procedures and actions for control of various risks. The three lines of defense have been coordinated with each other in a proactive manner to organise and commence any work in relation to risk management. By establishing the organisational structure of risk control, the Company has gradually established a criss-cross network of risk control systems, with the risk management departments at all levels as leading bodies, the relevant functional departments as main bodies, the vertical decision-making control system and horizontal interactive collaboration mechanism as supporting systems and the comprehensive risk management as focus, thus laying a strong foundation for the Company to achieve a comprehensive risk management system with full coverage, all-employee participation and effective workflows.

Work in relation to Risk Management

Pursuant to the requirements of the NFRA on the C-ROSS, the Company pushed forward the solvency risk management system construction, and built a “1+7+N” comprehensive risk management system with the “Comprehensive Risk Management Rules” as the general principles, seven types of risks (including insurance risk, market risk, credit risk, operational risk, strategic risk, reputational risk and liquidity risk) as the key focuses, and having reliance on a series of implementing rules for business such as the “Measures for the Administration of Risk Preference System”. The Company consistently reinforced the mechanism for formation, transmission and application of the risk preference system, creating a system for the normal management of risk preference with the statement on risk preference as the carrier, and the risk tolerance and limit indicators as the focus. Through the combination of risk preference with various lines of operation and management, the Company maintained a good interaction between risk management and business development. The Company conducts a self-assessment on solvency risk management capability every year so as to fully assess all work in relation to risk management from the soundness of the system and the effectiveness of its implementation. The Company conducted specific rectification against its own shortcomings and weaknesses, which enhanced its risk management standard in all aspects. In the SARMRA under the C-ROSS (Phase II) Regulation conducted by the NFRA, the Company’s capability of solvency risk management ranked among the top of life insurance companies. The Company followed the requirements under anti-money laundering laws and regulations, kept on improving the system for money-laundering risk management and performed the anti-money laundering obligations under the law, with a view to enhancing both the quality and efficiency of its anti-money laundering work. Meanwhile, pursuant to external regulatory requirements, the Company carried out self-inspections and rectifications in key risk areas, which effectively improved its precautionary capabilities in these areas. In 2024, the Company made significant efforts to advance the informatisation of risk management and actively applied advanced technologies such as big data and artificial intelligence, to enhance the intelligence of its money-laundering risk management. It developed a money-laundering risk situational awareness platform that created a customer and transaction database with 2,500 million data entries, which enabled daily, transaction-level quantification of money-laundering risks. The money-laundering risk situational awareness platform project was awarded first place in the financial services category in the division list of the 2024 “Data Elements X” competition. With significant advancements in areas such as intelligent pre-warning systems for sales risks and the integrated risk management platform, the informatisation and intelligence level of risk management were substantially elevated, which provided robust support for the high-quality development of the Company.

Risk Identification and Control

The major risks of the Company in the course of business operation and management include insurance risk, market risk, credit risk, operational risk, strategic risk, reputational risk, liquidity risk, information safety risk, ESG risk and fraud risk.

Insurance Risk

Insurance risk refers to the risk that exposes insurance companies to unexpected losses due to the adverse deviation of the actual situation from the projections of assumptions such as loss ratio, expense rate and lapse rate.

The Company assessed and monitored insurance risks through sensitivity analysis and other actuarial appraisal methods, with a focus on the impact of mortality rate, morbidity rate, lapse rate, expense rate and other relevant assumptions on the Company's operating results. The Company managed insurance risks through the following mechanisms and processes: (1) establishing an organisational structure and a system for insurance risk management, so that insurance risk management can be performed within a scientific, comprehensive and effective management system; (2) devising a system for risk limit indicators and carrying out normal monitoring analysis, so as to contain risks within a controllable range; (3) implementing an effective product development and management system to strictly control product pricing risks, and strengthening empirical analysis to offer support to pricing assumptions and assessing assumptions, in order to prevent and control insurance risks from the front end of products; (4) effectively guarding against adverse selection risks and insurance frauds through the establishment and implementation of a well-developed system for verification of insurance policies and claims, as well as the practical operation regulations; (5) transferring and mitigating insurance risks through a scientific and reasonable reinsurance arrangement; and (6) strengthening expenses management and enhancing efficiency in resource utilisation. In 2024, the Company managed insurance risks in a regulated and orderly manner, with sufficient and reasonable provisions of minimum capital for insurance risks. The Company will continuously keep a watch on the development trend of insurance risks and further enhance its capability of managing insurance risks.

Market Risk

Market risk refers to the risk that exposes the Company to unexpected losses due to adverse movement in (among others) interest rate, equity prices, real estate prices and exchange rates.

In order to address the market risks, the Company continued to pay attention to the risk exposures of interest rates, equity prices, real estate prices and exchange rates, monitored value at risk/mark to market (VaR/MTM), yield volatility, duration and other key market risk indicators on a regular basis, set up a 2-tier risk limit indicator and corresponding threshold values, carried out sensitivity analyses and stress tests to measure the risk losses to the Company under stress scenarios, gave pre-warning of market risks and formulated contingency plans for emergencies. Currently, the proportion of each investment asset is in line with the requirements of the NFRA and the internal management provisions of the Company. According to the results of the risk indicator monitoring and stress tests, the market risk of the Company was within a normal controllable range. The Company primarily adopted the following risk control measures in 2024: (1) stepping up efforts on the study of macro economy, currency and financial policies to assess domestic and international economic and market trends in a timely manner; (2) reviewing the risks of major assets categories and the characteristics of their returns on a regular basis, so as to constantly optimise the model of asset allocation; (3) constantly tracking and assessing open market equity exposure and making reasonable allocations; (4) enhancing asset-liability interaction and effectively managing the gap arising from the duration mismatch of assets and liabilities; (5) facilitating the advancement of systems to improve risk monitoring and pre-warning functions; and (6) consistently reinforcing efforts to identify and monitor investment concentration risk and diversifying risks in a reasonable manner.

Credit Risk

Credit risk refers to the risk that exposes the Company to unexpected losses due to non-performance or delay in the performance of contractual obligations by counterparties, or adverse changes in their credit standings.

The credit risks that the Company is exposed to mainly relate to investment deposits, bond investments, non-standard financial product investments and reinsurance arrangements, etc.

Credit Risk of Investment Business

To address the credit risks of investment business, the Company developed and continuously improved the organisational structure of credit risk management, and constantly optimised the process for credit risk management. Meanwhile, the Company established and made amendments to the management system and strengthened the implementation of such a system pursuant to the regulatory requirements and management practices, strengthened the research on risks, and kept on improving risk analysis, assessment, monitoring, pre-warning and emergency response standards. By relying on information technology, the Company consistently enhanced the standard of quantitative analysis on credit risks and diversified the methods used for risk management and control. The Company primarily adopted the following measures in 2024: (1) further improving the centralised credit rating process and system functions to enhance the credit risk management standard; (2) optimising the credit risk limit management system in multiple dimensions to improve the mechanism for prevention of credit risks prior to investment; (3) strengthening the monitoring of credit risk indicators for the purposes of indicating risk exposure and any change of risk distribution in an effective manner and closely tracking down negative information; and (4) deepening efforts on the research of key industries and key regions, and the credit risk outlook to enhance the capability of the Company in risk management and control during and after investment.

Reinsurance Credit Risk

Reinsurance credit risk refers to the credit risk that may possibly be faced by the Company in connection with the obligations to be undertaken by reinsurers due to their failure to perform reinsurance contracts. To address the reinsurance credit risks, the Company adopted the following measures: (1) properly setting self-retained risk limits through an effective reinsurance management system, and using reinsurance as an effective tool to transfer risks to reinsurers with a high level of solvency; (2) reviewing the relevant information of a reinsurer in the reinsurance registration system in strict compliance with the regulatory requirements prior to the execution of a reinsurance contract to ensure that the reinsurer in cooperation with the Company complies with the regulatory requirements; and (3) conducting credit assessments on reinsurers through internal rating to select reinsurers that have higher credit standing to mitigate credit risks.

Operational Risk

Operational risk refers to the risk of losses arising from the issues found in internal procedures, employees and IT systems, as well as external events.

The Company consistently implemented regulatory requirements and its operational risk management strategies, optimised the operational risk management system, and regulated the operational risk management processes, so as to enhance the effectiveness of operational risk management on an ongoing basis. The Company established an operational risk management system that combines three management tools, namely self-assessment of operational risk and its control, loss database for operational risks, and key risk indicators, and further reinforced the operational risk management at all levels of branches, in order to facilitate the vertical expansion of the operational risk management network and achieve the integration of operational risk management and control with its business development. The operational risk control measures adopted by the Company mainly included the following: (1) developing an operational risk management process and method compatible with the nature, scale and risk characteristics of the Company's business, including the identification, assessment, control, monitoring and reporting mechanisms; (2) establishing a loss database for operational risks to carry out the loss data collection and analysis of operational risks on a regular basis; (3) establishing a key indicator room for operational risks to conduct regular monitoring of the key indicators for operational risks and taking relevant control measures against them; (4) conducting self-assessments on operational risks and their control measures on a regular basis and identifying any areas in the management and control of operational risks that were vulnerable, with a view to constantly increasing the capability of the Company in operational risk management; and (5) fostering a culture of operational risk management by organising and conducting training courses on operational risk management. In 2024, the operational risk management of the Company was satisfactory, and losses from operational risks were controllable. As the management foundation of the Company for operational risks was consistently solidified, the quality and efficiency of its risk management were further enhanced.

Strategic Risk

Strategic risk refers to the risk of mismatch between strategies, market conditions and capabilities of the Company arising from ineffective formulation or implementation of strategies or changes in operational environment.

The Company set up a relatively well-developed system for strategic risk management, and established an organisational system for strategic risk management with the ultimate responsibility assumed by the Board, under the direct leadership of the management and with the division of labour and collaboration among the relevant functional departments. In 2024, the Company enhanced its strategic study concerning macro economy, regulatory policies and industry developments. In response to changes in the external development and environment, it continuously optimised its development strategies by strengthening the management of both business and investment strategies. The Company accelerated reforms in key areas, enhanced core functions, and improved core competitiveness to ensure alignment between its strategies and capabilities. Meanwhile, the Company further optimised the work mechanisms and processes for strategic study, formulation, implementation and assessment. It strengthened daily monitoring and analysis of the system for strategic risk indicators, conducted its strategic risk emergency exercise for the first time, and created a closed-loop strategic risk management system through diverse initiatives, thereby ensuring effective implementation of strategic risk management. In 2024, the Company maintained the robustness of its strategic risk management system and the effectiveness of its implementation. With good alignment between its strategy, the market environment, and the Company's capabilities, the achievements in strategic risk management were significant, thus contributing to improvements in the scale, value, growth, quality, structure, efficiency and safety of its business and operations.

Reputational Risk

Reputational risk refers to the risk of negative comments on the Company from stakeholders, the public and the media as a result of the behaviours of the Company's divisions at all levels, practitioners or external events, thereby causing losses, damaging brand value, being detrimental to the normal operation of the Company, and even affecting market and social stability. Reputational risk may exist in any aspect of the Company's operation and management. The Company highly values its reputation and has incorporated reputational risk management into the corporate governance and comprehensive risk management system to prevent reputational risk.

In 2024, the Company made further improvement to its system for reputational risk management to enhance the standard of reputational risk management on an ongoing basis. The Company consistently proceeded with all tasks across the entire process, such as the identification, evaluation and disposal of reputational risks, so as to properly address and dispose of any reputational incidents and effectively protect brand reputation. It optimised disposal mechanisms, diversified response measures, and reinforced primary management responsibilities. By advancing its digital transformation, the Company achieved online management and data retention throughout the entire process, which improved the quality and efficiency of reputational risk management. The Company maintained a focus on source control of reputational risk, conducted ongoing reputational risk investigations and rectifications, organised special assessments and inspections of reputational risk management, and classified and tracked key issues and high-risk areas, for the purpose of further enhancing governance at the source. Targeted training and exercises were conducted to raise awareness of reputational risks and foster a culture of reputational risk management.

Liquidity Risk

Liquidity risk refers to the risk that the Company does not have access to sufficient funds in time or at reasonable costs to meet its liabilities or other payment obligations as they become due.

The Company established a system for liquidity risk management to define the organisational structure and responsibilities of liquidity risk management. Further, the Company developed the processes covering the identification, evaluation, monitoring, response and disposal, reporting, and rectification of liquidity risk, and organised regular emergency exercises on liquidity risks. Overall, the liquidity risk of the Company was insignificant. The Company will constantly step up its effort on liquidity risk management pursuant to the regulatory requirements and its own provisions to ensure the performance of its obligation to give insurance benefits as scheduled.

Information Safety Risk

Information safety risk refers to the operational, legal and reputational risks caused by natural factors, human factors, technological loopholes or management defects in the process of applying information technology in the Company.

The Company attached great importance to information safety risk management. Firstly, the Company set up organisational support for information safety. It established an organisational system for internet security across the Company. An Internet Security and Informationisation Commission and an Information Safety Committee were established at the headquarters level for organising the information safety risk management of the Company. A leading group and working group of information safety were established at all levels of divisions for the specific implementation of information safety. Secondly, the Company developed and strictly implemented various systems and mechanisms to ensure the standardisation of information management. Thirdly, the Company optimised the safety management requirements for the full life cycle of its IT system. By conducting safety tests and quality checks on the IT system before and after it was put online, the Company consistently enhanced the safety of such system. The Company also formulated contingency plans of the IT system for regular exercises to enhance its emergency response capability. With the help from the enterprise general control center, the Company developed a joint prevention and joint control mechanism for the entire network, thus achieving the centralised analysis and coordinated disposal of various safety risks. In addition, the Company constantly stepped up efforts on, among others, awareness training, promotion and education, and phishing simulation to raise the information safety awareness of employees, thus fostering a corporate culture of “everyone places emphasis on safety”. In 2024, there was no circumstance where the Company’s operation was affected due to the breakdown of computers or security breach.

In 2024, the Company actively implemented the legal provisions of national laws such as the “Data Security Law” and the “Personal Information Protection Law” to strictly protect critical data and personal information, so as to safeguard the legitimate rights and interests of customers. It established a comprehensive data governance structure and data management system and mechanism, optimised the roles and responsibilities of divisions at all levels for data safety management, improved standards for data classification and categorisation management and strategies for data security protection. The Company conducted pre-assessment, in-process control and post-monitoring of data security risks associated with data processing activities, implemented classified security protection measures for the full life cycle such as the collection, transmission and storage of data in an efficient manner, and developed a 3-dimensional data security protection system, which facilitated data development and utilisation while maximising data value, all under the assurance of data security.

ESG Risk

The Company assesses ESG material issues once a year in view of the external economic, social and macro environment as well as its own development strategy, discusses and determines the risks and opportunities faced by it in relation to ESG, and regards the management and escalation of key issues as its priority of work in ESG for the year. The Board reviews and confirms the assessment results, taking into consideration the key issues as part of its formulation of an overall strategy, and supervising the management of such issues and their performance. In 2024, the Company further strengthened its ESG risk management, through which top five ESG risks were identified as follows: information safety, climate change, corruption, human resources and customer relationship management, and talent attraction and retention. The Company has devised the management strategy against the above risks in order to keep track with the risk development trend in a timely manner.

Fraud Risk

The Company promoted the fraud risk management on an ongoing basis, played an active role in increasing the awareness of fraud risk prevention, and proceeded with all tasks against frauds in an effective manner. The Company has established an organisational system for fraud risk management with the ultimate responsibility assumed by the Board, under the direct leadership of fraud risk managers and with the close cooperation among the functional departments. With its implementation of comprehensive risk management, the Company identified control points in a variety of business activities for fraud risks. The Company also proceeded with all tasks against frauds in active cooperation with regulatory authorities and industry associations, and attached great importance to fostering anti-fraud culture through education on anti-fraud alert and promotion. As a result, the capability of fraud risk prevention and control of the Company was effectively improved.

For other analysis on the insurance risk, market risk, credit risk and liquidity risk of the Company, please refer to the “Risk Management” section in the Notes to the Consolidated Financial Statements of this annual report.

It should be stated that the risk management and internal control of the Company are designed with the objectives to reasonably ensure the legal compliance of business operation and management, safety of assets, truthfulness and completeness of financial reports and relevant information, improvement of operating efficiency and effect, and accomplishment of development strategy. Given the inherent limitations on risk management and internal control, the Company can only provide reasonable assurance with respect to the accomplishment of the above objectives.



OTHER INFORMATION

BASIC INFORMATION OF THE COMPANY

Registered name in Chinese	中國人壽保險股份有限公司（簡稱「中國人壽」）
Registered name in English	China Life Insurance Company Limited ("China Life")
Legal representative	Cai Xiliang
Registered office address/ Current office address	16 Financial Street, Xicheng District, Beijing, P.R. China (On 21 October 2010, the registered address of the Company was changed from No. 16 Chaowai Avenue, Chaoyang District, Beijing, P.R. China to the current address)
Postal code	100033
Telephone	86-10-63633333
Investor relations hotline	86-10-63631241
Customer service hotline	95519
Fax	86-10-66575722
Website	www.e-chinalife.com
Email	ir@e-chinalife.com
Hong Kong office address	16/F, Tower A, China Life Centre, One Harbour Gate, 18 Hung Luen Road, Hung Hom, Kowloon, Hong Kong
Telephone	852-29192628

CONTACT INFORMATION

	Board Secretary	Securities Representative
Name	Liu Hui	Li Yinghui
Office address	16 Financial Street, Xicheng District, Beijing, P.R. China	16 Financial Street, Xicheng District, Beijing, P.R. China
Telephone	86-10-63631241	86-10-63631191
Fax	86-10-66575112	86-10-66575112
Email	ir@e-chinalife.com	liyh@e-chinalife.com
* Ms. Li Yinghui, Securities Representative of the Company, is also the main contact person of the external Company Secretary engaged by the Company		

INFORMATION DISCLOSURE AND PLACE FOR OBTAINING THE REPORT

Media and websites for the Company's A Share disclosure	Shanghai Securities News (www.cnstock.com) Securities Times (www.stcn.com) Securities Daily (www.zqrb.cn)
CSRC's designated website for the Company's annual report disclosure	www.sse.com.cn
The Company's H Share disclosure websites	HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk The Company's website at www.e-chinalife.com
The Company's annual report may be obtained at	16 Financial Street, Xicheng District, Beijing, P.R. China

STOCK INFORMATION

Stock type	Exchanges on which the stocks are listed	Stock short name	Stock code
A Share	Shanghai Stock Exchange	China Life	601628
H Share	The Stock Exchange of Hong Kong Limited	China Life	2628

OTHER RELEVANT INFORMATION

H Share registrar and transfer office	Computershare Hong Kong Investors Services Limited	Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Domestic legal adviser	King & Wood Mallesons	
International legal adviser	Latham & Watkins LLP	
Auditors of the Company	Domestic auditor	Overseas auditor
	Ernst & Young Hua Ming LLP	Ernst & Young
	Address: Rooms 01-12, Level 17, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Avenue, Dongcheng District, Beijing, P.R. China	Address: 27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Name of the Signing Auditors: Gu Hong, Xia Xinran	Name of the Certified Auditor: Andy Ng

DEFINITIONS AND MATERIAL RISK ALERT

In this report, unless the context otherwise requires, the following expressions have the following meanings:

China Life, the Company⁷	China Life Insurance Company Limited and its subsidiaries
CLIC	China Life Insurance (Group) Company, the controlling shareholder of the Company
AMC	China Life Asset Management Company Limited, a non-wholly owned subsidiary of the Company
Pension Company	China Life Pension Company Limited, a non-wholly owned subsidiary of the Company
China Life AMP	China Life AMP Asset Management Company Limited, an indirect non-wholly owned subsidiary of the Company
CGB	China Guangfa Bank Co., Ltd., an associate of the Company
CLP&C	China Life Property and Casualty Insurance Company Limited, a non-wholly owned subsidiary of CLIC
CLI	China Life Investment Management Company Limited, a wholly-owned subsidiary of CLIC
China Life Capital	China Life Capital Investment Company Limited, an indirect wholly-owned subsidiary of CLIC
Ministry of Finance	Ministry of Finance of the People's Republic of China
NFRA	National Financial Regulatory Administration
CSRC	China Securities Regulatory Commission
HKSE	The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
Company Law	Company Law of the People's Republic of China
Insurance Law	Insurance Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Articles of Association	Articles of Association of China Life Insurance Company Limited
C-ROSS (Phase II) Regulation	Solvency Regulatory Rules II for Insurance Companies
SARMRA	Solvency Aligned Risk Management Requirements and Assessment
China or PRC	For the purpose of this report, "China" or "PRC" refers to the People's Republic of China, excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan region of the People's Republic of China
ESG	Environmental, Social and Governance
RMB	Renminbi Yuan

Material Risk Alert:

The risks faced by the Company primarily include risks relating to macro trends, insurance risk, market risk, credit risk, operational risk, strategic risk, reputational risk, liquidity risk, information safety risk, ESG risk and fraud risk, etc. The Company has adopted various measures to manage and control different risks effectively. For details, please refer to the "Future Prospect" in the section headed "Management Discussion and Analysis" and the "Internal Control and Risk Management" in the section headed "Corporate Governance" of this report.

⁷ Except for "the Company" referred to in the Consolidated Financial Statements.

FINANCIAL REPORT

Independent Auditor's Report



Ernst & Young
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Quarry Bay, Hong Kong

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

OPINION

We have audited the consolidated financial statements of China Life Insurance Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 109 to 228, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Independent Auditor's Report (continued)

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

How our audit addressed the key audit matter

Valuation of insurance contract liabilities

As at 31 December 2024, the Group's insurance contract liabilities amounted to RMB5,825,026 million, representing 93.23% of total liabilities. Since the measurement of insurance contract liabilities involves significant accounting estimates and judgments by management, which may have a substantial impact on the insurance contract liabilities, we have identified it as a key audit matter:

The valuation of insurance contract liabilities involves significant judgement and estimates over the eligibility for the measurement approach, the determination of coverage unit and the uncertain future cash flows.

Complex actuarial models and actuarial assumptions with highly judgemental nature are used to support the valuation of insurance contract liabilities. Key assumptions include mortality, morbidity, lapse rates, discount rates, expenses, policy dividends and risk adjustment for non-financial risk, etc.

Refer to Notes 2.8, 4.1, 5.1 and 14 to the consolidated financial statements.

With the support of our internal experts, we performed the following audit procedures:

- Evaluated the appropriateness of the accounting policies related to the measurement of insurance contract liabilities;
- Evaluated and tested the design and operating effectiveness of key controls over the valuation of insurance contract liabilities;
- Evaluated and tested the design and operating effectiveness of the related IT systems and controls over the valuation of insurance contract liabilities;
- Evaluated the reasonableness of key judgements and assumptions, including comparing the key judgements and assumptions with the company's historical data and applicable industry experiences;
- Evaluated the appropriateness of the valuation approaches of insurance contract liabilities. Performed independent recalculation on insurance contract liabilities of selected typical insurance products or groups of insurance contracts;
- Tested the completeness and accuracy of the underlying data used in the valuation of insurance contract liabilities;
- Evaluated the overall reasonableness of the insurance contract liabilities by performing analytical review and assessing the impact of changes in assumptions.

Independent Auditor's Report (continued)

KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Fair value of level 3 financial assets

At 31 December 2024, the financial assets which was measured at fair value and categorized as level 3 amounted RMB636,783 million, accounting for 9.41% of the Group's total assets.

We identified valuation of Level 3 financial assets as a key audit matter, as it involved significant management estimates and judgements in the assessment of valuation methodologies and significant unobservable inputs, and could be significantly impacted by use of different valuation methodologies and changes in significant unobservable inputs.

Refer to Notes 2.4, 4.2 and 5.4 to the consolidated financial statements.

With the support of our internal experts, we performed the following audit procedures:

- Evaluated and tested the design and operating effectiveness of key controls over the valuation of Level 3 financial assets;
- Evaluated the appropriateness of the valuation methodologies adopted by the Group, including comparing them to industry practice and acceptable valuation methods;
- Evaluated the reasonableness of the key parameters used in the fair value measurement of Level 3 financial assets, including comparing significant unobservable inputs with third-party or market data;
- Performed independent valuation for Level 3 financial assets on a sample basis and compared our results to the management record.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

Independent Auditor's Report (continued)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Chi Keung.

Ernst & Young

Certified Public Accountants

Hong Kong
26 March 2025

Consolidated Statement of Financial Position

As at 31 December 2024

		As at 31 December 2024	As at 31 December 2023
	Notes	RMB million	RMB million
ASSETS			
Property, plant and equipment	7	54,030	53,710
Right-of-use assets	8	1,557	1,480
Investment properties	9	12,319	12,753
Investments in associates and joint ventures	10	302,077	258,760
Term deposits	11.1	438,455	413,255
Statutory deposits – restricted	11.2	6,591	6,520
Investment in debt instruments at amortised cost	11.3	196,754	211,349
Investment in debt instruments at fair value through other comprehensive income	11.4	3,458,895	2,744,169
Investment in equity instruments at fair value through other comprehensive income	11.5	171,817	138,005
Financial assets at fair value through profit or loss	11.6	1,908,098	1,705,375
Reinsurance contract assets	14.3	30,738	25,846
Other assets	13	31,712	37,318
Deferred tax assets	27	40,026	24,431
Financial assets purchased under agreements to resell	11.7	30,560	19,759
Accrued investment income		412	51
Cash and cash equivalents		85,505	149,305
Total assets		6,769,546	5,802,086

The notes on pages 116 to 228 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position (continued)

As at 31 December 2024

		As at 31 December 2024	As at 31 December 2023
	Notes	RMB million	RMB million
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	14.2	5,825,026	4,859,175
Reinsurance contract liabilities	14.3	160	188
Interest-bearing loans and other borrowings	15	12,758	12,857
Bonds payable	16	35,194	36,166
Other liabilities	17	140,931	126,750
Deferred tax liabilities		147	–
Current tax liabilities		237	309
Premiums received in advance		28,760	48,878
Financial assets sold under agreements to repurchase	18	151,564	216,851
Financial liabilities at fair value through profit or loss		53,521	13,878
Total liabilities		6,248,298	5,315,052
Equity			
Share capital	32	28,265	28,265
Reserves	33	119,033	145,933
Retained earnings		362,377	302,895
Attributable to equity holders of the Company		509,675	477,093
Non-controlling interests		11,573	9,941
Total equity		521,248	487,034
Total liabilities and equity		6,769,546	5,802,086

Approved and authorised for issue by the Board of Directors on 26 March 2025.

Cai Xiliang

Director

Li Mingguang

Director

The notes on pages 116 to 228 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

		2024	2023
	Notes	RMB million	RMB million
Insurance revenue	20	208,161	212,445
Interest income	21	120,958	122,994
Investment income	22	176,461	(9,375)
Investment income from associates and joint ventures	10	12,077	8,079
Other income		10,970	10,603
Total revenues		528,627	344,746
Insurance service expenses	23	(180,544)	(150,353)
Allocation of reinsurance premiums paid		(5,071)	(4,726)
Less: Amounts recovered from reinsurers		5,449	4,438
Insurance finance income/(expenses) from insurance contracts issued	24	(209,952)	(127,923)
Less: Reinsurance finance income/(expenses) from reinsurance contracts held		671	616
Finance costs		(4,200)	(5,308)
Expected credit losses	25	207	1,217
Other impairment losses		(1,611)	–
Other expenses		(18,363)	(18,131)
Profit before income tax	26	115,213	44,576
Income tax	27	(6,273)	2,971
Net profit		108,940	47,547
Attributable to:			
– Equity holders of the Company		106,935	46,181
– Non-controlling interests		2,005	1,366
Basic and diluted earnings per share	28	RMB3.78	RMB1.63

The notes on pages 116 to 228 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income (continued)

For the year ended 31 December 2024

	2024	2023
	RMB million	RMB million
Other comprehensive income	(56,687)	(21,699)
Other comprehensive income attributable to equity holders of the Company (net of tax)	(56,770)	(21,741)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Changes in fair value of investment in debt instruments at fair value through other comprehensive income	219,720	74,843
Allowance for credit losses on investment in debt instruments at fair value through other comprehensive income	(378)	(892)
Share of other comprehensive income of associates and joint ventures under the equity method	3,287	(51)
Exchange differences on translating foreign operations	(66)	325
Financial changes in insurance contracts	(288,811)	(97,940)
Financial changes in reinsurance contracts	2,667	679
Other comprehensive income that may not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of investment in equity instruments at fair value through other comprehensive income	6,266	1,122
Share of other comprehensive income of associates and joint ventures under the equity method	554	660
Financial changes in insurance contracts	(9)	(487)
Non-controlling interests	83	42
Total comprehensive income for the year, net of tax	52,253	25,848
Attributable to:		
– Equity holders of the Company	50,165	24,440
– Non-controlling interests	2,088	1,408

The notes on pages 116 to 228 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to equity holders of the Company			Non-controlling interests	Total
	Share capital	Reserves	Retained earnings		
	RMB million				
	(Note 32)	(Note 33)			
As at 1 January 2023	28,265	159,784	278,074	8,958	475,081
Net profit	–	–	46,181	1,366	47,547
Other comprehensive income	–	(21,741)	–	42	(21,699)
Total comprehensive income	–	(21,741)	46,181	1,408	25,848
Transactions with shareholders					
Appropriation to reserves (Note 33)	–	7,604	(7,604)	–	–
Dividends declared	–	–	(13,850)	–	(13,850)
Dividends to non-controlling interests	–	–	–	(425)	(425)
Reserves to retained earnings (Note 33)	–	(94)	94	–	–
Others	–	380	–	–	380
Total transactions with shareholders	–	7,890	(21,360)	(425)	(13,895)
As at 31 December 2023	28,265	145,933	302,895	9,941	487,034
Appropriation to reserves (Note 2.1.3)	–	19,762	(19,762)	–	–
As at 1 January 2024	28,265	165,695	283,133	9,941	487,034
Net profit	–	–	106,935	2,005	108,940
Other comprehensive income	–	(56,770)	–	83	(56,687)
Total comprehensive income	–	(56,770)	106,935	2,088	52,253
Transactions with shareholders					
Appropriation to reserves (Note 33)	–	11,889	(11,889)	–	–
Dividends declared (Note 30)	–	–	(17,807)	–	(17,807)
Dividends to non-controlling interests	–	–	–	(463)	(463)
Reserves to retained earnings (Note 33)	–	(2,005)	2,005	–	–
Others	–	224	–	7	231
Total transactions with shareholders	–	10,108	(27,691)	(456)	(18,039)
As at 31 December 2024	28,265	119,033	362,377	11,573	521,248

The notes on pages 116 to 228 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024	2023
	RMB million	RMB million
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	115,213	44,576
Adjustments for:		
Investment income	(176,461)	9,375
Interest income	(120,958)	(122,994)
Expected credit losses	(207)	(1,217)
Other impairment losses	1,611	–
Insurance contracts and reinsurance contracts held	580,024	460,499
Depreciation and amortisation	5,029	5,016
Foreign exchange gains/(losses)	25	381
Investment income from associates and joint ventures	(12,077)	(8,079)
Decrease/(increase) in financial assets at fair value through profit or loss, net	–	(13,777)
Increase/(decrease) in financial liabilities at fair value through profit or loss, net	–	(2,187)
Receivables and payables	(11,751)	5,877
Income tax paid	(1,653)	(1,036)
Interest received – financial assets at fair value through profit or loss	–	7,317
Dividends received – financial assets at fair value through profit or loss	–	615
Net cash inflow/(outflow) from operating activities	378,795	384,366
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals and maturities	2,029,653	1,019,894
Purchases	(2,503,459)	(1,721,536)
Investments in associates and joint ventures	(37,955)	(4,217)
Decrease/(increase) in term deposits, net	(24,551)	80,787
Decrease/(increase) in financial assets purchased under agreements to resell, net	(8,417)	21,837
Interest received	151,721	145,824
Dividends received	38,388	33,373
Cash paid related to other investing activities	–	(198)
Net cash inflow/(outflow) from investing activities	(354,620)	(424,236)

The notes on pages 116 to 228 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2024

	2024	2023
	RMB million	RMB million
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in financial assets sold under agreements to repurchase, net	(65,875)	67,129
Cash received from borrowings	65	43
Interest paid	(8,650)	(7,921)
Repayment of borrowings and bonds	(35,138)	(577)
Dividends paid to equity holders of the Company	(17,807)	(13,850)
Dividends paid to non-controlling interests	(458)	(418)
Proceeds from issue of bonds	35,000	–
Payment of lease liabilities	(1,074)	(1,149)
Capital injected into subsidiaries by non-controlling interests, net	7,178	18,035
Cash received related to other financing activities	–	750
Cash paid related to other financing activities	–	(1,769)
Net cash inflow/(outflow) from financing activities	(86,759)	60,273
Foreign exchange gains/(losses) on cash and cash equivalents	28	64
Net increase/(decrease) in cash and cash equivalents	(62,556)	20,467
Cash and cash equivalents		
Beginning of the period	148,061	127,594
End of the period	85,505	148,061
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	85,118	147,453
Short-term bank deposits	387	608

The notes on pages 116 to 228 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1 ORGANISATION AND PRINCIPAL ACTIVITIES

China Life Insurance Company Limited (the “Company”) was established in the People’s Republic of China (“China” or the “PRC”) on 30 June 2003 as a joint stock company with limited liability as part of a group restructuring of China Life Insurance (Group) Company (“CLIC”, formerly China Life Insurance Company) and its subsidiaries (the “Restructuring”). The Company and its subsidiaries are hereinafter collectively referred to as the “Group”. The Group’s principal activities are the underwriting of life, health, accident and other types of personal insurance business; reinsurance for personal insurance business; fund management business permitted by national laws and regulations or approved by the State Council of the People’s Republic of China, etc.

The Company is a joint stock company incorporated in the PRC with limited liability. The address of its registered office is 16 Financial Street, Xicheng District, Beijing, the PRC. The Company is listed on the Stock Exchange of Hong Kong Limited, and the Shanghai Stock Exchange.

These consolidated financial statements are presented in millions of Renminbi (“RMB million”) unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board of Directors on 26 March 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of preparation

The Group has prepared these consolidated financial statements in accordance with IFRS® Accounting Standards, amendments to IFRS Accounting Standards and interpretations issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. The Group has prepared the consolidated financial statements under the historical cost convention, except for financial assets and liabilities measured at fair value, assets or liabilities held for insurance contracts and reinsurance contracts, certain property, plant and equipment at deemed cost as part of the restructuring process. The preparation of financial statements in compliance with IFRS Accounting Standards requires the use of certain material estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 New accounting standards and amendments adopted by the Group for the first time for the financial year beginning on 1 January 2024

Standards/Amendments	Content	Effective for annual periods beginning on or after
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to IAS 1	<i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to IFRS 16	<i>Lease Liabilities in a sale and Leaseback</i>	1 January 2024
Amendments to IAS 7, “Statement of Cash Flows” and IFRS 7, “Financial Instruments: Disclosures”	<i>Financing Arrangements of Supplier</i>	1 January 2024

The above amendments to the standards did not have any significant impact on the consolidated financial statements of the Group for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.2 New accounting standards and amendments that are issued but not yet effective and have not been early adopted by the Group for the financial year beginning on 1 January 2024

Standards/Amendments	Content	Effective for annual periods beginning on or after
IFRS 18 (i)	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	No mandatory effective date yet determined but available for adoption
Amendments to IAS 21	<i>Lack of Convertibility</i>	1 January 2025
Annual Improvements to IFRS Accounting Standards—Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS7.</i>	1 January 2026

(i) IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group is currently assessing the impact on the Group's consolidated financial statements.

2.1.3 Appropriation to reserves on 1 January 2024

Pursuant to the relevant PRC laws and regulations, the Company appropriated 10% of its net profit prepared in accordance with the Accounting Standards for Business Enterprises ("ASBE") to statutory reserve fund and the general reserve separately. In 2017, the Ministry of Finance of the PRC (referred to as the "MOF") issued the ASBE No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2017] No. 7), ASBE No. 23 – Transfer of Financial Assets (Caikuai [2017] No. 8), ASBE No. 24 – Hedge Accounting (Caikuai [2017] No. 9), and ASBE No. 37 – Presentation of Financial Instruments (Caikuai [2017] No. 14). In 2020, the MOF issued ASBE No. 25 – Insurance Contracts (Caikuai [2020] No. 20). The Company adopted these aforementioned accounting standards for its financial statements prepared in accordance with the ASBE from 1 January 2024. As a result, the Company adjusted the retained earnings and reappropriated the amount of the reserves based on the impact of application of the new accounting standards on 1 January 2024.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. Subsidiaries are those entities which are controlled by the Group (including the structured entities controlled by the Group). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as if the Group had directly disposed of the related assets or liabilities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in business combination under common control as if they had been combined from the date when the combining entities or businesses first came under the control of the ultimate holding company. The net assets of the combining entities or businesses are consolidated using the carrying amount from the ultimate holding company's perspective. No amount is recognised for goodwill or excess of the Group's interest in the book value of the net assets over cost at the time of the common control combination, to the extent of the continuation of the ultimate holding company's interest. The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative financial data have been restated to reflect the business combinations under common control occurred during this year. Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses and other costs incurred in relation to the common control combination that is to be accounted for by using the merger accounting method are recognised as expenses in the period in which they are incurred.

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

The excess of the aggregate of the consideration transferred, the fair value of any non-controlling interest in the acquiree, and the fair value of any previous equity interest in the acquiree at the acquisition date over the fair value of the net identifiable assets acquired and liabilities assumed is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. If there is any indication that goodwill is impaired, recoverable amount is estimated and the difference between carrying amount and recoverable amount is recognised as an impairment charge. Impairment losses on goodwill are not reversed in subsequent periods. Gains or losses on the disposal of an entity take into consideration the carrying amount of goodwill relating to the entity sold.

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

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of controls as equity transactions. For shares purchased from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal of shares to non-controlling interests are also recorded in equity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

Transactions with non-controlling interests (continued)

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

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

2.3 Associates and joint ventures

Associates are entities over which the Group has significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of post-acquisition profit or loss of its associates and joint ventures is recognised in net profit, and its share of post-acquisition movements in OCI is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses unless it has obligations to make payments on behalf of the associate or joint venture.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates and joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group adjusts the financial statements of its associates and joint ventures for insurance companies that have not adopted IFRS 9 and IFRS 17 in accordance with the Group's accounting policies and recognizes investment income and other comprehensive income, etc. accordingly.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of acquired associates or joint ventures at the date of acquisition. Goodwill on acquisitions of associates and joint ventures is included in investments in associates and joint ventures and is tested for impairment as part of the overall balance. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity take into consideration the carrying amount of goodwill relating to the entity sold.

The Group determines at each reporting date whether there is any objective evidence that the investments in associates and joint ventures are impaired. If this is the case, an impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the investment's fair value less costs of disposal and value in use. The impairment of investments in the associates and joint ventures is reviewed for possible reversal at each reporting date.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

Purchase and sale of investments are recognised on the trade date, when the Group commits to purchase or sell assets. At initial recognition, financial assets or financial liabilities not at fair value through profit or loss are measured at fair value plus or minus transaction costs (such as related charges and commissions) that are directly attributable to the acquisition or issue of such financial assets or financial liabilities. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are recognised in profit or loss.

2.4.1 Financial assets

Classification and measurement

Based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: financial assets at amortised cost, investment in debt instruments at fair value through other comprehensive income, investment in equity instruments at fair value through other comprehensive income, and financial assets at fair value through profit or loss. When, and only when, the Group changes the business model for managing financial assets, the Group shall reclassify all affected financial assets.

Debt instruments

Debt instruments are those financial instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on:

- (a) the Group's business model for managing assets; and
- (b) cash flow characteristics of financial assets (whether the cash flows are solely payments of principal and interest on the principal amount outstanding).

Based on these factors, the Group classifies its debt instruments into the following three measurement categories:

i. Financial assets at amortised cost

The financial asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial assets are not designated as at fair value through profit or loss, so they are measured at amortised cost. The interest income of such financial assets is recognised using the effective interest rate method. Impairment losses and foreign exchange gains or losses are recognised in profit or loss. The gains or losses arising from derecognition are recognised directly in profit or loss. The financial assets held by the Group mainly include cash and cash equivalents, investment in debt instruments at amortised cost, financial assets purchased under agreements to resell, term deposits, etc.

ii. Investments in debt instruments at fair value through other comprehensive income

The financial asset is held within a business model whose objectives are both collecting the contractual cash flows and selling such financial assets, and the contractual cash flow characteristics are consistent with a basic lending arrangement. In addition, the financial assets are not designated as at fair value through profit or loss. Such financial assets are measured at fair value through other comprehensive income, and interest income is recognised using the effective interest rate method. Impairment losses and foreign exchange gains or losses are recognised in profit or loss for the current period. When such financial assets are derecognised, the cumulative changes in fair value recognised in other comprehensive income are carried forward to profit or loss for the current period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.1 Financial assets (continued)

Classification and measurement (continued)

Debt instruments (continued)

iii. Financial assets at fair value through profit or loss

Debt instruments held by the Group that are not measured at amortised cost or fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. These financial assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss within investment income. The interest income of debt instruments under this type of financial asset is calculated based on the coupon rate.

Equity instruments

Equity instruments are financial instruments that meet the definition of equity instruments when analysed from the issuer's perspective.

All equity instruments held by the Group are subsequently measured at fair value, and gains or losses are recognised in profit or loss. However, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the instrument's fair value in other comprehensive income, and no provision for impairment is required. Dividend income is recognised in profit or loss for the period (except for those clearly represent a recovery of part of the cost of the investments). Other net gains and losses (including exchange gains and losses) are recognised in other comprehensive income, and may not be subsequently transferred to profit or loss. Changes in the fair value of equity instruments measured at fair value through profit and loss, including any dividend income and foreign exchange gains and losses, are recognised in profit or loss within investment income. Dividend incomes on these equity instruments, which are generally determined at the amounts to be distributed by the investees, are recognised when the Group's right to receive the payment is established.

Equity instruments classified as financial assets at fair value through profit or loss. After the initial confirmation, gains or losses arising from changes in the fair value of such financial assets (including dividend income earned and exchange gains or losses) are recognised in profit or loss for the period and shown in investment income. Dividend income from equity instruments is generally determined by the amount distributed by the investee and is recognised when the Group's right to receive dividends is established.

Impairment

Expected credit losses ("ECL") refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows discounted at the original effective interest rate or credit-adjusted effective interest rate for credit-impaired financial assets and receivable under the contract and all cash flows expected to be received, which is the present value of all cash shortfalls.

The Group recognises credit losses the basis of the ECL for cash and cash equivalents, term deposits, statutory deposits, financial assets purchased under agreements to resell, investment in debt instrument at amortised cost, investment in debt instrument at fair value through other comprehensive income, as well as other receivables etc.

Giving consideration to reasonable and supportable information on past events, current conditions and forecasts of future economic conditions weighted by the probability of default, the Group recognises the ECL as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be collected.

At each reporting date, the ECL of financial instruments at different stages is measured respectively. 12-month ECL is recognised for financial instruments in Stage 1 which do not have a significant increase in credit risk since initial recognition; lifetime ECL is recognised for financial instruments in Stage 2 which have had a significant increase in credit risk since initial recognition but are not deemed to be credit-impaired; and lifetime ECL is recognised for financial instruments in Stage 3 that has been credit-impaired.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.1 Financial assets (continued)

Impairment (continued)

For the financial instruments in Stage 1 and Stage 2, the Group calculates the interest income by applying the effective interest rate to the gross carrying amount (before net of expected credit losses). For the financial instruments in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (net of expected credit losses).

The Group recognises the impairment gain or loss into profit or loss for the period. For debt instruments classified as fair value through other comprehensive income, the Group recognises the loss allowance in profit or loss, meanwhile adjusts other comprehensive income, which does not decrease the carrying amount of the financial assets.

Derecognition

A financial asset is derecognised when one of the following criteria is met: (i) the contractual rights to receive the cash flows from the financial asset has expired, (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When an investment in equity instruments measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income should be transferred out and recognised in retained earnings. For other financial assets, when they are derecognised, their cumulative gains or losses previously recognised in other comprehensive income should be transferred out and recognised in profit or loss.

2.4.2 Financial liabilities

Financial liabilities are classified into financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities at amortized cost consist primarily of interest-bearing loans and other borrowings, financial assets sold under agreements to repurchase, bonds payable and liabilities arising from certain investment contracts without a discretionary participation feature (presented in other liabilities). Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and using the effective interest rate method for subsequent measurement.

Financial liabilities at fair value through profit or loss mainly include liabilities arising from certain investment contracts without discretionary participation features (pension annuity products that do not transfer insurance risk), which are designated on initial recognition for subsequent measurement at fair value, with all realized or unrealized gains and losses recognised in profit or loss.

The Group retains substantially all the risk and rewards of ownership of securities sold under agreements to repurchase which generally mature within 180 days from the transaction date. Therefore, securities sold under agreements to repurchase are classified as secured borrowings. The Group may be required to provide additional collateral based on the fair value of the underlying securities. Securities sold under agreements to repurchase are recorded at amortised cost, i.e., their cost plus accrued interest at the end of the reporting period. The underlying asset of securities sold under agreements to repurchase continue to be carried on the consolidated statement of financial position.

Bonds payable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium at acquisition and transaction costs.

A financial liability is derecognised or partly derecognised when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognised part of the financial liability and the consideration paid is recognised in profit or loss for the current period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement of assets and liabilities is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described in Notes 5.4, 9 and 12 based on the lowest level input that is significant to the fair value measurement as a whole.

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

2.6 Cash and cash equivalents

Cash amounts represent cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of 90 days or less, whose carrying value approximates fair value.

2.7 Financial assets purchased under agreements to resell

The Group purchases securities under agreements to resell substantially identical securities. These agreements are classified as secured loans and are recorded at amortised cost, i.e., their costs plus accrued interests at the end of the reporting period, which approximates fair value. The amounts advanced under these agreements are reflected as assets in the consolidated statement of financial position. The Group does not take physical possession of financial assets purchased under agreements to resell. Sale or transfer of the securities is not permitted by the respective clearing house on which they are registered while the lent capital is outstanding. In the event of default by the counterparty, the Group has the right to the underlying securities held by the clearing house.

2.8 Insurance Contracts

2.8.1 Definition

The contracts issued by the Group are classified into insurance contracts and investment contracts.

An insurance contract is a contract under which the issuer of the contract accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified insured event adversely affects the policyholder. The Group assesses the extent to which insurance risk is transferred within a contract, conducting a test for the presence of significant insurance risk, thereby determining whether the contract should be classified as an insurance contract. Insurance contracts are those contracts that transfer significant insurance risk.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.1 Definition (continued)

When the Group performs tests on significant insurance risk, it determines that a contract transfers significant insurance risk if the following conditions are met:

- (a) at least in one scenario that has commercial substance, an insured event specified by the contract could cause the Group to pay significant additional amounts, even if the insured event is extremely unlikely, or even if the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. Absence of discernible effect on the economics indicates lack of commercial substance. The additional amounts refer to the present value of amounts payable if an insured event occurs that exceed those that would be payable if no insured event had occurred (including claims handling and assessment costs);
- (b) at least in one scenario that has commercial substance, an insured event specified by the contract could cause the Group to incur a loss on a present value basis. However, even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

Investment contracts issued by the Group have the legal form of insurance contracts but do not transfer significant insurance risks. The Group accounts for the investment contract with discretionary participation features applying the accounting treatments for insurance contracts. An investment contract with discretionary participation features is a financial instrument that provides a particular investor with the contractual right to receive guaranteed and additional amounts. The additional amounts are subject to the returns on a specified pool of items at the discretion of the issuer, and are expected to be a significant portion of the total contractual benefits. For liabilities arising from investment contracts without discretionary participation features, the Group accounts for these contracts according to note 2.4.2.

An insurance contract is an insurance contract with direct participation features if all the following conditions are met at the inception of the contracts:

- (a) the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- (b) an amount equal to a substantial share of the fair value returns on the underlying items is expected to be paid to the policyholder; and
- (c) a substantial proportion of any change in the amounts to be paid to the policyholder is expected to vary with the change in fair value of the underlying items.

Reinsurance contract is an insurance contract issued by the reinsurer to compensate the cedent for claims arising from one or more insurance contracts issued by the cedent.

The Group adopts different models for different types of insurance contracts. Insurance contracts with direct participation features are measured using the variable fee approach. The Group simplifies the measurement using the premium allocation approach for insurance contracts and reinsurance contracts with coverage of one year or less or contract groups where there is no significant difference between the results of measuring liabilities for remaining coverage using the premium allocation approach and the results of measuring such liabilities using general measurement model. Other types of insurance and reinsurance contracts are measured using the general measurement model.

The Group assesses the classification of contracts using its expectations at inception of the contracts and does not reassess the conditions afterwards, unless the contracts are modified.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.2 Combination

The Group treats a series of insurance contracts with the same counterparty or related counterparties which may achieve an overall commercial effect, as a whole in order to report the substance of such contracts.

2.8.3 Separation

An insurance contract may contain one or more components, the Group separates the following components:

- (a) embedded derivatives meeting the separation conditions of accounting policies for financial instruments under IFRS 9 – Financial Instruments;
- (b) distinct investment components, but the investment components that meet the definition of investment contracts with discretionary participation features are still accounted for applying the accounting policies for insurance contracts;
- (c) promises to transfer distinct goods or services other than insurance contract services.

Investment component is the amount that an insurance contract requires to repay to policyholders regardless of whether an insured event occurs.

After the Group identifies and separates the non-insurance components that meet the above conditions for separation, the Group applies the accounting policies related to insurance contracts to the remaining portion.

2.8.4 Classification

The Group identifies portfolios of insurance contracts as contracts subject to similar risks and are managed together.

A group of insurance contracts consists of one or more insurance contracts issued within a period of no longer than one year and with similar levels of profitability.

The Group divides a portfolio of insurance contracts into a minimum of the following groups:

- (a) a group of contracts that is onerous at initial recognition;
- (b) a group of contracts that at initial recognition has no significant possibility of becoming onerous subsequently;
- (c) a group of the remaining contracts in the portfolio.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued.

The Group divides the same portfolio of reinsurance contracts held into at least the following groups of contracts:

- (a) a group of contracts for which there is a net gain at initial recognition;
- (b) a group of contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently;
- (c) a group of the remaining contracts in the portfolio.

The Group classifies reinsurance contracts held within a period of no longer than one year into the same group of reinsurance contracts held.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The Group does not reassess the composition of the groups subsequently.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.5 Recognition

The Group recognizes a group of insurance contracts it issues from the earliest of the following:

- (a) the beginning of the coverage period of the group of contracts, the coverage period refers to the period during which the Group provides insurance contract services;
- (b) the date when the first payment from a policyholder becomes due, or the date when the first payment is received by the Group if there is no contractual due date;
- (c) when it becomes onerous.

Reinsurance contracts held are recognised from the earliest of the following:

- (a) the beginning of the coverage period of the group of reinsurance contracts held; and
- (b) the date the Group recognizes an onerous group of underlying insurance contracts.

For the reinsurance contracts held that provide proportionate coverage, they are recognised from the earlier of the following:

- (a) the later of the beginning of the coverage period or that any underlying insurance contract is initially recognised;
- (b) the date the Group recognizes an onerous group of underlying insurance contracts.

2.8.6 Measurement of insurance contracts

(i) General provisions (general measurement model)

Initial measurement

On initial recognition, the Group shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin.

Fulfilment cash flows comprise the following:

- (a) estimates of future cash flows directly related to the insurance contract;
- (b) an adjustment to reflect the time value of money and the financial risks; and
- (c) a risk adjustment for non-financial risk.

The fulfilment cash flows do not reflect the non-performance risk of the Group.

The Group defines insurance acquisition cash flows as cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group may estimate the future cash flows at a higher level of aggregation and then allocate the resulting fulfilment cash flows to individual groups of contracts.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.6 Measurement of insurance contracts (continued)

(i) General provisions (general measurement model) (continued)

Initial measurement (continued)

The estimates of future cash flows:

- (a) estimates of future cash flows are unbiased probability-weighted averages;
- (b) reflect the perspective of the Group, provided that the estimates of any relevant market variables are consistent with observable market prices for those variables;
- (c) reflect conditions existing at the reporting date; and
- (d) are estimated separately from adjustment for the time value of money and financial risk, unless the most appropriate measurement technique combines these estimates.

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group and does not measure future cash flows outside the boundary of the contract group.

Cash flows are within the boundary of an insurance contract if the Group has the right to require policyholders to pay premiums or has a substantive obligation to provide policyholders with insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- (a) the Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- (b) the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

The Group uses appropriate discount rate to adjust the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows. The discount rates applied to scope out of the future cash flows shall:

- (a) reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts; and
- (b) be consistent with observable current market prices for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, excluding the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

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

The contractual service margin is a component of the liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides insurance contract services in the future.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.6 Measurement of insurance contracts (continued)

(i) General provisions (general measurement model) (continued)

Initial measurement (continued)

On initial recognition, the contractual service margin is an amount arising from:

- (a) the fulfilment cash flows;
- (b) the derecognition at the date of initial recognition of any asset for insurance acquisition cash flows and any other asset or liability previously recognised for cash flows related to the group of contracts;
- (c) any cash flows arising from the contracts in the group at that date.

If the total amount represents net cash inflows, the Group recognizes it as contract service margin. If the total amount represents net cash outflows, the Group recognizes a loss.

Subsequent measurement

The insurance contract liabilities are subsequently measured by the Group at the reporting date at the total of the liabilities for remaining coverage and the liabilities for incurred claims.

The liability for remaining coverage includes the fulfilment cash flows related to unexpired coverage period allocated to the group at the reporting date and the contractual service margin of the group at that date.

The liability for incurred claims includes the fulfilment cash flows related to claims and other related expenses incurred allocated to the group at the reporting date.

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of insurance contracts at the reporting date is adjusted by the Group to reflect the effect of the following changes at the group of contracts level:

- (a) the effect of any new contracts added to the group;
- (b) interest accreted on the carrying amount of the contractual service margin for contracts measured using the general measurement model. Interest accreted on the contractual service margin is measured at the locked-in discount rates. The locked-in discount rates are determined at the date of initial recognition of a group of contracts, applied to nominal cash flows that do not vary based on the returns on any underlying items;
- (c) changes relating to future service; except for
 - when the changes result in a decrease in the carrying amount of the contractual service margin, and the changes exceed the carrying amount of the contractual service margin. The contractual service margin is reduced to zero, and the excess is recognised in insurance service expenses and a loss component is recognised within the liabilities for remaining coverage;
 - the above changes adjust the loss component within the liabilities for remaining coverage with correspondence to insurance service expenses. When the changes exceed the amount of loss component, the loss component should be reduced to zero. The remaining should be reinstating the contractual service margin.
- (d) the effect of any currency exchange differences on the contractual service margin; and
- (e) the amount recognised as insurance revenue because of the services provided in the period. The Group rationally determines the coverage units of the groups of contracts in each period of the coverage period based on the pattern of provision of insurance contract services, and recognises insurance revenue accordingly over the current and future periods by amortising the carrying amount of the contractual service margin as adjusted for (a) to (d) above.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.6 Measurement of insurance contracts (continued)

(i) General provisions (general measurement model) (continued)

Subsequent measurement (continued)

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

- (a) experience adjustments arising from premiums received in the period that related to future services and related cash flows, measured at the discount rates determined on initial recognition;
- (b) changes in estimates of the present value of future cash flows in the liabilities for remaining coverage, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money, financial risk and changes therein;
- (c) differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable;
- (d) differences between the amount of policy loans that were expected to be receivable in the period and the amount of policy loans that actually became receivable;
- (e) changes in risk adjustment for non-financial risk that relate to future service.

(ii) Measurement of groups of insurance contracts with direct participation features (variable fee approach)

The measurement of variable fee approach is consistent with the general measurement model except for the accounting policies listed below.

The Group applies the variable fee approach to measure the insurance contracts with direct participation features. The Group estimates the fulfilment cash flows of the groups of insurance contracts with direct participation features at the difference between the fair value of the underlying items and the variable fee.

The variable fee reflects the consideration received by the Group for providing investment-related services by managing the underlying items on behalf of the policyholder, and is equal to the Group's share of the fair value of the underlying items less the fulfilment cash flows that do not vary based on the return on the underlying items.

For groups of insurance contracts measured using the variable fee approach, the carrying amount of the contractual service margin of a group of contracts at each reporting date equals the carrying amount at the start of the reporting period adjusted for:

- (a) the effect of any new contracts added to the group;
- (b) the change in the amount of the Group's share of the fair value of the underlying items, except to the extent that:
 - the decrease in the amount of the Group's share of the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss;
 - the increase in the amount of the Group's share of the fair value of the underlying items reverses the loss component of the liabilities for remaining coverage.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.6 Measurement of insurance contracts (continued)

(ii) Measurement of groups of insurance contracts with direct participation features (variable fee approach) (continued)

(c) the changes in fulfilment cash flows relating to future service and do not vary based on the returns of the fair value of underlying items, except to the extent that:

- such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss;
- such decreases in the fulfilment cash flows are allocated to the loss component of the liabilities for remaining coverage.

(d) the effect of any currency exchange differences on the contractual service margin; and

(e) the amount recognised as insurance revenue because of the services provided in the period. The Group identifies the coverage units of the groups of contracts for the coverage period in accordance with the insurance contract service provided, and recognised in the insurance revenue of the current period and subsequent periods accordingly by allocating the carrying amount of the contractual service margin as adjusted for (a) to (d) above.

(iii) Measurements for onerous insurance contracts

If a group of insurance contracts is onerous at the date of initial recognition, or if additional loss caused by contracts added to the group of onerous contracts, the Group recognizes a loss as insurance service expenses in profit or loss for the net outflow for the group of onerous contracts, resulting in the carrying amount of the liabilities for remaining coverage for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero.

A group of insurance contracts becomes onerous (or more onerous) on subsequent measurement if it meets one of the following conditions, the Group recognizes a loss as insurance service expenses in profit or loss and increases loss component of the liabilities for remaining coverage:

- (a) the amount of unfavorable changes relating to future service in the fulfilment cash flows changes in estimates of future cash flows and the risk adjustment for non-financial risk exceed the carrying amount of the contractual service margin;
- (b) for a group of insurance contracts with direct participation features, the decrease in the amount of the Group's share of the fair value of the underlying items exceed the carrying amount of the contractual service margin.

After a loss is recognised, the Group allocates the subsequent changes in fulfilment cash flows of the liabilities for remaining coverage specified as follows on a systematic basis between the loss component and the liabilities for remaining coverage excluding the loss component:

- (a) estimates of the present value of future cash flows for claims and expenses released from the liabilities for remaining coverage because of incurred insurance service expenses;
- (b) changes in the risk adjustment for non-financial risk recognised in profit or loss because of the release from risk; and
- (c) insurance finance income or expenses.

Any amounts allocated to the loss component of the liabilities for remaining coverage are not recognised as insurance revenue.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.6 Measurement of insurance contracts (continued)

(iii) Measurements for onerous insurance contracts (continued)

After the Group has recognised a loss on an onerous group of insurance contracts, the subsequent measurements are:

- (a) for any subsequent increases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk, and any subsequent decreases in the amount of the Group's share of the fair value of the underlying items, the Group recognizes a loss as insurance service expenses in profit or loss and increases the liabilities for remaining coverage;
- (b) for any subsequent decreases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk, and any subsequent increases in the amount of the Group's share of the fair value of the underlying items, the Group reverses the insurance service expenses in profit or loss and decreases the loss component of the liabilities for remaining coverage until that component is reduced to zero, the Group adjusts the contractual service margin only for the excess of the decrease over the amount allocated to the loss component.

(iv) Simplified approach for measurement of groups of insurance contracts (premium allocation approach)

The Group uses the premium allocation approach for measuring the group of insurance contracts with a coverage period of each contract in the group is one year or less, or the Group reasonably expects that the measurement of the liabilities for remaining coverage for the group using the premium allocation approach that would not differ materially from the one that would be produced using general measurement model.

Initial measurement

On initial recognition, the Group measures the liabilities for remaining coverage based on the premiums received minus the insurance acquisition cash flows, minus (or add) the amount of the assets for insurance acquisition cash flows and other related assets or liabilities that is derecognised at the initial recognition.

Subsequent measurement

The carrying amount of insurance contracts liabilities issued at the reporting date is the sum of the liabilities for remaining coverage and the liabilities for incurred claims.

At the reporting date, the carrying amount of the liabilities for remaining coverage is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus any amounts relating to the amortization of insurance acquisition cash flows recognised as insurance service expenses in the reporting period, plus any adjustment to a financing component, minus the amount recognised as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liabilities for incurred claims.

If, at any time during the coverage period, relevant facts and circumstances indicate that a group of insurance contracts is onerous, the Group will recognise a loss in profit or loss and increase the liabilities for remaining coverage.

The Group recognises the liabilities for incurred claims of the insurance contracts as the amount of fulfilment cash flow related to the incurred compensation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.7 Measurement of groups of reinsurance contracts held

(i) Groups of reinsurance contracts not measured using the premium allocation approach

On initial recognition, the Group measures a group of reinsurance contracts held at the total of the fulfilment cash flows and the contractual service margin. The contractual service margin represents the net cost or net gain the Group will recognize as it receives insurance contract services from the reinsurer.

The fulfilment cash flows for the group of reinsurance contracts held include estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks and a risk adjustment for non-financial risk, which relate directly to fulfil insurance contracts. The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the issuer of those contracts.

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

On initial recognition for a group of reinsurance contracts held, the Group calculates the sum of:

- (a) the fulfilment cash flows;
- (b) the amount derecognised at that date of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held;
- (c) any cash flows arising from the reinsurance contracts held in the group at that date;
- (d) loss-recovery component of assets for remaining coverage of reinsurance contracts held.

The Group recognizes any net cost or net gain of the above total amounts as a contractual service margin.

The assets for reinsurance contracts held is subsequently measured by the Group at each reporting date at the total of the asset for remaining coverage and the asset for incurred claims.

The asset for remaining coverage includes the fulfilment cash flows related to unexpired coverage period allocated to the group of reinsurance contracts held at the reporting date and the contractual service margin of the group at that date.

The asset for incurred claims includes the fulfilment cash flows related to recovery of claims and other related expenses incurred allocated to the group of reinsurance contracts held at the reporting date.

If the reinsurance contract held is entered into before or at the same time as the onerous underlying insurance contracts are recognised, when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group recognises a loss-recovery component of the asset for remaining coverage for such groups of reinsurance contracts held by multiplying:

- (a) the loss recognised on the underlying insurance contracts; and
- (b) the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held.

The Group recognises the amount calculated above as an adjustment to contractual service margin and simultaneously as recoveries of insurance service expenses from reinsurers in profit or loss of the period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.7 Measurement of groups of reinsurance contracts held (continued)

(i) Groups of reinsurance contracts not measured using the premium allocation approach (continued)

When the Group measures the groups of reinsurance contracts held, it adjusts the loss-recovery component to reflect changes in the loss components of the onerous underlying insurance contracts, with the carrying amount of the loss-recovery component not exceeding the portion of the carrying amount of the loss components of the onerous underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The Group measures the contractual service margin at each reporting date for a group of reinsurance contracts held as the carrying amount determined at the start of the reporting period, adjusted for:

- (a) the effect of contracts added to the group of contracts in the period on the contractual service margin;
- (b) interest accreted on the carrying amount of the contractual service margin, measured at the discount rates determined at the date of initial recognition of a group of contracts, to nominal cash flows that do not vary based on the returns on any underlying items;
- (c) the loss-recovery component of the asset for remaining coverage recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group, and reversals of a loss recovery component of the asset for remaining coverage to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held;
- (d) the changes in the fulfilment cash flows relating to future service, other than the change resulting from a change in fulfilment cash flows allocated to a group of underlying insurance contracts that does not adjust the contractual service margin for the group of underlying insurance contracts, or the change resulting from recognition or reversal of losses from onerous groups of underlying contracts measured applying the premium allocation approach;
- (e) the effect of any currency exchange differences in the period arising on the contractual service margin;
- (f) the amortisation of the contractual service margin in the period. The Group rationally determines the coverage units of the group of reinsurance contracts held in each period of the coverage period based on the pattern of receipt of insurance contract services, and recognises profit or loss accordingly over the current and future periods by amortising the carrying amount of the contractual service margin as adjusted for (a) to (e) above.

(ii) Groups of reinsurance contracts measured using the premium allocation approach

The Group applies the same principles to measure the groups of insurance contracts issued and the groups of reinsurance contracts held using the premium allocation approach.

When a group of reinsurance contracts held is measured using the premium allocation approach, for the amount recognised and reversed by the loss-recovery component of asset for remaining coverage recovered from reinsurers, the Group adjusts the carrying amount of asset for remaining coverage recovered from reinsurers in the group of reinsurance contracts while recognising the amounts recovered from reinsurers.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.8 Investment contracts with discretionary participation features

In addition to the requirements for insurance contracts set out above, the recognition and measurement for investment contract with discretionary participation features are modified as follows:

- (a) the date of initial recognition is the date the Group becomes party to the contract;
- (b) the contract boundary is modified so that cash flows are within the contract boundary if they result from a substantive obligation of the Group to deliver cash at a present or future date. The Group has no substantive obligation to deliver cash if the Group has the practical ability to set a price for the promise to deliver the cash that fully reflects the amount of cash promised and related risks;
- (c) the allocation of the contractual service margin is modified so that the Group recognizes the contractual service margin over the duration of the group of contracts in a systematic way that reflects the transfer of investment services under the contract.

2.8.9 Modification and derecognition

If the terms of an insurance contract are modified, the Group derecognizes the original contract and recognizes the modified contract as a new contract, if any of the conditions below are satisfied:

- (a) if the modified terms had been included at contract inception:
 - the modified contract would have been excluded from the scope of the accounting policies related to insurance contracts;
 - the Group would have separated different components from the host insurance contract, resulting in a different insurance contract to which the accounting policies related to insurance contracts would have applied;
 - the modified contract would have had a substantially different contract boundary; or
 - the modified contract would have been included in a different group of contracts.
- (b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- (c) the Group applied the premium allocation approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

If a contract modification meets none of the conditions above, the Group treats changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

The Group derecognizes an insurance contract when it is extinguished, i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled.

2.8.10 Presentation

(i) Insurance revenue

The Group recognizes the reduction in the liabilities for remaining coverage because of services provided in the period as insurance revenue.

The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.10 Presentation (continued)

(i) Insurance revenue (continued)

For contracts not measured using the premium allocation approach, insurance revenue includes the following:

(a) Amounts related to the changes in the liabilities for remaining coverage;

- claims and other related expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - a) amounts allocated to the loss component;
 - b) repayments of investment components;
 - c) amounts that relate to transaction-based taxes collected on behalf of third parties; and
 - d) insurance acquisition cash flows.
- the changes in the risk adjustment for non-financial risk, excluding:
 - a) changes included in insurance finance income or expenses;
 - b) changes that relate to future service that adjust the contractual service margin; and
 - c) amounts allocated to the loss component.
- amounts of the contractual service margin amortised; and
- other.

(b) The Group determines insurance service expenses related to insurance acquisition cash flows in a systematic way on the basis of the passage of time. The Group recognizes the same amount as insurance revenue to reflect the portion of the premiums that relate to recovering those cash flows.

For groups of insurance contracts measured using the premium allocation approach, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

(ii) Insurance service expenses

The Group recognises the increase in the liabilities for incurred claims because of claims and expenses incurred in the period and any subsequent changes in fulfilment cash flows relating to incurred claims and incurred expenses as insurance service expenses.

Insurance service expenses include the following:

- (a) claims and other related expenses incurred in the period, excluding investment components;
- (b) amortisation of insurance acquisition cash flows;
- (c) changes that relate to past service – changes in the fulfilment cash flow relating to the liabilities for incurred claims; and
- (d) changes that relate to future service – changes in the fulfilment cash flow that result in onerous contract losses or reversals of those losses.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.10 Presentation (continued)

(ii) Insurance service expenses (continued)

For contracts not measured using the premium allocation approach, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue. For contracts measured using the premium allocation approach, amortisation of insurance acquisition cash flows is based on the passage of time.

(iii) Allocation of reinsurance premiums paid

The Group recognises the reduction in the asset for remaining coverage because of insurance contract services received from the reinsurer in the period as allocation of reinsurance premiums paid. The Group treats amounts from the reinsurer that it expects to receive that are not contingent on claims of the underlying contracts as the reduction to the allocation of reinsurance premiums paid. Allocation of reinsurance premiums paid excludes any investment components of the reinsurance contracts held.

(iv) Amounts recovered from reinsurers

The increase in the carrying amount of the incurred claims for reinsurance contracts held incurred due to the incurred claims and other directly attributable expenses in the current period, as well as the subsequent changes in the related fulfilment cash flows, are recognised as the amounts recovered from reinsurers. The Group does not include the investment component of the reinsurance contracts held when recognizing the amounts recovered from reinsurers.

(v) Financial changes in insurance contracts

Insurance finance income or expenses comprises the change in the carrying amount of the group of insurance contract liabilities and reinsurance contract assets arising from:

- (a) the effect of the time value of money and changes in the time value of money;
- (b) the effect of financial risk and changes in financial risk.

The Group disaggregates the financial changes in insurance contracts into insurance finance income or expenses from insurance contracts issued, reinsurance finance income or expenses from reinsurance contracts held and other comprehensive income.

For the contracts not measured using the variable fee approach, the changes in carrying amount of insurance contract liabilities arising from the financial risk changing, such as discount rate, are recognised in other comprehensive income; For the contracts measured using the variable fee approach, insurance finance income or expenses equal to the amounts that can eliminate accounting mismatches arising from profit or loss from underlying items, and the remainders are recognised in other comprehensive income.

2.8.11 The effect of accounting estimates made in interim financial statements

For the treatment result of accounting estimates for insurance contracts and reinsurance contracts held made in interim financial statements, the Group has elected to adjust it in subsequent interim periods or in the annual reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance Contracts (continued)

2.8.12 Transition date approach

As at 1 January 2022, the Group applied IFRS 17 retroactively. When it was impracticable to use the full retrospective approach, the modified retrospective approach or the fair value approach were adopted by the Group. In accordance with IFRS 17, the comparative financial statements of the Group have been restated.

(i) Modified retrospective approach

Contracts without direct participation features

For contracts without direct participation features, the Group determines the contractual service margin or loss component of the liabilities for remaining coverage at the transition date as:

- (a) the Group estimates the future cash flows at the date of initial recognition of a group of insurance contracts as the amount of the future cash flows at the transition date, adjusted by the cash flows that occurred between the date of initial recognition of a group of insurance contracts and the transition date;
- (b) the risk adjustment for non-financial risk on initial recognition was determined by adjusting the amount at transition date or earlier date (if applicable) for the expected release of risk before transition date. The expected release of risk was determined with reference to the release of risk for similar insurance contracts that the Group issued at transition date;
- (c) when the Group recognises contractual service margin at initial recognition, interest accreted on the carrying amount of the contractual service margin during the period, measured at the discount rates determined on initial recognition. The amount of the contractual service margin recognised in profit or loss before transition date was determined by comparing the remaining coverage units at transition date with the coverage units provided under the group of contracts before that date; and
- (d) when the Group recognises the loss component at initial recognition, the amount allocated to the loss component before transition date is determined on a systematic and rational basis.

Contracts with direct participation features

For contracts with direct participation features, the Group determines the contractual service margin or loss component of the liabilities for remaining coverage at the transition date as:

- (a) based on the amount that fair value of the underlying items minus the fulfilment cash flows at transition date and appropriately adjusted the relevant cash flow and non-financial risk adjustment before transition date;
- (b) if (a) result in a contractual service margin, the amount of the contractual service margin recognised in profit or loss before transition date was determined by comparing the remaining coverage units at transition date with the coverage units provided under the group of contracts before that date;
- (c) if (a) result in a loss component, the Group adjust the loss component to nil and increase the liabilities for remaining coverage excluding the loss component by the same amount.

(ii) Fair value approach

For the groups of contracts that are measured under the fair value approach, the Group determines the contractual service margin or loss component of the liabilities for remaining coverage at transition date as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date.

The fair value of the group of contracts is calculated using the present value method, based on reasonable and supportable information available at the transition date.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Segment reporting

The Group's operating segments are presented in a manner consistent with the internal management reporting provided to the operating decision maker – president office for deciding how to allocate resources and for assessing performance.

Operating segment refers to the segment within the Group that satisfies the following conditions: i) the segment generates income and incurs costs from daily operating activities; ii) management evaluates the operating results of the segment to make resource allocation decision and to evaluate the business performance; and iii) the Group can obtain relevant financial information of the segment, including financial condition, operating results, cash flows and other financial performance indicators.

3.2 Foreign currency translation

The Company's functional currency is RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The reporting currency of the consolidated financial statements of the Group is RMB. Transactions in foreign currencies are translated at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the end of the reporting period. Exchange differences arising in these cases are recognised in net profit.

3.3 Derivative instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Except for those related to hedge accounting, the resulting gain or loss of derivative financial instruments is recognised in net profit. All derivatives are carried as financial assets when fair value is positive and as financial liabilities when fair value is negative.

3.4 Property, plant and equipment

Property, plant and equipment, are stated at historical costs less accumulated depreciation and any accumulated impairment losses, except for those acquired prior to 30 June 2003, which are stated at deemed cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

The historical costs of property, plant and equipment comprise its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after terms of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the assets as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is computed on a straight-line basis to write down the cost of each asset to its residual value over its estimated useful lives as follows:

	Estimated useful lives
Buildings	15 to 35 years
Office equipment, furniture and fixtures	3 to 11 years
Motor vehicles	4 to 8 years
Leasehold improvements	Over the shorter of the remaining term of the lease and the useful lives

The residual values, depreciation method and useful lives are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3 SUMMARY OF OTHER ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

Depreciation (continued)

Assets under construction mainly represent buildings under construction, which are stated at cost less any impairment losses and are not depreciated, except for those acquired prior to 30 June 2003, which are stated at deemed cost less any accumulated impairment losses. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Assets under construction are reclassified to the appropriate category of property, plant and equipment, investment properties or other assets when completed and ready for use.

Impairment and gains or losses on disposals

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in net profit for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in net profit.

3.5 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of a time, the Group assesses whether, throughout the period of use, the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

As a lessee

Initial measurement

At the commencement date of the lease, the Group recognises right-of-use assets representing the right to use the leased assets, including buildings. The Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. For short-term leases with a lease term of not more than 12 months and low-value asset leases with a lower value when the individual asset is new, the Group chooses not to recognise the right of use assets and lease liabilities and recognises the relevant rental expenses in profit or loss or the cost of the relevant asset on a straight-line basis over each period of the lease term. In calculating the present value of the lease payments, the lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses its own incremental borrowing rate.

The lease term is the non-cancellable period of a lease when the Group has the right to use lease assets. When the Group has an option to extend a lease and is reasonably certain to exercise that option to extend a lease, the lease term also comprises the periods covered by the option to extend the lease. When the Group has an option to terminate the lease and is reasonably certain not to exercise that option, the lease term also comprises the periods covered by the option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, to exercise a purchase option or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that are within the control of the Group and affects whether the Group is reasonably certain to exercise the commensurate options.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3 SUMMARY OF OTHER ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

As a lessee (continued)

Subsequent measurement

The Group applies the straight-line method in depreciating the right-of-use assets. If it is reasonably certain that ownership of a leased asset transfers to the Group at the end of the lease term, the leased asset is depreciated under the remaining useful life of the asset. If it cannot be reasonably determined that ownership of a leased asset transfers to the Group at the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the lease term or the end of the useful life of the right-of-use asset.

The Group uses a constant periodic rate of interest to calculate interest on the lease liability in each period during the lease term and recognises the interest in profit or loss.

Variable lease payments not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers the payment occurs.

After the commencement date of a lease, when there is a change in substance fixed payments, a change in the amounts expected to be payable under a residual value guarantee, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, a change in the assessment or actual exercise situation of a purchase option, an extension option or a termination option, the Group uses the changed present value of lease payments to remeasure the lease liability and adjust the carrying amount of right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

As a lessor

At the commencement date of the lease, leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss.

3.6 Investment properties

Investment properties are interests in land use rights and buildings that are held to earn rental income and/or for capital appreciation, rather than for the supply of services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment loss.

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

Overseas investment properties, that are held by the Group in the form of property ownership, equity investment, or other forms, have expected useful lives not longer than 50 years, determined based on the usage in their locations.

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the individual investment properties.

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3 SUMMARY OF OTHER ACCOUNTING POLICIES (continued)

3.7 Employee benefits

Pension benefits

Full-time employees of the Group are covered by various government-sponsored pension plans, under which the employees are entitled to a monthly pension based on certain formulae. These government agencies are responsible for the pension liability to these employees upon retirement. The Group contributes on a monthly basis to these pension plans. All contributions made under the government-sponsored pension plans described above are fully attributable to employees at the time of the payment and the Group is unable to forfeit any amounts contributed by it to such plans. In addition to the government-sponsored pension plans, the Group established an employee annuity fund plan pursuant to the relevant laws and regulations in the PRC, whereby the Group is required to contribute to the plan at fixed rates of the employees' salary costs. Contributions made by the Group under the annuity fund plan that is forfeited in respect of those employees who resign from their positions prior to the full vesting of the contributions will be recorded in the public account of the annuity fund and shall not be used to offset any contributions to be made by the Group in the future. All funds in the public account will be attributed to the employees whose accounts are in normal status after the approval procedures are completed as required. Under these plans, the Group has no legal or constructive obligation for retirement benefit beyond the contributions made.

Housing benefits

All full-time employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each year.

Stock appreciation rights

Compensation under the stock appreciation rights is measured based on the fair value of the liabilities incurred and is expensed over the vesting period. Valuation techniques including option pricing models are used to estimate fair value of relevant liabilities. The liability is re-measured at the end of each reporting period to its fair value until settlement. Fair value changes in the vesting period are included in administrative expenses and changes after the vesting period are included in net fair value gains through profit or loss in net profit. The related liability is included in other liabilities.

3.8 Premiums received in advance

The advance premiums received by the Group are mainly premiums received for insurance contracts that have not yet met the criteria for initial recognition.

3.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction, from the proceeds.

3.10 Current and deferred income taxation

Income tax expense for the period comprises current and deferred tax. Income tax is recognised in net profit, except to the extent that it relates to items recognised directly in OCI where the income tax is recognised in OCI.

Current income tax assets and liabilities for the current period are calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the jurisdictions where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken with respect to situations in which applicable tax regulations are subject to interpretation.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Substantively enacted tax rates are used in the determination of deferred income tax.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3 SUMMARY OF OTHER ACCOUNTING POLICIES (continued)

3.10 Current and deferred income taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed by the end of each reporting period and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.11 Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised in the consolidated statement of financial position but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that such outflow is probable and can be reliably measured, it will then be recognised as a provision.

3.12 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the equity holders of the Company.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group exercises significant judgement in making appropriate assumptions. It is possible that actual results may be different from the estimates and judgements referred to below. The actual result may have significant differences in accordance with changes in accounting estimates and professional judgement.

4.1 Insurance contracts

4.1.1 Portfolios of contracts

The Group identifies portfolios of insurance contracts as contracts subject to similar risks and are managed together. The Group makes judgments about whether it has similar risk factors and management methods.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Insurance contracts (continued)

4.1.2 Investment components

The Group has established rules to unbundle non-distinct investment components. Generally, for relevant contracts, the Group determines the non-distinct investment components based on cash surrender values and similar contractual terms.

4.1.3 Determination of coverage unit

The Group's unit of coverage is determined by considering the benefits provided by each contract and its expected duration of insurance coverage. For policies that include investment return services or investment-related services, the amount corresponding to the investment return service or investment-related service is the investment component or one of the amounts that the policyholder is entitled to recover.

4.1.4 Estimates of future benefit payments and premiums arising from insurance contracts not using the premium allocation approach

Fulfilment cash flows are determined on the basis of the Group's estimates of future benefits, premiums and related expenses, taking into account the risk adjustment for non-financial risk. The discount rate, mortality rate, morbidity rate, lapse rate, expense assumption and policy dividend assumption used for the estimation of future cash flows are determined according to the latest empirical analysis, current conditions and forecasts of the future.

The judgments and estimates used in the valuation process will affect the amount recognised in the consolidated financial statements for insurance contracts and reinsurance contracts held.

The description of the above assumptions is detailed in Note 14.1.

4.2 Financial instruments

The critical estimates and judgements are those associated with investment classification, the recognition of impairment and the measurement of fair value.

4.2.1 Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include business model and analysis on contractual cash flow characteristics.

The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined on the basis of scenarios which are reasonably expected to occur, taking into account: how cash flows were realised in the past, how the performance are evaluated and reported to the entity's key management personnel; the risks that affect the performance and the way in which those risks are assessed and managed; and how managers of the business are compensated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in timing or amount of the principal during the duration due to reasons such as early repayment; whether interest only includes considerations for time value of money, credit risks, other basic lending risks, costs and profits. For example, whether the prepayment amount only reflects the principal outstanding and the interest on the principal outstanding, as well as the reasonable compensation for the early termination of the contract.

4.2.2 Measurement of ECL

The Group calculates ECL through default risk exposure and ECL rate, and determines the ECL rate based on default probability and default loss rate. In determining the ECL rate, the Group uses data such as internal historical credit loss experience, and adjusts historical data based on current conditions and forward-looking information.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Financial instruments (continued)

4.2.3 Fair value of financial instruments

Fair value, in the absence of an active market, is estimated by using valuation techniques, applying currently applicable and sufficiently available data, and the valuation techniques supported by other information, mainly include market approach and income approach, reference to the recent arm's length transactions, current market value of another instrument which is substantially the same, and by using the discounted cash flow analysis and option pricing models.

When using valuation techniques to determine the fair value of financial instruments, the Group would choose the input value in consistent with market participants, considering the transactions of related assets and liabilities. All related observable market parameters are considered in priority, including interest rate, foreign exchange rate, commodity prices and share prices or index. When related observable parameters are unavailable or inaccessible, the Group uses unobservable parameters and makes estimates for credit risk, market volatility and liquidity adjustments.

For the description of valuation techniques, please refer to Note 5.4. Using different valuation techniques and parameter assumptions may lead to significant differences of fair value estimations.

4.3 Impairment of investments in subsidiaries, associates and joint ventures

The Group assesses whether there are any indicators of impairment for investments in subsidiaries, associates and joint ventures at the end of each reporting period. Investments in subsidiaries, associates and joint ventures are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of investments in subsidiaries, associates and joint ventures exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of investments in subsidiaries, associates and joint ventures. When value in use calculations are undertaken, the Group must estimate the expected future cash flows from investments in subsidiaries, associates and joint ventures and choose a suitable discount rate in order to calculate the present value of those cash flows.

4.4 Income tax measurement and recognition of deferred tax assets

The Group is subject to income tax in numerous jurisdictions. During the normal course of business, certain transactions and activities for which the ultimate tax determination is uncertain, the Group needs to exercise significant judgement when determining the income tax. If the final settlement results of the tax matters are different from the amounts recorded, these differences will impact the final income tax expense and deferred tax for the period.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the loss and timing difference can be utilised. The Group recognizes the amount of deferred tax assets based on a reasonable expectation of future taxable profits.

4.5 Determination of control over investee

The Group applies its judgement to determine whether the control indicators set out in Note 2.2 indicate that the Group controls structured entities such as funds and asset management products.

The Group issues certain structured entities (e.g. funds and asset management products), and acts as a manager for such entities according to the contracts. Meanwhile, the Group may be exposed to variability of returns as a result of holding shares of the structured entities. In addition, the Group may also hold structured entities initiated and managed by other asset management institutions (such as trust schemes). Determining whether the Group controls such structured entities usually focuses on the assessment of the aggregate economic interests of the Group in the entities (including any carried interests and expected management fees) and the decision-making rights on the entity. As at 31 December 2024, the Group has consolidated some funds issued and managed by the Company's subsidiary, China Life AMP Asset Management Company ("CL AMP"), some debt investment schemes and asset management products issued and managed by the Company's subsidiary, China Life Asset Management Company Limited ("AMC") and some trust schemes, Equity Investment Plan and debt investment schemes issued and managed by third parties in the consolidated financial statements. Please refer to Note 31(b) for the details.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT

Risk management is carried out by the Company's Risk Management Committee under policies approved by the Company's Board of Directors.

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Group manages them.

5.1 Insurance risk

5.1.1 Types of insurance risks

The risk under any one insurance contract is the possibility that an insured event occurs and the uncertainty about the time and amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to the pricing and provisioning for the insurance contract liabilities, the main risk to the Group is that actual claims are paid in excess of the carrying value of the insurance contract liabilities. This occurs when the frequency or severity of claims and benefits exceeds the estimates. Insurance events are random, and the actual number of claims and the amount of benefits paid will vary each year from estimates established using statistical techniques.

The business of the Group mainly comprises long-term individual and group life insurance, annuity insurance, accident insurance and health insurance, as well as short-term individual and group accident and health insurance. For the Group's insurance business, factors such as epidemics, natural disasters, accidents, profound lifestyle changes, constant improvements in medical and social conditions may affect frequency, timing, and amounts of claims. Insurance risk is also affected by policyholders' rights to terminate contracts, reduce premiums, refuse to pay premiums or exercise annuity conversion rights. Thus, insurance risk is also subject to policyholders' behaviours and decisions.

Experience shows that the greater the number of similar policies underwritten, the more the risks are diversified, the smaller the relative variability of the expected outcome will be. The Group has developed its insurance underwriting strategy to diversify the types of insurance risks accepted and within each of these categories to achieve a sufficiently large population to reduce the variability of the expected outcome.

The Group manages insurance risks through effective reinsurance agreements, ceding on a quota share basis, a surplus basis, and a catastrophe excess of loss reinsurance to cover insurance liability risk. Reinsurance contracts cover almost all products, which contain risk liabilities. The products reinsured include: life insurance, accident and health insurance or death, disability, accident and illness in terms of product category or function, respectively. These reinsurance agreements spread insured risk to a certain extent and reduce the effect of potential losses to the Group. However, the Group's direct insurance liabilities to the policyholder are not eliminated under the reinsurance arrangements. The Group collaborates with multiple reinsurance companies to mitigate reliance on any single reinsurer.

5.1.2 Concentration of insurance risks

Currently, the Group's insurance operation is mainly located in the PRC. There are no significant differences among the regions where the Group underwrites insurance contracts.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.1 Insurance risk (continued)

5.1.3 Sensitivity analysis

Sensitivity analysis of contracts not measured using the premium allocation approach

Significant assumptions involved in calculation of insurance contract liabilities include mortality, morbidity, lapse rate and discount rate, etc.

If holding all other variables constant, the Group considers the expected effect of changes in assumptions on mortality, morbidity and lapse rate on consolidated profit before income tax and consolidated other comprehensive income before income tax for the year, and considers the effect of risk mitigation on insurance contracts and reinsurance contracts held, as follows. For effect of changes in assumption on discount rate, please refer to Note 5.2.1(i).

		For the year ended 31 December							
Assumptions	Changes in assumptions	2024				2023			
		Effect on profit before income tax		Effect on other comprehensive income before income tax		Effect on profit before income tax		Effect on other comprehensive income before income tax	
		Before reinsurance	After reinsurance	Before reinsurance	After reinsurance	Before reinsurance	After reinsurance	Before reinsurance	After reinsurance
		RMB million				RMB million			
Mortality/Morbidity rate	Increase by 10%	(6,458)	(4,560)	(9,008)	(5,975)	(5,407)	(3,556)	(4,928)	(3,184)
Mortality/Morbidity rate	Decrease by 10%	6,523	4,579	9,777	6,589	5,540	3,651	5,299	3,471
Lapse rate	Increase by 10%	2,307	2,031	11,224	10,860	2,499	2,229	5,505	5,294
Lapse rate	Decrease by 10%	(1,644)	(1,355)	(11,338)	(10,956)	(2,606)	(2,322)	(5,562)	(5,340)

Sensitivity analysis of contracts measured using the premium allocation approach

Changes in factors such as the amount of contractual claims measured using the premium allocation approach have the potential to affect changes in the assumed level of the reserve for outstanding claims, which in turn affects the simultaneous changes in the reserve for outstanding claims.

if holding all other variables constant, the Group considers the following expected effect of changes in claim ratios assumption on consolidated profit before income tax for the year.

Without considering the ceded business, holding all other variables constant, if claim ratios are 100 basis points higher or lower than the current assumption, the consolidated pre-tax profit is expected to be RMB253 million (as at 31 December 2023: RMB249 million) lower or higher, respectively; With consideration of ceded business, holding all other variables constant, if claim ratios are 100 basis points higher or lower than the current assumption, the consolidated pre-tax profit is expected to be RMB242 million (as at 31 December 2023: RMB238 million) lower or higher, respectively.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.1 Insurance risk (continued)

5.1.3 Sensitivity analysis (continued)

Sensitivity analysis of contracts not measured using the premium allocation approach (continued)

The following table indicates the claim development for contracts measured using the premium allocation approach without taking into account the impacts of ceded business:

Contracts measured using the premium allocation approach (accident year)						
	2020	2021	2022	2023	2024	Total
	RMB million					
Estimated accumulated undiscounted claims expenses (before reinsurance)						
Year end	53,369	57,727	55,256	62,411	68,200	
1 year later	53,202	57,642	54,879	61,693		
2 years later	52,769	56,890	55,294			
3 years later	52,043	57,072				
4 years later	52,105					
Accumulated claims expenses paid	(52,020)	(56,908)	(54,899)	(59,710)	(46,478)	(270,015)
Total liabilities – Accident years from 2020 to 2024	85	164	395	1,983	21,722	24,349
Total liabilities – Accident years before 2020						44
Effect of indirect claims expenses, risk adjustment for non-financial risk and discounting, etc.						5,107
Total liabilities for incurred claims						29,500

The following table indicates the claim development for contracts measured using the premium allocation approach with taking into account the impacts of ceded business:

Contracts measured using the premium allocation approach (accident year)						
	2020	2021	2022	2023	2024	Total
	RMB million					
Estimated accumulated undiscounted claims expenses (after reinsurance)						
Year end	52,774	56,651	53,416	60,896	66,629	
1 year later	52,405	56,125	52,694	59,873		
2 years later	51,938	55,395	53,535			
3 years later	51,234	55,574				
4 years later	51,296					
Accumulated claims expenses paid	(51,212)	(55,425)	(53,164)	(58,333)	(45,471)	(263,605)
Total liabilities – Accident years from 2020 to 2024	84	149	371	1,540	21,158	23,302
Total liabilities – Accident years before 2020						44
Effect of indirect claims expenses, risk adjustment for non-financial risk and discounting, etc.						3,132
Total liabilities for incurred claims						26,478

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk

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

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by a designated department under policies approved by management. The responsible department identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The Group provides written principles for overall risk management, as well as written policies covering specific areas, such as managing market risk, credit risk, and liquidity risk.

The Group manages financial risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations designed to reduce the risk of concentration in any one specific industry or issuer. The structure of the investment portfolio held by the Group is disclosed in Note 11.

The sensitivity analyses below are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated, such as change in interest rate and change in market price.

5.2.1 Market risk

(i) Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments and the measurement results of insurance contracts will fluctuate due to changes in market interest rates. The Group's financial assets are principally comprised of debt instruments which are exposed to interest rate risk. Changes in the level of interest rates could have a significant impact on the Group's investment return, as well as an impact on the measurement of the Group's insurance contracts and reinsurance contracts held.

The Group manages interest rate risk through adjustments to portfolio structure and duration, and, to the extent possible, by matching the duration of its assets and liabilities.

The sensitivity analysis for interest rate risk illustrates how changes in interest income, the fair value of future cash flows of a financial instrument, insurance contract liabilities and other items will fluctuate because of changes in market interest rates.

As at 31 December 2024, if market interest rates were 50 basis points higher or lower with all other variables held constant, profit before income tax for the year would have been RMB23,873 million or RMB56,871 million (as at 31 December 2023: RMB6,026 million or RMB14,179 million) higher or lower, respectively, mainly as a result of higher or lower interest income on floating rate instruments, the fair value gains or losses on fixed and floating rate instruments and the change of insurance contract liabilities. Other comprehensive income before income tax would have been RMB331 million or RMB12,537 million (as at 31 December 2023: RMB9,899 million or RMB20,803 million) higher or lower, respectively, mainly due to the fair value gains or losses on investments in debt instruments at fair value through other comprehensive income, and the change of insurance contract liabilities.

(ii) Price risk

Price risk arises mainly from the volatility of market prices of the financial instruments held by the Group. The Group is subject to increased price risk mainly because of the volatility of capital markets. The Group's insurance contracts using the variable fee approach are exposed to price risk.

The Group manages price risk by holding an appropriately diversified investment portfolio as permitted by laws and regulations designed to reduce the risk of price concentration in any one specific industry or issuer.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.1 Market risk (continued)

(ii) Price risk (continued)

As at 31 December 2024, if the prices of all the Group's equity investments had increased or decreased by 10% with all other variables held constant, profit before income tax for the year would have been RMB79,887 million or RMB80,200 million (as at 31 December 2023: RMB68,496 million or RMB68,842 million) higher or lower, respectively, mainly due to fair value gains or losses on listed equities and securities investment funds at fair value through profit or loss and the change of insurance contract liabilities. Other comprehensive income before income tax would have been RMB3,998 million or RMB3,936 million higher or lower (as at 31 December 2023: decrease by RMB1,775 million or increase by RMB1,795 million), respectively, mainly as a result of fair value gains or losses on investment in equity instruments at fair value through other comprehensive income, and the change of insurance contract liabilities.

(iii) Currency risk

Currency risk is the volatility of fair value or future cash flows of financial instruments resulted from changes in foreign currency exchange rates. The Group's currency risk exposure mainly arises from cash and cash equivalents, term deposits, Financial assets at fair value through profit or loss, Investment in equity instruments at fair value through other comprehensive income, Investment in debt instruments at fair value through other comprehensive income, Investment in debt instruments at amortised cost, interest-bearing loans and other borrowings denominated in currencies other than the functional currency, such as US dollar, HK dollar, GB pound and EUR.

The following table summarises primary financial assets and financial liabilities denominated in currencies other than RMB as at 31 December 2024 (as at 31 December 2023: same), expressed in RMB equivalent:

As at 31 December 2024	US dollar	HK dollar	GB pound	EUR	Others	Total
	RMB million					
Financial assets						
Financial assets at fair value through profit or loss	32,731	38,187	811	2,275	1,486	75,490
Investment in equity instruments at fair value through other comprehensive income	–	36,338	–	–	–	36,338
Investment in debt instruments at fair value through other comprehensive income	237	–	–	–	–	237
Investment in debt instruments at amortised cost	157	–	–	–	–	157
Term deposits	3,223	–	–	–	–	3,223
Cash and cash equivalents	1,413	148	43	163	10	1,777
Total	37,761	74,673	854	2,438	1,496	117,222
Financial liabilities						
Interest-bearing loans and other borrowings	6,960	–	2,576	3,222	–	12,758
Total	6,960	–	2,576	3,222	–	12,758

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.1 Market risk (continued)

(iii) Currency risk (continued)

As at 31 December 2023	US dollar	HK dollar	GB pound	EUR	Others	Total
RMB million						
Financial assets						
Financial assets at fair value through profit or loss	27,323	40,871	562	1,440	1,079	71,275
Investment in equity instruments at fair value through other comprehensive income	–	8,886	–	–	–	8,886
Investment in debt instruments at fair value through other comprehensive income	237	–	–	–	–	237
Investment in debt instruments at amortised cost	189	–	–	–	–	189
Term deposits	2,850	–	–	–	–	2,850
Cash and cash equivalents	2,575	99	52	102	2	2,830
Total	33,174	49,856	614	1,542	1,081	86,267
Financial liabilities						
Interest-bearing loans and other borrowings	6,984	–	2,495	3,378	–	12,857
Total	6,984	–	2,495	3,378	–	12,857

As at 31 December 2024, if RMB had strengthened or weakened by 10% against US dollar, HK dollar, GB pound, EUR and other foreign currencies, with all other variables held constant, profit before income tax for the year would have been RMB6,813 million (as at 31 December 2023: RMB7,738 million) lower or higher, respectively, mainly as a result of foreign exchange losses or gains on translation of US dollar, HK dollar, GB pound, EUR and other foreign currencies denominated financial assets and financial liabilities other than equity instruments at fair value through other comprehensive income included in the table above. Other comprehensive income before tax recognised in equity instruments at fair value through other comprehensive income would have been RMB3,634 million (as at 31 December 2023: RMB889 million) lower or higher due to the foreign exchange. The actual exchange losses in 2024 were RMB25 million (2023: exchange losses in RMB380 million).

5.2.2 Credit risk

Credit risk is the risk that one party of a financial transaction or the issuer of a financial instrument will fail to discharge its obligation and cause another party to incur a financial loss. Because the Group's investment portfolio is restricted to the types of investments as permitted by the National Financial Regulatory Administration ("NFRA") and a significant portion of the portfolio is in government bonds, government agency bonds, corporate bonds with higher credit rating and term deposits with the state-owned commercial banks, the Group's overall exposure to credit risk is relatively low.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. The Group manages credit risk through in-house research and analysis of the Chinese economy and the underlying obligors and transaction structures. Where appropriate, the Group obtains collateral in the form of rights to cash, securities, property and equipment to lower the credit risk.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.2 Credit risk (continued)

Credit risk exposure

The carrying amount of financial assets included on the consolidated statement of financial position represents the maximum credit risk exposure at the reporting date without taking account of any collateral held or other credit enhancements attached. The Group had no credit risk exposure relating to off-statement financial position items as at 31 December 2024 and 31 December 2023.

Collateral and other credit enhancements

Financial assets purchased under agreements to resell are pledged by counterparties' debt securities or term deposits of which the Group could take the ownership if the owner of the collateral defaults. These structured entities that the Group has interest in are guaranteed by third parties with higher credit ratings, or by pledging, or by having the fiscal budget income as the source of repayment, or by borrowers with higher credit ratings.

Measurement of ECL

The Group formulates the credit losses of financial assets at amortized cost, investments in debt financial instruments at fair value through other comprehensive income, using expected credit loss models according to IFRS 9 requirements.

Parameters for measuring expected credit losses

The parameters and assumptions involved in ECL model are described below:

The Group considers the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, 12-month or lifetime expected credit losses are provided respectively. The expected credit loss is the result of discounting the product of EAD, PD and LGD.

Exposure at Default (EAD): 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.

Probability of Default (PD): The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD): LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

Criteria for judging significant changes in credit risk

When considering the impairment stages for financial assets, the Group evaluates the credit risk at initial recognition and whether there is any significant increase in credit risk for each reporting period. The Group considers various reasonable supporting information to judge if there is significant increase in credit risk, including the forward-looking information.

The Group sets quantitative and qualitative criteria to judge whether the credit risk has significant increase in credit risk after initial recognition. The judgement criteria mainly include the PD changes of the debtors, changes of credit risk categories and other indicators of significant increase in credit risk, etc. In the judgement of whether the financial instruments have significant increase in credit risk after initial recognition, the Group considers the 30 days past due as one of criteria of significant increase in credit risk, in accordance with the standard.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.2 Credit risk (continued)

Measurement of ECL (continued)

Definition of financial assets that are credit-impaired

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. On each reporting date, the Group mainly considers but is not limited to the following factors when assessing whether the debtor has incurred credit impairment:

- Significant financial difficulty of the issuer or counterparty; or
- A breach of contract, such as a default or past due event; or
- The lender gives the borrower concessions for economic or contractual reasons due to the debtor financial difficulties, where such concessions are normally reluctant to be made by the borrower; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Purchase or originate a financial asset at a significant discount that reflects the fact that a credit loss has occurred.

The credit impairment of financial assets may be caused by the joint effects of multiple events, and may not be caused by separately identifiable events.

Forward-looking information and management overlay

The determinations of 12 months and the lifetime ECL also incorporates forward-looking information. The Group has performed historical data analysis and identified the key macroeconomic variables associated with credit risk and expected credit losses for each portfolio, including gross domestic product, the amount of exports and the amount of fixed asset investment completed, etc. The Group has developed macroeconomic forward looking adjustment model by establishing a pool of macro-economic indicators, preparing data, filtering model factors, etc.

During the reporting period, the Group adjusted the predicted values of forward-looking economic indicators by synthesis of available data and considered the possibility of each scenario to determine the final macroeconomic scenarios and weights for measuring the relevant expected credit loss. The impact of these economic indicators on PD and LGD varies to different businesses. The Group comprehensively considers internal and external data, statistical analysis to determine the relationship between these economic indicators with PD and LGD. The Group evaluates and forecasts these economic indicators at least annually, provides the best estimates for the future, and regularly evaluates the results. Similar to other economic forecasts, the estimates of economic indicators have high inherent uncertainties, actual results may have significant difference with estimates. The Group considered the estimates above represented the optimal estimation of possible outcomes.

In the year 2024, the Group updated the forward-looking parameters used in the measurement of ECL in response to changes in the macroeconomic environment. The cumulative year-on-year growth rate of GDP is expected to range between 3.9% to 5.0% under the base, optimistic, and adverse scenarios for 2025. Within the scenario weighting framework, equal weights are assigned to the optimistic and adverse scenarios, while the base scenario is allocated a moderately higher weighting.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.2 Credit risk (continued)

Measurement of ECL (continued)

Forward-looking information and management overlay (continued)

The following table presents the credit risk exposures of financial instruments under the scope of expected credit loss.

Carrying amount	As at 31 December 2024			Maximum credit risk exposure
	Stage 1	Stage 2	Stage 3	
	RMB million			
Cash and cash equivalents	85,505	–	–	85,505
Financial assets purchased under agreements to resell	30,560	–	–	30,560
Term deposits	438,455	–	–	438,455
Statutory deposits – restricted	6,591	–	–	6,591
Investment in debt instruments at amortised cost	196,505	249	–	196,754
Investment in debt instruments at fair value through other comprehensive income	3,457,022	1,873	–	3,458,895
Other assets	14,568	–	51	14,619
Total	4,229,206	2,122	51	4,231,379

The Group internally grades the financial instruments based on the credit quality and risk characteristics. The credit rating of the financial instruments could further be classified into the different levels according to the internal rating scale. As at 31 December 2024, the debt investments held by the Group have sufficient evidence to show that the asset is not expected to default, or there is no reason to suspect that the asset had incurred default. The related credit risk has not caused a material impact on the Group's consolidated financial statements as at 31 December 2024.

The following tables present the changes in the gross carrying amount and impairment provision of the main financial assets.

Gross carrying amount	Stage of impairment	Stages transfers for the year ended 31 December 2024						
		1 January	Net increase/ (decrease) (Note)	Transfer into/ (out) Stage 1 and Stage 2	Transfer into/ (out) Stage 1 and Stage 3	Transfer into/ (out) Stage 2 and Stage 3	Write-offs	31 December
		RMB million						
Investment in debt instruments at amortised cost	Stage 1	211,699	(14,459)	(250)	–	–	–	196,990
	Stage 2	–	–	250	–	–	–	250
	Stage 3	–	–	–	–	–	–	–
	Subtotal	211,699	(14,459)	–	–	–	–	197,240
Investment in debt instruments at fair value through other comprehensive income	Stage 1	2,735,577	714,649	6,796	–	–	–	3,457,022
	Stage 2	8,592	77	(6,796)	–	–	–	1,873
	Stage 3	–	–	–	–	–	–	–
	Subtotal	2,744,169	714,726	–	–	–	–	3,458,895
Total		2,955,868	700,267	–	–	–	–	3,656,135

Note: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.2 Credit risk (continued)

Measurement of ECL (continued)

The following tables present the changes in the gross carrying amount and impairment provision of the main financial assets (continued).

Impairment provision	Stage of impairment	Stages transfers for the year ended 31 December 2024						
		1 January	Net increase/ (decrease) (Note)	Transfer into/ (out) Stage 1 and Stage 2	Transfer into/ (out) Stage 1 and Stage 3	Transfer into/ (out) Stage 2 and Stage 3	Write-offs	31 December
		RMB million						
Investment in debt instruments at amortised cost	Stage 1	350	136	(1)	-	-	-	485
	Stage 2	-	-	1	-	-	-	1
	Stage 3	-	-	-	-	-	-	-
	Subtotal	350	136	-	-	-	-	486
Investment in debt instruments at fair value through other comprehensive income	Stage 1	750	(282)	364	-	-	-	832
	Stage 2	446	14	(364)	-	-	-	96
	Stage 3	236	(236)	-	-	-	-	-
	Subtotal	1,432	(504)	-	-	-	-	928
Total		1,782	(368)	-	-	-	-	1,414

Note: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

Credit quality

The Group's financial assets facing credit risk mainly include government bonds, government agency bonds, corporate bonds and subordinated bonds, etc. As at 31 December 2024, 99.1% (as at 31 December 2023: 99.9%) of the corporate bonds held by the Group or the issuers of these corporate bonds had credit ratings of AA/A-2 or above. As at 31 December 2024, 100.0% (as at 31 December 2023: 100%) of the subordinated bonds held by the Group either had credit ratings of AA/A-2 or above, or were issued by national commercial banks. The bonds issuers' credit ratings are assigned by a qualified appraisal institution in the PRC and updated at each reporting date.

As at 31 December 2024, 97.8% (as at 31 December 2023: 96.5%) of the Group's bank deposits are with the four largest state-owned commercial banks, other national commercial banks and China Securities Depository and Clearing Corporation Limited ("CSDCC") in the PRC. The main reinsurance contracts were entered into with state-owned reinsurance companies. The Group believes these commercial banks, CSDCC and reinsurance companies have a high credit quality. As a result, the Group concludes that the credit risk associated with term deposits, statutory deposits, cash and cash equivalents and reinsurance contracts held has not caused a material impact on the Group's consolidated financial statements as at 31 December 2024 (as at 31 December 2023: same).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to obtain funds at a reasonable funding cost when required to meet a repayment obligation and fund its asset portfolio within a certain time.

In the normal course of business, the Group attempts to match the maturity of financial assets to the maturity of insurance and financial liabilities to reduce liquidity risk.

The following table shows the undiscounted cash flows of financial assets and financial liabilities, insurance assets and insurance liabilities for contracts not using the premium allocation approach:

As at 31 December 2024	Contractual and expected cash flows (undiscounted)				
	Without maturity	Not later than 1 year	Later than 1 year but not later than 3 years	Later than 3 years but not later than 5 years	Later than 5 years
	RMB million				
Financial and insurance assets					
Financial assets at fair value through profit or loss	954,938	182,734	258,146	161,557	563,771
Investment in debt instruments at amortised cost	–	45,123	98,270	60,139	51,323
Investment in debt instruments at fair value through other comprehensive income	–	276,528	480,528	297,260	3,714,798
Investment in equity instruments at fair value through other comprehensive income	171,817	–	–	–	–
Term deposits	–	98,921	220,790	158,031	6,513
Statutory deposits – restricted	–	483	2,566	4,202	–
Reinsurance contract assets	–	6,619	2,706	2,759	36,490
Financial assets purchased under agreements to resell	–	30,560	–	–	–
Cash and cash equivalents	–	85,538	–	–	–
Sub-total	1,126,755	726,506	1,063,006	683,948	4,372,895
Financial and insurance liabilities					
Insurance contract liabilities	–	333,654	(116,952)	(400,199)	(8,740,310)
Reinsurance contract liabilities	–	(33)	(53)	(49)	(304)
Financial assets sold under agreements to repurchase	–	(151,564)	–	–	–
Financial liabilities at fair value through profit or loss	(53,521)	–	–	–	–
Interest-bearing loans and other borrowings	–	(10,054)	(3,348)	–	–
Bonds payable	–	(753)	(1,505)	(36,307)	–
Lease liabilities	–	(767)	(679)	(180)	(14)
Sub-total	(53,521)	170,483	(122,537)	(436,735)	(8,740,628)
Net cash inflow/(outflow)	1,073,234	896,989	940,469	247,213	(4,367,733)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.3 Liquidity risk (continued)

As at 31 December 2023	Contractual and expected cash flows (undiscounted)				
	Without maturity	Not later than 1 year	Later than 1 year but not later than 3 years	Later than 3 years but not later than 5 years	Later than 5 years
	RMB million				
Financial and insurance assets					
Financial assets at fair value through profit or loss	961,659	91,120	197,992	73,100	480,709
Investment in debt instruments at amortised cost	–	53,387	60,508	60,929	72,291
Investment in debt instruments at fair value through other comprehensive income	–	278,043	406,201	365,054	3,558,001
Investment in equity instruments at fair value through other comprehensive income	137,942	8	18	19	33
Term deposits	–	188,436	144,278	120,329	–
Statutory deposits – restricted	–	706	1,128	5,461	–
Reinsurance contract assets	–	5,590	2,799	3,011	33,282
Financial assets purchased under agreements to resell	–	19,800	–	–	–
Cash and cash equivalents	–	149,305	–	–	–
Sub-total	1,099,601	786,395	812,924	627,903	4,144,316
Financial and insurance liabilities					
Insurance contract liabilities	–	355,437	14,374	(317,979)	(8,454,552)
Reinsurance contract liabilities	–	(24)	(7)	(6)	(54)
Financial assets sold under agreements to repurchase	–	(217,237)	–	–	–
Financial liabilities at fair value through profit or loss	(13,878)	–	–	–	–
Interest-bearing loans and other borrowings	–	(13,259)	–	–	–
Bonds payable	–	(36,498)	–	–	–
Lease liabilities	–	(757)	(580)	(89)	(22)
Sub-total	(13,878)	87,662	13,787	(318,074)	(8,454,628)
Net cash inflow/(outflow)	1,085,723	874,057	826,711	309,829	(4,310,312)

The cash flows from various insurance contracts presented in the table above are the expected future net cash flows from existing insurance policies, which consist primarily of cash flows from premiums, claims, expense payments and policy loans, and do not take into account future net cash flows from new business. The estimate is subject to assumptions including mortality, morbidity, the lapse rate, and expense assumption, etc. Actual experience may differ from estimates.

As at 31 December 2024, the carrying amount of the Group's insurance contract liabilities was RMB5,825,026 million (as at 31 December 2023: RMB4,859,175 million), while the amount that the policyholder can demand reimbursement at any time was RMB4,198,058 million (as at 31 December 2023: RMB3,795,388 million).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.2 Financial risk (continued)

5.2.4 Capital management

The Group's objectives for managing capital are to comply with the insurance capital requirements based on the minimum capital and actual capital required by the NFRA, prevent risk in operation and safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for equity holders and benefits for other stakeholders.

The Group manages capital to ensure its continuous and full compliance with the regulations mainly through monitoring its quarterly solvency ratios, as well as the solvency ratio based on annual stress testing.

The former China Banking and Insurance Regulatory Commission issued the "Solvency Regulatory Rules II for Insurance Companies" at the end of 2021. The NFRA issued the "Circular of NFRA on Optimization of Solvency Supervision Standards for Insurance Companies" in September 2023. The Company has calculated the core and comprehensive solvency ratio, core capital, actual capital and minimum capital as of 31 December 2024 in accordance with these requirements, as listed below.

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Core capital	767,446	710,527
Actual capital	1,039,821	981,594
Minimum capital	500,489	449,160
Core solvency ratio	153%	158%
Comprehensive solvency ratio	208%	219%

According to the solvency ratios results mentioned above, and the unquantifiable evaluation results of operational risk, strategic risk, reputational risk and liquidity risk of insurance companies, the former NFRA evaluates the comprehensive solvency of insurance companies and supervises insurance companies by classifying them into four categories:

- i) Category A: solvency ratios meet the requirements, and the operational risk, strategic risk, reputational risk and liquidity risk are very low;
- ii) Category B: solvency ratios meet the requirements, and the operational risk, strategic risk, reputational risk and liquidity risk are low;
- iii) Category C: solvency ratios do not meet the requirements or solvency ratios meet the requirements but one or several risks in operation, strategy, reputation and liquidity are high;
- iv) Category D: solvency ratios do not meet the requirements or solvency ratios meet the requirements but one or several risks in operation, strategy, reputation and liquidity are severe.

According to the Supervision Information System of the China Risk Oriented Solvency System, the latest Integrated Risk Rating result of the Company was Category A.

5.3 Disclosures about interest in unconsolidated structured entities

The Group's interests in unconsolidated structured entities are accounted for in investments in financial assets at fair value through profit or loss and debt instruments at fair value through other comprehensive income. These structured entities typically raise funds by issuing securities or other beneficiary certificates. The purpose of these structured entities is primarily to generate management service fees, or provide finance to public and private infrastructure construction. Refer to Note 4.5 for the Group's consolidation judgements related to structured entities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.3 Disclosures about interest in unconsolidated structured entities (continued)

The Group did not guarantee or provide any financing support for the structured entities that the Group had interest in or sponsored.

(i) The unconsolidated structured entities that the Group has interest in

The Group believes that the maximum exposure approximates the carrying amount of interest in these unconsolidated structured entities. The size of unconsolidated structured entities as well as the Group's carrying amount of the assets recognised in the consolidated financial statements relating to its interest in unconsolidated structured entities and the Group's maximum exposure are shown below:

As at 31 December 2024	Unconsolidated structured entities			
	Size	Carrying amount of assets	Maximum exposure	Interest held by the Group
	RMB million	RMB million	RMB million	
Funds managed by affiliated entities	231,395	8,366	8,366	Investment income and service fee
Funds managed by third parties	Note 1	274,550	274,550	Investment income
Trust schemes managed by affiliated entities	600	467	467	Investment income
Trust schemes managed by third parties	Note 1	93,512	93,512	Investment income
Debt investment schemes managed by affiliated entities	81,387	38,593	38,593	Investment income and service fee
Debt investment schemes managed by third parties	Note 1	45,303	45,303	Investment income
Others managed by affiliated entities ^{Note 2}	71,965	26,540	26,540	Investment income and service fee
Others managed by third parties ^{Note 2}	Note 1	158,411	158,411	Investment income

As at 31 December 2023	Unconsolidated structured entities			
	Size	Carrying amount of assets	Maximum exposure	Interest held by the Group
	RMB million	RMB million	RMB million	
Funds managed by affiliated entities	175,402	9,794	9,794	Investment income and service fee
Funds managed by third parties	Note 1	174,195	174,195	Investment income
Trust schemes managed by affiliated entities	2,090	1,284	1,284	Investment income
Trust schemes managed by third parties	Note 1	56,551	56,551	Investment income
Debt investment schemes managed by affiliated entities	73,722	31,035	31,035	Investment income and service fee
Debt investment schemes managed by third parties	Note 1	45,544	45,544	Investment income
Others managed by affiliated entities ^{Note 2}	40,116	9,211	9,211	Investment income and service fee
Others managed by third parties ^{Note 2}	Note 1	103,825	103,825	Investment income

Note 1: Funds, trust schemes, debt investment schemes and others managed by third parties were sponsored by third party financial institutions and the information related to size of these structured entities were not publicly available.

Note 2: Others included wealth management products, special asset management schemes, and asset-backed plans, etc.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.3 Disclosures about interest in unconsolidated structured entities (continued)

(ii) *The unconsolidated structured entities that the Group has sponsored but does not have interest in*

As at 31 December 2024, the size of the unconsolidated structured entities that the Group sponsored but had no interest was RMB886,017 million (as at 31 December 2023: RMB623,539 million), which were mainly funds, special asset management schemes, pension security products and pension products, etc., sponsored by the Group to generate management service fee income. In 2024, the management service fee from these structured entities was RMB1,590 million (2023: RMB1,651 million), which was recorded as other income. The Group did not transfer assets to these structured entities.

5.4 Fair value hierarchy

Level 1 fair value is usually based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can obtain at the measurement date.

Other than Level 1 quoted prices, Level 2 fair value is based on valuation techniques using significant inputs, that are observable for the asset being measured, either directly or indirectly, for substantially the full term of the asset through corroboration with observable market data. Observable inputs generally used to measure the fair value of investments classified as Level 2 include quoted market prices for similar assets in active markets; quoted market prices in markets that are not active for identical or similar assets and other market observable inputs. This level includes the debt investments for which quotations are available from pricing services providers. Fair values provided by pricing services providers are subject to a number of validation procedures by management. These procedures include a review of the valuation models utilised and the results of these models, as well as the recalculation of prices obtained from pricing services at the end of each reporting period.

In this instance, the Group's valuation team may choose to apply an internally developed valuation method to the assets or liabilities being measured based on unobservable main inputs for valuation, determine the key inputs for valuation, and analyse the change of the valuation and report it to management. If 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. The assets and liabilities valued by this method are generally classified as Level 3.

As at 31 December 2024, assets classified as Level 1 accounted for 30.9% of assets measured at fair value on a recurring basis. Fair value measurements classified as Level 1 include certain securities that are traded in an active exchange market or interbank market and open-ended funds with public market price quotations. The Group considers a combination of certain factors to determine whether a market for a financial instrument is active, including the occurrence of trades within the specific period, the respective trading volume, and the degree to which the implied yields for debt investments for observed transactions differs from the Group's understanding of the current relevant market rates and information. Trading prices from the Chinese interbank market are determined by both trading counterparties and can be observed publicly. The Group adopted this price of the debt investments traded on the Chinese interbank market at the reporting date as their fair market value and classified the investments as Level 1. Open-ended funds also have active markets. Fund management companies publish the net asset value of these funds on their websites on each trade date. Investors subscribe for and redeem units of these funds in accordance with the funds' net asset value published by the fund management companies on each trade date. The Group adopted the unadjusted net asset value of the funds at the reporting date as their fair market value and classified the investments as Level 1.

As at 31 December 2024, assets classified as Level 2 accounted for 57.6% of assets measured at fair value on a recurring basis. Valuations are generally obtained from third-party valuation service providers 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 are classified as Level 2 when they are valued at recent trading prices from the Chinese interbank market or from valuation service providers.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.4 Fair value hierarchy (continued)

As at 31 December 2024, assets classified as Level 3 accounted for 11.5% of assets measured at fair value on a recurring basis. They primarily include unlisted securities. Fair values are determined using valuation techniques, including discounted cash flow valuations and the comparable companies approach. The determination of Level 3 is primarily based on the significance of certain unobservable inputs used for measurement of the asset's fair value.

For the accounting policies regarding the determination of fair values of financial assets and liabilities, see Note 4.2.

The following table presents the Group's quantitative disclosures of the fair value measurement hierarchy for assets and liabilities measured at fair value as at 31 December 2024:

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RMB million	RMB million	RMB million	RMB million
Financial assets at fair value through profit or loss				
Funds	306,351	200	–	306,551
Common stocks	440,417	513	–	440,930
Government bonds	563	3,342	–	3,905
Government agency bonds	459	8,390	–	8,849
Corporate bonds	4,215	198,663	45	202,923
Subordinated bonds	155,498	192,106	–	347,604
Others	53,853	113,523	429,960	597,336
Investment in equity instruments at fair value through other comprehensive income				
Common stocks	60,153	–	–	60,153
Preferred stocks	–	–	51,444	51,444
Others	17,948	7,470	34,802	60,220
Investment in debt instruments at fair value through other comprehensive income				
Government bonds	455,156	233,599	–	688,755
Government agency bonds	204,114	1,975,710	–	2,179,824
Corporate bonds	14,240	431,981	–	446,221
Subordinated bonds/debts	830	20,399	–	21,229
Others	–	2,334	120,532	122,866
Total	1,713,797	3,188,230	636,783	5,538,810
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss	(53,521)	–	–	(53,521)
Total	(53,521)	–	–	(53,521)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.4 Fair value hierarchy (continued)

The following table presents the changes in Level 3 financial instruments for the year ended 31 December 2024:

	Investment in equity instruments at fair value through other comprehensive income	Investment in debt instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
	RMB million	RMB million	RMB million	RMB million
Opening balance	80,062	97,437	429,506	607,005
Purchases	4,000	30,428	45,310	79,738
Total gains/(losses) recorded in profit or loss	–	(4)	9,428	9,424
Total gains/(losses) recorded in other comprehensive income	2,184	3,314	–	5,498
Disposals or exercised	–	(1,051)	(26,134)	(27,185)
Settlement	–	(9,592)	(28,105)	(37,697)
Closing balance	86,246	120,532	430,005	636,783

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.4 Fair value hierarchy (continued)

The following table presents the Group's quantitative disclosures of the fair value measurement hierarchy for assets and liabilities measured at fair value as at 31 December 2023:

	Fair value measurement using			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	RMB million	RMB million	RMB million	RMB million
Financial assets at fair value through profit or loss				
Funds	206,682	281	–	206,963
Common stocks	400,172	15,241	–	415,413
Government bonds	409	3,213	–	3,622
Government agency bonds	682	6,131	–	6,813
Corporate bonds	7,785	179,308	45	187,138
Subordinated bonds	114,391	201,044	–	315,435
Others	70,539	69,991	429,461	569,991
Investment in equity instruments at fair value through other comprehensive income				
Common stocks	14,273	514	–	14,787
Preferred stocks	–	–	50,445	50,445
Others	32,577	10,579	29,617	72,773
Investment in debt instruments at fair value through other comprehensive income				
Government bonds	250,592	244,238	–	494,830
Government agency bonds	184,458	1,533,140	–	1,717,598
Corporate bonds	9,452	399,469	–	408,921
Subordinated bonds/debts	484	22,268	–	22,752
Others	–	2,631	97,437	100,068
Total	1,292,496	2,688,048	607,005	4,587,549
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss	(13,878)	–	–	(13,878)
Total	(13,878)	–	–	(13,878)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 RISK MANAGEMENT (continued)

5.4 Fair value hierarchy (continued)

The following table presents the changes in Level 3 financial instruments for the year ended 31 December 2023:

	Investment in equity instruments at fair value through other comprehensive income	Investment in debt instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total
	RMB million	RMB million	RMB million	RMB million
Opening balance	79,678	82,833	366,818	529,329
Purchases	–	32,703	79,726	112,429
Total gains/(losses) recorded in profit or loss	–	1,042	11,374	12,416
Total gains/(losses) recorded in other comprehensive income	937	6,872	–	7,809
Disposals or exercised	–	–	(9,110)	(9,110)
Settlement	(553)	(26,013)	(19,302)	(45,868)
Closing balance	80,062	97,437	429,506	607,005

For the assets and liabilities measured at fair value on a recurring basis, during the year ended 31 December 2024, RMB108,990 million (2023: RMB81,804 million) investments were transferred from Level 1 to Level 2 within the fair value hierarchy, whereas RMB122,581 million (2023: RMB37,744 million) investments were transferred from Level 2 to Level 1.

As at 31 December 2024, significant unobservable inputs such as discount rate and discounts for lack of marketability were used in the valuation of primary assets and liabilities at fair value classified as Level 3 (as at 31 December 2023: same).

The table below presents information about the significant unobservable inputs used for primary financial instruments at fair value classified as Level 3 as at 31 December 2024 (as at 31 December 2023: same):

Valuation techniques	Significant unobservable inputs	Range	Relationships between fair value and unobservable inputs
Comparable companies method	Discounts for lack of marketability	as at 31 December 2024: 13%-35% as at 31 December 2023: 15%-33%	The fair value is inversely related to the discounts for lack of marketability
Discounted cash flow method	Discount rate	as at 31 December 2024: 1.62%-13.00% as at 31 December 2023: 1.57%-16.70%	The fair value is inversely related to discount rate

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6 SEGMENT INFORMATION

6.1 Operating segments

The Group operates in the life insurance business segment, the health insurance business segment, the accident insurance business segment and other businesses segment:

(i) Life insurance business (Life)

Life insurance business relates primarily to the sale of life insurance policies, including those life insurance policies without significant insurance risk transferred.

(ii) Health insurance business (Health)

Health insurance business relates primarily to the sale of health insurance policies, including those health insurance policies without significant insurance risk transferred.

(iii) Accident insurance business (Accident)

Accident insurance business relates primarily to the sale of accident insurance policies.

(iv) Other businesses (Others)

Other businesses relate primarily to income and cost of the agency business in respect of transactions with CLIC, etc., as described in Note 31, and the income and expenses of subsidiaries, as well as related consolidation offsets, etc.

6.2 Allocation basis of income and expenses

Insurance service income and expenses directly related to the segments are directly recognised in each insurance segment. Interest income, investment income etc., are allocated to each segment by systematic and reasonable method. Other expenses that are not directly attributable to the portfolio of insurance contracts are not allocated and are directly recognised in other business segment.

6.3 Allocation basis of assets and liabilities

Insurance service assets and liabilities directly related to the segments are directly recognised in each insurance segment. Other assets and other liabilities are allocated to each segment by systematic and reasonable method.

6.4 The Group's external transaction income and assets are predominantly sourced from China (including Hong Kong). Due to the dispersion of the policyholders in life insurance business, the Group maintains minimal reliance on any single policyholder.

6.5 The segment information for the year ended 31 December 2023 submitted by the Group to the operating decision-maker is prepared in accordance with ASBE, among which insurance contracts-related data is prepared in accordance with ASBE No. 25 – Direct Insurance Contracts (Caikuai [2006] No. 3), ASBE No. 26 – Reinsurance Contracts (Caikuai [2006] No. 3) and Regulations regarding the Accounting Treatment of Insurance Contracts (Caikuai [2009] No. 15), and financial instruments-related data is prepared in accordance with ASBE No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2006] No. 3), ASBE No. 23 – Transfer of Financial Assets (Caikuai [2006] No. 3), ASBE No. 24 – Hedging (Caikuai [2006] No. 3) and ASBE No. 37 – Presentation of Financial Instruments (Caikuai [2014] No. 23), etc.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6 SEGMENT INFORMATION (continued)

	For the year ended 31 December 2024				
	Life	Health	Accident	Others	Total
	RMB million				
Insurance revenue	137,405	56,844	13,912	–	208,161
Interest income	109,156	7,177	207	4,418	120,958
Investment income	159,176	10,467	303	6,515	176,461
Investment income from associates and joint ventures	10,647	700	20	710	12,077
Other income	–	–	–	10,970	10,970
Total revenues	416,384	75,188	14,442	22,613	528,627
Insurance service expenses	(119,797)	(46,610)	(14,137)	–	(180,544)
Allocation of reinsurance premiums paid	(958)	(4,006)	(107)	–	(5,071)
Less: Amounts recovered from reinsurers	390	4,794	265	–	5,449
Insurance finance income/(expenses) from insurance contracts issued	(197,269)	(12,338)	(345)	–	(209,952)
Less: Reinsurance finance income/(expenses) from reinsurance contracts held	126	541	4	–	671
Finance costs	(2,935)	(193)	(6)	(1,066)	(4,200)
Expected credit losses	(3,446)	(227)	(7)	3,887	207
Other impairment losses	(2,585)	(170)	(5)	1,149	(1,611)
Other expenses	–	–	–	(18,363)	(18,363)
Profit before income tax	89,910	16,979	104	8,220	115,213
Supplementary Information:					
Depreciation and amortisation expenses	2,843	1,106	335	745	5,029

Segment information	For the year ended 31 December 2024				
	Life	Health	Accident	Others	Total
	RMB million				
Segment assets	6,125,372	427,088	11,702	205,384	6,769,546
Segment liabilities	5,672,377	374,159	10,159	191,603	6,248,298

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6 SEGMENT INFORMATION (continued)

	For the year ended 31 December 2023					
	Life	Health	Accident	Others	Elimination	Total
	RMB million					
I. Operating income	695,053	119,459	14,424	12,655	(3,732)	837,859
Premiums earned	511,355	106,757	14,029	–	–	632,141
Premium income	512,622	114,023	14,735	–	–	641,380
Less: Premiums ceded to reinsurers	(1,267)	(6,110)	(618)	–	–	(7,995)
Change in unearned premium reserves	–	(1,156)	(88)	–	–	(1,244)
Investment income	177,373	12,287	386	581	–	190,627
Including: Share of profit of associates and joint ventures	8,816	607	19	(916)	–	8,526
Other gains	87	6	–	51	–	144
Fair value gains/(losses)	3,894	268	8	(1)	–	4,169
Foreign exchange gains/(losses)	165	11	–	(557)	–	(381)
Other operating income	2,110	125	1	12,582	(3,732)	11,086
Including: inter-segment transactions	–	–	–	3,732	(3,732)	–
Gains/(losses) on disposal of assets	69	5	–	(1)	–	73
II. Operating expenses	(689,444)	(117,405)	(13,625)	(8,876)	3,732	(825,618)
Surrenders	(46,383)	(2,335)	(22)	–	–	(48,740)
Claims expense	(103,907)	(63,894)	(7,018)	–	–	(174,819)
Less: Claims recoverable from reinsurers	506	6,164	339	–	–	7,009
Increase in insurance contracts reserve	(375,952)	(31,089)	(170)	–	–	(407,211)
Less: Insurance reserves recoverable from reinsurers	97	151	39	–	–	287
Policyholder dividends resulting from participation in profits	(11,614)	(81)	–	–	–	(11,695)
Tax and surcharges	(889)	(202)	(21)	(305)	–	(1,417)
Underwriting and policy acquisition costs	(47,281)	(9,833)	(4,260)	(1,718)	–	(63,092)
Administrative expenses	(24,825)	(10,592)	(2,059)	(3,600)	–	(41,076)
Less: Expenses recoverable from reinsurers	376	342	10	–	–	728
Other operating expenses	(30,238)	(2,629)	(353)	(3,103)	3,732	(32,591)
Including: inter-segment transactions	(3,484)	(240)	(8)	–	3,732	–
Impairment losses	(49,334)	(3,407)	(110)	(150)	–	(53,001)
III. Operating profit	5,609	2,054	799	3,779	–	12,241
Add: Non-operating income	81	6	–	7	–	94
Less: Non-operating expenses	(425)	(29)	(1)	(2)	–	(457)
IV. Net profit before income tax	5,265	2,031	798	3,784	–	11,878
Supplementary Information:						
Depreciation and amortisation expenses	2,804	1,118	233	861	–	5,016

The reconciliation of segment information to the consolidated statement of comprehensive income is as follows:

Segment information	For the year ended 31 December 2023		Consolidated statement of comprehensive income
	Adjustment		
	IFRS 9	IFRS 17	
	RMB million		
Operating income: 837,859	(60,745)	(432,368)	Total revenue: 344,746
Net profit before income tax: 11,878	(6,895)	39,593	Profit before income tax: 44,576

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6 SEGMENT INFORMATION (continued)

Item	As at 31 December 2023					Total
	Life	Health	Accident	Others	Elimination	
	RMB million					
I. Assets						
Cash fund	132,636	9,135	289	7,506	–	149,566
Financial assets at fair value through profit or loss	235,852	16,244	513	1,270	–	253,879
Financial assets purchased under agreements to resell	16,213	1,117	35	122	–	17,487
Interest receivable	47,248	3,254	103	274	–	50,879
Premiums receivable	8,119	12,939	463	–	–	21,521
Unearned premium reserves receivable from reinsurers	–	586	56	–	–	642
Claim reserves receivable from reinsurers	–	313	334	–	–	647
Reserves for life insurance receivables from reinsurers	700	–	–	–	–	700
Reserves for long-term health insurance receivables from reinsurers	–	4,573	–	–	–	4,573
Loans	570,812	30,172	673	1,982	–	603,639
Term deposits	371,105	25,560	808	6,658	–	404,131
Available-for-sale financial assets	2,099,921	144,633	4,569	13,924	–	2,263,047
Held-to-maturity investments	1,591,004	109,581	3,462	2,394	–	1,706,441
Long-term equity investments	215,217	14,823	468	27,098	–	257,606
Statutory deposits	5,278	364	11	680	–	6,333
Separate account assets	7	–	–	8,409	–	8,416
Total distributable assets	5,294,112	373,294	11,784	70,317	–	5,749,507
Undistributable assets						
Other assets						138,972
Total						5,888,479
II. Liabilities						
Financial liabilities at fair value through profit or loss	5,106	352	11	–	–	5,469
Financial assets sold under agreements to repurchase	200,368	13,800	436	2,100	–	216,704
Claims payable	60,979	5,302	311	–	–	66,592
Policyholder deposits	466,619	19,864	–	–	–	486,483
Unearned premium reserves	–	10,490	3,730	–	–	14,220
Claim reserves	–	20,608	3,853	–	–	24,461
Reserves for life insurance	3,981,728	–	1,705	–	–	3,983,433
Reserves for long-term health insurance	–	266,376	–	–	–	266,376
Long-term borrowings	–	–	–	12,719	–	12,719
Separate account liabilities	7	–	–	8,409	–	8,416
Other distributable liabilities	35,745	2,291	71	–	–	38,107
Total distributable liabilities	4,750,552	339,083	10,117	23,228	–	5,122,980
Non-distributable liabilities						
Other liabilities						295,457
Total						5,418,437

The reconciliation of segment information to the consolidated statement of financial position is as follows:

Segment information	As at 31 December 2023			Consolidated statement of financial position
	IFRS 9	Adjustment IFRS 17	Impact of Deferred tax	
	RMB million			
Assets: 5,888,479	198,743	(279,280)	(5,856)	Assets: 5,802,086
Liabilities: 5,418,437	590	(102,426)	(1,549)	Liabilities: 5,315,052

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

7 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Office equipment, furniture and fixtures	Motor vehicles	Assets under construction	Leasehold improvements	Total
	RMB million					
Cost						
As at 1 January 2024	63,486	9,963	1,345	5,183	2,215	82,192
Transfers upon completion	1,986	31	–	(2,168)	147	(4)
Additions	9	895	89	2,813	–	3,806
Disposals	(427)	(160)	(158)	–	(162)	(907)
As at 31 December 2024	65,054	10,729	1,276	5,828	2,200	85,087
Accumulated depreciation						
As at 1 January 2024	(18,342)	(7,261)	(1,057)	–	(1,799)	(28,459)
Charge for the year	(2,152)	(942)	(100)	–	(192)	(3,386)
Disposals	355	155	152	–	157	819
As at 31 December 2024	(20,139)	(8,048)	(1,005)	–	(1,834)	(31,026)
Impairment						
As at 1 January 2024	(22)	–	–	(1)	–	(23)
Charge for the year	–	–	–	(9)	–	(9)
Disposals	–	–	–	1	–	1
As at 31 December 2024	(22)	–	–	(9)	–	(31)
Net book value						
As at 1 January 2024	45,122	2,702	288	5,182	416	53,710
As at 31 December 2024	44,893	2,681	271	5,819	366	54,030

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

7 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings	Office equipment, furniture and fixtures	Motor vehicles	Assets under construction	Leasehold improvements	Total
	RMB million					
Cost						
As at 1 January 2023	62,954	8,884	1,268	5,026	2,206	80,338
Transfers upon completion	1,619	244	–	(2,063)	192	(8)
Additions	114	1,020	189	2,220	–	3,543
Disposals	(1,201)	(185)	(112)	–	(183)	(1,681)
As at 31 December 2023	63,486	9,963	1,345	5,183	2,215	82,192
Accumulated depreciation						
As at 1 January 2023	(16,640)	(6,319)	(1,071)	–	(1,724)	(25,754)
Charge for the year	(2,107)	(1,120)	(95)	–	(240)	(3,562)
Disposals	405	178	109	–	165	857
As at 31 December 2023	(18,342)	(7,261)	(1,057)	–	(1,799)	(28,459)
Impairment						
As at 1 January 2023	(24)	–	–	(1)	–	(25)
Charge for the year	–	–	–	–	–	–
Disposals	2	–	–	–	–	2
As at 31 December 2023	(22)	–	–	(1)	–	(23)
Net book value						
As at 1 January 2023	46,290	2,565	197	5,025	482	54,559
As at 31 December 2023	45,122	2,702	288	5,182	416	53,710

As at 31 December 2024, the net book value of buildings above which were in process to obtain title certificates was RMB4,234 million (as at 31 December 2023: RMB4,617 million).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

8 LEASES

(a) Right-of-use assets

	Buildings	Others	Total
	RMB million		
Cost			
As at 1 January 2024	3,570	4	3,574
Additions	1,122	1	1,123
Deductions	(1,371)	(1)	(1,372)
As at 31 December 2024	3,321	4	3,325
Accumulated depreciation			
As at 1 January 2024	(2,091)	(3)	(2,094)
Charge for the year	(899)	(1)	(900)
Deductions	1,225	1	1,226
As at 31 December 2024	(1,765)	(3)	(1,768)
Impairment			
As at 1 January 2024	—	—	—
As at 31 December 2024	—	—	—
Net book value			
As at 1 January 2024	1,479	1	1,480
As at 31 December 2024	1,556	1	1,557

	Buildings	Others	Total
	RMB million		
Cost			
As at 1 January 2023	4,201	3	4,204
Additions	636	1	637
Deductions	(1,267)	—	(1,267)
As at 31 December 2023	3,570	4	3,574
Accumulated depreciation			
As at 1 January 2023	(2,392)	(2)	(2,394)
Charge for the year	(938)	(1)	(939)
Deductions	1,239	—	1,239
As at 31 December 2023	(2,091)	(3)	(2,094)
Impairment			
As at 1 January 2023	—	—	—
As at 31 December 2023	—	—	—
Net book value			
As at 1 January 2023	1,809	1	1,810
As at 31 December 2023	1,479	1	1,480

The Group's right-of-use assets include the above assets and land use rights disclosed in Note 13.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

8 LEASES (continued)

(b) The amounts recognised in profit or loss in relation to leases are as follows:

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Interest on lease liabilities	45	54
Depreciation charge of right-of-use assets	900	939
Expense relating to short-term leases	288	319
Expense relating to leases of low-value assets (except for short-term lease liabilities)	2	1
Total	1,235	1,313

9 INVESTMENT PROPERTIES

	Buildings
	RMB million
Cost	
As at 1 January 2024	15,222
Additions	4
Deductions	—
As at 31 December 2024	15,226
Accumulated depreciation	
As at 1 January 2024	(2,469)
Additions	(438)
Deductions	—
As at 31 December 2024	(2,907)
Net book value	
As at 1 January 2024	12,753
As at 31 December 2024	12,319
Fair value	
As at 1 January 2024	16,677
As at 31 December 2024	16,060

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

9 INVESTMENT PROPERTIES (continued)

	Buildings
	RMB million
Cost	
As at 1 January 2023	15,226
Additions	1
Deductions	(5)
As at 31 December 2023	15,222
Accumulated depreciation	
As at 1 January 2023	(2,033)
Additions	(437)
Deductions	1
As at 31 December 2023	(2,469)
Net book value	
As at 1 January 2023	13,193
As at 31 December 2023	12,753
Fair value	
As at 1 January 2023	16,854
As at 31 December 2023	16,677

The Company leases part of its investment properties to its subsidiaries and charges rentals based on the areas occupied by the respective entities. These properties are categorised as property, plant and equipment of the Group in the consolidated statement of financial position.

The Group has no restrictions on the use of its investment properties and no contractual obligations to each investment property purchased, constructed or developed or for repairs, maintenance and enhancements.

As at 31 December 2024, the Group had no investment properties for which the title certificates were in process to obtain (as at 31 December 2023: nil).

The fair value of investment properties of the Group as at 31 December 2024 amounted to RMB16,060 million (as at 31 December 2023: RMB16,677 million), which was estimated by the Group having regards to valuations performed by independent appraisers. The investment properties were classified as Level 3 in the fair value hierarchy.

The Group classifies the fair value of its investment properties within Level 3 of the fair value hierarchy. In determining their fair value, the market comparison approach is employed as the valuation technique. This method utilises recent average transaction prices of comparable properties as a baseline, incorporating systematic adjustments for variations factors, including the time and the conditions of sale, the geographical location, age, decoration, floor area, lot size of the property and other factors to derive the fair value of investment properties.

Under the above valuation approach, an increase (decrease) in the comprehensive adjustment coefficient will result in changes in the fair value of investment properties.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2024	2023
	RMB million	RMB million
Opening balance	258,760	262,485
Change of the cost	34,175	(8,252)
Share of profit or loss	12,077	8,079
Dividends declared	(5,328)	(4,854)
Other equity movements	3,995	1,302
Provision for impairment	(1,602)	–
Closing balance	302,077	258,760

				Movements in the current year							
	Accounting method	Investment cost	As at 31 December 2023	Change of the cost	Share of profit or loss	Dividends declared	Other equity movements	Provision for impairment	As at 31 December 2024	Percentage of equity interest	Accumulated amount of impairment
RMB million											RMB million
Associates											
China Guangfa Bank Co., Ltd. ("CGB") (i)	Equity method	53,201	104,645	–	5,745	(765)	2,411	–	112,036	43.686%	–
COFCO Futures Company Limited ("COFCO Futures")	Equity method	1,339	1,795	–	91	(30)	244	–	2,100	29.58%	–
China Pipe Group Sichuan to East China Gas Pipeline Co., Ltd. ("Pipeline Company")	Equity method	10,000	12,104	–	790	(1,063)	9	–	11,840	43.86%	–
China United Network Communications Limited ("China Unicom") (ii)	Equity method	21,801	23,052	–	854	(473)	51	–	23,484	10.03%	–
Others (iii)	Equity method	71,407	62,683	1,107	2,381	(1,478)	269	(313)	64,649		(6,680)
Sub-total		157,748	204,279	1,107	9,861	(3,809)	2,984	(313)	214,109		(6,680)
Joint ventures											
Joy City Commercial Property Fund L.P. ("Joy City")	Equity method	6,281	5,414	–	270	(549)	–	–	5,135	66.67%	–
Mapleleaf Century Limited ("MCL")	Equity method	7,656	3,025	–	(489)	–	100	–	2,636	75.00%	–
Others (iii)	Equity method	83,177	46,042	33,068	2,435	(970)	911	(1,289)	80,197		(1,289)
Sub-total		97,114	54,481	33,068	2,216	(1,519)	1,011	(1,289)	87,968		(1,289)
Total		254,862	258,760	34,175	12,077	(5,328)	3,995	(1,602)	302,077		(7,969)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

(i) The 2023 final dividend of RMB0.0804 in cash per ordinary share was approved and declared in the Annual General Meeting of CGB on 20 June 2024. The Company received a cash dividend of RMB765 million.

(ii) The 2023 final dividend of RMB0.0524 in cash per ordinary share was approved and declared in the Annual General Meeting of China Unicom on 11 July 2024. The Company received a cash dividend of RMB167 million. The 2024 interim dividend of RMB0.0959 in cash per ordinary share was approved and declared in the Annual General Meeting of China Unicom on 15 August 2024. The Company received a cash dividend of RMB306 million.

On 31 December 2024, the stock price of China Unicom was RMB5.31 per share.

(iii) The Group invested in real estate, industrial logistics assets and other industries through these enterprises.

(iv) There is no significant restriction for the Group to dispose of its associates and joint ventures.

As at 31 December 2024, the major associates and joint ventures of the Group are as follows:

Name	Place of incorporation	Percentage of equity interest held
Associates		
CGB	PRC	43.686%
COFCO Futures	PRC	29.58%
Pipeline Company	PRC	43.86%
China Unicom	PRC	10.03%
Joint ventures		
Joy City	The British Cayman Islands	66.67%
MCL	The British Virgin Islands	75.00%

As at 31 December 2023, the major associates and joint ventures of the Group are as follows:

Name	Place of incorporation	Percentage of equity interest held
Associates		
CGB	PRC	43.686%
COFCO Futures	PRC	35.00%
Pipeline Company	PRC	43.86%
China Unicom	PRC	10.03%
Joint ventures		
Joy City	The British Cayman Islands	66.67%
MCL	The British Virgin Islands	75.00%

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table illustrates the financial information of the Group's major associates and joint ventures as at 31 December 2024 and for the year ended 31 December 2024:

	CGB	COFCO Futures	Pipeline Company	China Unicom	Joy City	MCL
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Total assets	3,644,993	26,518	21,099	672,837	9,530	24,865
Total liabilities	3,345,982	21,787	7,261	304,048	7	13,140
Total equity	299,011	4,731	13,838	368,789	9,523	11,725
Total equity attributable to equity holders of the associates and joint ventures	249,012	4,713	13,838	164,847	9,523	11,725
Total adjustments (i)	150	–	340	15,093	(1,821)	(8,210)
Total equity attributable to equity holders of the associates and joint ventures after adjustments	249,162	4,713	14,178	179,940	7,702	3,515
Proportion of the Group's ownership	43.686%	29.58%	43.86%	10.03%	66.67%	75.00%
Book balance of the investments	112,036	2,100	11,840	23,484	5,135	2,636
Impairment	–	–	–	–	–	–
Net carrying value of the investments	112,036	2,100	11,840	23,484	5,135	2,636
Total revenues	69,237	1,218	4,474	399,008	310	769
Net profit/(loss)	15,284	265	1,860	20,601	296	30
Other comprehensive income	5,520	17	–	263	–	223
Total comprehensive income	20,804	282	1,860	20,864	296	253

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table illustrates the financial information of the Group's major associates and joint ventures as at 31 December 2023 and for the year ended 31 December 2023:

	CGB	COFCO Futures	Pipeline Company	China Unicom	Joy City	MCL
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Total assets	3,509,522	26,169	21,814	662,845	9,629	24,127
Total liabilities	3,232,537	22,585	7,430	304,910	7	12,826
Total equity	276,985	3,584	14,384	357,935	9,622	11,301
Total equity attributable to equity holders of the associates and joint ventures	231,993	3,571	14,384	159,241	9,622	11,301
Total adjustments (i)	251	–	362	15,565	(1,501)	(7,267)
Total equity attributable to equity holders of the associates and joint ventures after adjustments	232,244	3,571	14,746	174,806	8,121	4,034
Proportion of the Group's ownership	43.686%	35.00%	43.86%	10.03%	66.67%	75.00%
Book balance of the investments	104,645	1,795	12,104	23,052	5,414	3,025
Impairment	–	–	–	–	–	–
Net carrying value of the investments	104,645	1,795	12,104	23,052	5,414	3,025
Total revenues	69,678	3,779	6,213	379,643	155	973
Net profit/(loss)	16,019	239	3,030	18,713	141	371
Other comprehensive income	2,841	3	–	319	–	(444)
Total comprehensive income	18,860	242	3,030	19,032	141	(73)

(i) Total adjustments include accounting policy difference adjustments, fair value adjustments and other adjustments.

The Group had no contingent liabilities with the associates and joint ventures as at 31 December 2024 (as at 31 December 2023: same). The Group had a capital contribution commitment of RMB18,970 million with associates and joint ventures as at 31 December 2024 (as at 31 December 2023: RMB13,638 million). The capital contribution commitment amount has been included in the capital commitments in Note 36.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11 FINANCIAL ASSETS

11.1 Term deposits

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Maturing:		
Within one year	83,765	174,513
After one year but within five years	348,423	238,951
Over five years	6,500	–
Sub-total	438,688	413,464
Impairment provision	(233)	(209)
Total	438,455	413,255

As at 31 December 2024, the Group's term deposits of RMB1,104 million were deposited in banks for risk reserves of enterprise annuity fund investments and risk reserves of personal endowment security management business, which are restricted to use (as at 31 December 2023: RMB1,506 million).

11.2 Statutory deposits – restricted

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
contractual maturity schedule:		
Within one year	345	517
After one year but within five years	6,254	6,010
Sub-total	6,599	6,527
Impairment provision	(8)	(7)
Total	6,591	6,520

Insurance companies in China are required to deposit an amount that equals 20% of their registered capital with banks in compliance with regulations of the NFRA. These funds may not be used for any purpose other than for paying off debts during liquidation proceedings.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11 FINANCIAL ASSETS (continued)

11.3 Investment in debt instruments at amortised cost

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Trust schemes	114,677	123,996
Debt investment plans	70,120	53,255
Others (i)	12,443	34,448
Sub-total	197,240	211,699
Impairment provision	(486)	(350)
Total	196,754	211,349
By place of listing:		
Listed in Mainland, PRC	2,081	637
Listed in Hong Kong, PRC	99	132
Listed overseas	58	57
Unlisted (ii)	194,516	210,523
Total	196,754	211,349

(i) Mainly including large denomination certificates of deposit and bonds.

(ii) Unlisted debt investments mainly include non-publicly traded trust schemes and debt investment plans, etc.

	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Fair value hierarchy	RMB million	RMB million	RMB million	RMB million
Trust schemes	–	–	120,981	120,981
Debt investment plans	–	–	73,848	73,848
Others	875	2,746	8,765	12,386
Total	875	2,746	203,594	207,215

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Fair value hierarchy	RMB million	RMB million	RMB million	RMB million
Trust schemes	–	–	128,994	128,994
Debt investment plans	–	–	55,494	55,494
Others	178	2,437	32,276	34,891
Total	178	2,437	216,764	219,379

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11 FINANCIAL ASSETS (continued)

11.3 Investment in debt instruments at amortised cost (continued)

	As at 31 December 2024	As at 31 December 2023
Contractual maturity schedule	RMB million	RMB million
Maturing:		
Within one year	38,460	44,921
After one year but within five years	112,487	92,002
After five years but within ten years	44,231	67,097
Over ten years	1,576	7,329
Total	196,754	211,349

11.4 Investment in debt instruments at fair value through other comprehensive income

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Government bonds	688,755	494,830
Government agency bonds	2,179,824	1,717,598
Corporate bonds	446,221	408,921
Subordinated bonds	21,229	22,752
Others (i)	122,866	100,068
Total	3,458,895	2,744,169
By place of listing:		
Listed in Mainland, PRC	431,701	395,189
Listed in Hong Kong, PRC	93	58
Listed overseas	1,055	179
Unlisted (ii)	3,026,046	2,348,743
Total	3,458,895	2,744,169
Contractual maturity schedule		
Maturing:		
Within one year	152,936	172,999
After one year but within five years	424,910	398,475
After five years but within ten years	233,853	207,198
Over ten years	2,647,196	1,965,497
Total	3,458,895	2,744,169
Impairment	(928)	(1,432)

(i) Mainly including trust schemes and debt investment plans.

(ii) This mainly includes bonds traded in the Chinese interbank market, unlisted trust schemes and debt investment plans.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11 FINANCIAL ASSETS (continued)

11.5 Investment in equity instruments at fair value through other comprehensive income

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Common stocks	60,153	14,787
Preferred stocks	51,444	50,445
Others (i)	60,220	72,773
Total	171,817	138,005
By place of listing:		
Listed in Mainland, PRC	77,345	56,962
Listed in Hong Kong, PRC	36,338	8,891
Unlisted	58,134	72,152
Total	171,817	138,005

(i) Mainly including perpetual bonds, etc.

In 2024, for the consideration of optimizing asset allocation and asset-liability management, the Group disposed of investment in equity instruments at fair value through other comprehensive income amounted to RMB29,331 million (2023: RMB2,713 million), and the net cumulative gains of RMB2,559 million on disposal was transferred from other comprehensive income to retained earnings (2023: net cumulative gain of RMB96 million).

The dividend income of equity instruments at fair value through other comprehensive income recognised during the year are described in Note 22.

11.6 Financial assets at fair value through profit or loss

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Government bonds	3,905	3,622
Government agency bonds	8,849	6,813
Corporate bonds	202,923	187,138
Subordinated bonds	347,604	315,435
Funds	306,551	206,963
Common stocks	440,930	415,413
Others (i)	597,336	569,991
Total	1,908,098	1,705,375
By place of listing:		
Listed in Mainland, PRC	572,717	472,522
Listed in Hong Kong, PRC	36,517	41,877
Listed overseas	23,194	10,230
Unlisted (ii)	1,275,670	1,180,746
Total	1,908,098	1,705,375

(i) Mainly including trust schemes, perpetual bonds, private equity funds, and unlisted equity.

(ii) This mainly includes bonds traded in the Chinese interbank market, non-public trust schemes, perpetual bonds, private equity funds, and unlisted equity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

11 FINANCIAL ASSETS (continued)

11.7 Financial assets purchased under agreements to resell

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Maturing:		
Within 30 days	30,560	19,682
Above 30 days	—	77
Total	30,560	19,759

12 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The table below presents the carrying amount and estimated fair value of major financial assets and liabilities:

	Carrying amount		Estimated fair value	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million	RMB million	RMB million
Term deposits	438,455	413,255	438,455	413,255
Statutory deposits – restricted	6,591	6,520	6,591	6,520
Investment in debt instruments at amortised cost	196,754	211,349	207,215	219,379
Investment in debt instruments at fair value through other comprehensive income	3,458,895	2,744,169	3,458,895	2,744,169
Investment in equity instruments at fair value through other comprehensive income	171,817	138,005	171,817	138,005
Financial assets at fair value through profit or loss	1,908,098	1,705,375	1,908,098	1,705,375
Financial assets purchased under agreements to resell	30,560	19,759	30,560	19,759
Cash and cash equivalents	85,505	149,305	85,505	149,305
Financial liabilities at fair value through profit or loss	(53,521)	(13,878)	(53,521)	(13,878)
Financial assets sold under agreements to repurchase	(151,564)	(216,851)	(151,564)	(216,851)
Bonds payable	(35,194)	(36,166)	(35,387)	(36,278)
Interest-bearing loans and other borrowings	(12,758)	(12,857)	(12,758)	(12,857)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

12 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The fair values of the underlying items of the Group's Insurance contracts with direct participation features are as follows:

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Cash and cash equivalents	38,203	47,693
Term deposits	102,607	131,206
Investment in debt instruments at amortised cost	1,938	12,163
Investment in debt instruments at fair value through other comprehensive income	1,457,353	1,077,916
Investment in equity instruments at fair value through other comprehensive income	50,316	61,599
Financial assets at fair value through profit or loss	702,762	589,031
Other miscellaneous items	69,432	167,942
Total	2,422,611	2,087,550

13 OTHER ASSETS

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Land use rights (i)	7,620	7,861
Investments receivable and prepaid	2,805	7,765
Disbursements	5,140	4,662
Due from related parties	1,084	1,005
Prepayments to constructors	99	95
Others (ii)	14,964	15,930
Total	31,712	37,318

(i) The Group's right-of-use assets include the above land use rights and right-of-use assets disclosed in Note 8.

(ii) As at 31 December 2024, other items in the Group's other assets were mainly subsidiaries' real estate related assets (as at 31 December 2023: same).

For the year ended 31 December 2024, the Group recognised an expected credit loss of RMB57 million for other receivables (2023: RMB65 million), and the ending balance of provision for impairment for other receivables is RMB773 million (as at 31 December 2023: RMB720 million).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS

14.1 Significant actuarial assumptions

(1) Estimates of future cash flows

All of the future cash flows within the boundary of each group of contracts are included in the measurement of each group of insurance contracts.

The Group estimates cash flows which are expected in the future and the timing and probability that they will occur based on the information available at the reporting date. The Group's expectations are based on past events, the information provided by current conditions, and the forecasts of future conditions. The Group's estimate of future cash flows is the probability-weighted average of a range of scenarios that reflect the full range of possible outcomes.

The Group adjusts the estimates of future cash flows to reflect the time value of money.

Based on the information available at the date of statement of financial position, the Group reassesses the assumptions used to develop estimates about future cash flows.

Significant actuarial assumptions used are discussed below:

Discount rates

Based on the information available at the reporting date, the Group applies the bottom-up approach in determining the discount rate for future cash flows of the insurance contracts by adjusting tax premium and liquidity premium based on the risk-free yield curve. The assumed spot discount rates are as follows:

	Discount rate assumptions
As at 31 December 2024	1.55% ~ 4.77%
As at 31 December 2023	2.57% ~ 4.80%

Mortality/Morbidity

The mortality and morbidity assumptions are based on the Group's historical mortality and morbidity experience. The assumed mortality rates and morbidity rates vary with the gender, age of the insured and contract type.

The Group bases its mortality assumptions on the China Life Insurance Mortality Table (2010-2013), adjusted where appropriate to reflect the Group's recent historical mortality experience. The Group bases its morbidity assumptions on analysis of historical experience and change trend of future developments. There is uncertainty of mortality and morbidity assumptions that affected by epidemics, natural disasters, accidents, lifestyle changes, medical care, social conditions and other factors.

Lapse rates

The lapse rates are affected by certain factors, such as future macro-economy, availability of financial substitutions, and market competition, which bring uncertainty to these assumptions. The lapse rates are determined with reference to creditable past experience, current conditions, future expectations and other information.

Expense assumptions

Expense assumptions are based on the information available at the reporting date with the consideration of previous expense studies and future trends. Expense assumptions are affected by certain factors such as future inflation and market competition which bring uncertainty to these assumptions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS

14.1 Significant actuarial assumptions (continued)

(1) Estimates of future cash flows (continued)

Policy dividend assumption

The policy dividend assumption is uncertainty and is affected by factors such as the expected investment returns, the Group's dividend policy, and the reasonable expectations of policyholders. The Group is obliged to pay 70% or a higher percentage as agreed in the insurance policy of the cumulative distributable income to the participating insurance policyholders.

(2) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is calculated at the Group level and then allocated down to each group of contracts in accordance with their risk profiles. The Group determines non-financial risk adjustments based on the confidence interval method and at a 75% confidence level.

14.2 Insurance contract liabilities

(1) Reconciliation of the liabilities for remaining coverage and the liabilities for incurred claims for insurance contracts issued

Contracts not measured using the premium allocation approach

	Liabilities for remaining coverage			Total
	Excluding loss component	Loss component	Liabilities for incurred claims	
	RMB million			
Insurance contract liabilities as at 1 January 2024	4,759,114	30,904	35,387	4,825,405
Contracts measured under the modified retrospective approach at transition	(109,785)	–	–	(109,785)
Contracts measured under the fair value approach at transition	(20,282)	–	–	(20,282)
Other contracts	(26,808)	–	–	(26,808)
Total insurance revenue	(156,875)	–	–	(156,875)
Incurred claims and other expenses	–	(3,366)	47,176	43,810
Amortisation of insurance acquisition cash flows	45,167	–	–	45,167
Losses and reversals of losses on onerous contracts	–	39,044	–	39,044
Changes to liabilities for incurred claims	–	–	650	650
Total insurance service expenses	45,167	35,678	47,826	128,671
Insurance service result	(111,708)	35,678	47,826	(28,204)
Financial changes in insurance contracts	592,442	523	–	592,965
Total amounts recognised in comprehensive income	480,734	36,201	47,826	564,761
Investment components	(252,214)	–	252,214	–
Premiums received	747,663	–	–	747,663
Insurance acquisition cash flows paid	(47,785)	–	–	(47,785)
Claims and other expenses paid	–	–	(300,588)	(300,588)
Total cash flows	699,878	–	(300,588)	399,290
Insurance contract liabilities as at 31 December 2024	5,687,512	67,105	34,839	5,789,456

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.2 Insurance contract liabilities (continued)

(1) Reconciliation of the liabilities for remaining coverage and the liabilities for incurred claims for insurance contracts issued (continued)

Contracts not measured using the premium allocation approach (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
	RMB million			
Insurance contract liabilities as at 1 January 2023	4,176,033	20,169	34,873	4,231,075
Contracts measured under the modified retrospective approach at transition	(122,628)	–	–	(122,628)
Contracts measured under the fair value approach at transition	(20,943)	–	–	(20,943)
Other contracts	(16,727)	–	–	(16,727)
Total insurance revenue	(160,298)	–	–	(160,298)
Incurred claims and other expenses	–	(2,309)	46,371	44,062
Amortisation of insurance acquisition cash flows	42,118	–	–	42,118
Losses and reversals of losses on onerous contracts	–	12,595	–	12,595
Changes to liabilities for incurred claims	–	–	247	247
Total insurance service expenses	42,118	10,286	46,618	99,022
Insurance service result	(118,180)	10,286	46,618	(61,276)
Financial changes in insurance contracts	256,720	449	–	257,169
Total amounts recognised in comprehensive income	138,540	10,735	46,618	195,893
Investment components	(209,261)	–	209,261	–
Premiums received	704,912	–	–	704,912
Insurance acquisition cash flows paid	(51,110)	–	–	(51,110)
Claims and other expenses paid	–	–	(255,365)	(255,365)
Total cash flows	653,802	–	(255,365)	398,437
Insurance contract liabilities as at 31 December 2023	4,759,114	30,904	35,387	4,825,405

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.2 Insurance contract liabilities (continued)

(1) Reconciliation of the liabilities for remaining coverage and the liabilities for incurred claims for insurance contracts issued (continued)

Contracts measured using the premium allocation approach

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimation of present value of future cash flows	Risk adjustment for non-financial risk	
	RMB million				
Insurance contract liabilities as at 1 January 2024	6,251	798	26,143	578	33,770
Contracts measured under the modified retrospective approach at transition	(21)	–	–	–	(21)
Other contracts	(51,265)	–	–	–	(51,265)
Total insurance revenue	(51,286)	–	–	–	(51,286)
Incurring claims and other expenses	–	(638)	36,265	515	36,142
Amortisation of insurance acquisition cash flows	16,795	–	–	–	16,795
Losses and reversals of losses on onerous contracts	–	1,147	–	–	1,147
Changes to liabilities for incurred claims	–	–	(1,687)	(524)	(2,211)
Total insurance service expenses	16,795	509	34,578	(9)	51,873
Insurance service result	(34,491)	509	34,578	(9)	587
Financial changes in insurance contracts	1,405	–	659	16	2,080
Total amounts recognised in comprehensive income	(33,086)	509	35,237	7	2,667
Investment components	(34,956)	–	34,956	–	–
Premiums received	83,993	–	–	–	83,993
Insurance acquisition cash flows paid	(17,439)	–	–	–	(17,439)
Claims and other expenses paid	–	–	(67,421)	–	(67,421)
Total cash flows	66,554	–	(67,421)	–	(867)
Insurance contract liabilities as at 31 December 2024	4,763	1,307	28,915	585	35,570

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.2 Insurance contract liabilities (continued)

(1) Reconciliation of the liabilities for remaining coverage and the liabilities for incurred claims for insurance contracts issued (continued)

Contracts measured using the premium allocation approach (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimation of present value of future cash flows	Risk adjustment for non-financial risk	Total
	RMB million				
Insurance contract liabilities as at 1 January 2023	3,411	1,778	29,959	724	35,872
Contracts measured under the modified retrospective approach at transition	(108)	–	–	–	(108)
Other contracts	(52,039)	–	–	–	(52,039)
Total insurance revenue	(52,147)	–	–	–	(52,147)
Incurred claims and other expenses	–	(1,669)	39,196	518	38,045
Amortisation of insurance acquisition cash flows	16,531	–	–	–	16,531
Losses and reversals of losses on onerous contracts	–	689	–	–	689
Changes to liabilities for incurred claims	–	–	(3,250)	(684)	(3,934)
Total insurance service expenses	16,531	(980)	35,946	(166)	51,331
Insurance service result	(35,616)	(980)	35,946	(166)	(816)
Financial changes in insurance contracts	1,297	–	674	20	1,991
Total amounts recognised in comprehensive income	(34,319)	(980)	36,620	(146)	1,175
Investment components	(25,665)	–	25,665	–	–
Premiums received	79,681	–	–	–	79,681
Insurance acquisition cash flows paid	(16,857)	–	–	–	(16,857)
Claims and other expenses paid	–	–	(66,101)	–	(66,101)
Total cash flows	62,824	–	(66,101)	–	(3,277)
Insurance contract liabilities as at 31 December 2023	6,251	798	26,143	578	33,770

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.2 Insurance contract liabilities (continued)

(2) Reconciliation of fulfilment cash flows and contractual service margin for insurance contracts issued

Contracts not measured using the premium allocation approach

	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	RMB million			
Insurance contract liabilities as at 1 January 2024	4,019,340	36,928	769,137	4,825,405
Contractual service margin recognised for the service provided	–	–	(64,126)	(64,126)
Change in the risk adjustment for non-financial risk	–	(2,033)	–	(2,033)
Current experience adjustment	(1,739)	–	–	(1,739)
Changes relating to current service	(1,739)	(2,033)	(64,126)	(67,898)
Impact of insurance contracts initially recognised in the period	(58,079)	1,450	57,708	1,079
Changes in estimates with adjustment to contractual service margin	44,088	(466)	(43,622)	–
Changes in estimates without adjustment to contractual service margin	37,444	521	–	37,965
Changes relating to future service	23,453	1,505	14,086	39,044
Changes to liabilities for incurred claims	648	2	–	650
Changes relating to past service	648	2	–	650
Insurance service result	22,362	(526)	(50,040)	(28,204)
Financial changes in insurance contracts	564,894	4,680	23,391	592,965
Total amounts recognised in comprehensive income	587,256	4,154	(26,649)	564,761
Premiums received	747,663	–	–	747,663
Insurance acquisition cash flows paid	(47,785)	–	–	(47,785)
Claims and other expenses paid	(300,588)	–	–	(300,588)
Total cash flows	399,290	–	–	399,290
Insurance contract liabilities as at 31 December 2024	5,005,886	41,082	742,488	5,789,456

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.2 Insurance contract liabilities (continued)

(2) Reconciliation of fulfilment cash flows and contractual service margin for insurance contracts issued (continued)

Contracts not measured using the premium allocation approach (continued)

	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	RMB million			
Insurance contract liabilities				
as at 1 January 2023	3,413,416	34,186	783,473	4,231,075
Contractual service margin recognised for the service provided	–	–	(65,689)	(65,689)
Change in the risk adjustment for non-financial risk	–	(1,771)	–	(1,771)
Current experience adjustment	(6,658)	–	–	(6,658)
Changes relating to current service	(6,658)	(1,771)	(65,689)	(74,118)
Impact of insurance contracts initially recognised in the period	(51,821)	1,249	51,093	521
Changes in estimates with adjustment to contractual service margin	22,655	29	(22,684)	–
Changes in estimates without adjustment to contractual service margin	11,413	661	–	12,074
Changes relating to future service	(17,753)	1,939	28,409	12,595
Changes to liabilities for incurred claims	242	5	–	247
Changes relating to past service	242	5	–	247
Insurance service result	(24,169)	173	(37,280)	(61,276)
Financial changes in insurance contracts	231,656	2,569	22,944	257,169
Total amounts recognised in comprehensive income	207,487	2,742	(14,336)	195,893
Premiums received	704,912	–	–	704,912
Insurance acquisition cash flows paid	(51,110)	–	–	(51,110)
Claims and other expenses paid	(255,365)	–	–	(255,365)
Total cash flows	398,437	–	–	398,437
Insurance contract liabilities				
as at 31 December 2023	4,019,340	36,928	769,137	4,825,405

As at December 31, 2024, the Group expects that 63.82% (as at December 31, 2023: 62.92%) of the contractual service margin for insurance contracts not measured using the premium allocation approach will be amortised into profit over next 10 years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.2 Insurance contract liabilities (continued)

(3) Impact of the initial recognition of the insurance contracts issued in the current period

Contracts not measured using the premium allocation approach

	2024			2023		
	Non-onerous contracts	Onerous contracts	Total	Non-onerous contracts	Onerous contracts	Total
	RMB million			RMB million		
Estimates of the present value of future cash inflows	(699,363)	(112,729)	(812,092)	(773,096)	(14,355)	(787,451)
Insurance acquisition cash flows	60,713	1,956	62,669	53,205	1,649	54,854
Others	579,656	111,688	691,344	667,559	13,217	680,776
Estimates of the present value of future cash outflows	640,369	113,644	754,013	720,764	14,866	735,630
Risk adjustment for non-financial risk	1,286	164	1,450	1,239	10	1,249
Contractual service margin	57,708	–	57,708	51,093	–	51,093
Total	–	1,079	1,079	–	521	521

(4) Reconciliation of contractual service margin for insurance contracts not measured using the premium allocation approach

	Insurance contracts measured under the modified retrospective approach at the transition date	Insurance contracts measured under the fair value approach at the transition date	Other contracts	Total
	RMB million			
As at 1 January 2024	557,494	136,909	74,734	769,137
Changes relating to current service	(46,347)	(11,647)	(6,132)	(64,126)
Impact of insurance contracts initially recognised in the period	–	–	57,708	57,708
Changes in estimates with adjustment to contractual service margin	(28,590)	1,060	(16,092)	(43,622)
Changes relating to future service	(28,590)	1,060	41,616	14,086
Financial changes in insurance contracts	16,123	4,208	3,060	23,391
As at 31 December 2024	498,680	130,530	113,278	742,488

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.2 Insurance contract liabilities (continued)

(4) Reconciliation of contractual service margin for insurance contracts not measured using the premium allocation approach (continued)

	Insurance contracts measured under the modified retrospective approach at the transition date	Insurance contracts measured under the fair value approach at the transition date	Other contracts	Total
	RMB million			
As at 1 January 2023	612,200	133,890	37,383	783,473
Changes relating to current service	(50,470)	(12,088)	(3,131)	(65,689)
Impact of insurance contracts initially recognised in the period	–	–	51,093	51,093
Changes in estimates with adjustment to contractual service margin	(21,347)	11,175	(12,512)	(22,684)
Changes relating to future service	(21,347)	11,175	38,581	28,409
Financial changes in insurance contracts	17,111	3,932	1,901	22,944
As at 31 December 2023	557,494	136,909	74,734	769,137

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities)

(1) Reconciliation of remaining coverage and incurred claims for reinsurance contracts held

Contracts not measured using the premium allocation approach

	Assets for remaining coverage recovered from reinsurers		Assets for incurred claims recovered from reinsurers	Total
	Excluding loss-recovery component	Loss-recovery component		
	RMB million			
Reinsurance contract assets as at 1 January 2024	15,043	2,290	7,087	24,420
Reinsurance contract liabilities as at 1 January 2024	(142)	–	19	(123)
Net assets/(liabilities) of reinsurance contract as at 1 January 2024	14,901	2,290	7,106	24,297
Allocation of reinsurance premiums paid	(4,690)	–	–	(4,690)
Recovery of incurred claims and other expenses	–	(193)	3,116	2,923
Recognition and reversals of loss-recovery component	–	(6)	–	(6)
Changes to assets for incurred claims recovered from reinsurers	–	–	2,346	2,346
Amounts recovered from reinsurers	–	(199)	5,462	5,263
Gains or losses on reinsurance contracts	(4,690)	(199)	5,462	573
Financial changes in reinsurance contracts held	4,032	121	–	4,153
Total amounts recognised in comprehensive income	(658)	(78)	5,462	4,726
Investment components	(1,820)	–	1,820	–
Reinsurance premiums paid	2,523	–	–	2,523
Incurred claims and other expenses recovered from reinsurers	–	–	(3,001)	(3,001)
Total cash flows	2,523	–	(3,001)	(478)
Net assets/(liabilities) of reinsurance contract as at 31 December 2024	14,946	2,212	11,387	28,545
Reinsurance contract assets as at 31 December 2024	15,110	2,212	11,369	28,691
Reinsurance contract liabilities as at 31 December 2024	(164)	–	18	(146)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities) (continued)

(1) Reconciliation of remaining coverage and incurred claims for reinsurance contracts held (continued)

Contracts not measured using the premium allocation approach (continued)

	Assets for remaining coverage recovered from reinsurers		Assets for incurred claims recovered from reinsurers	Total
	Excluding loss-recovery component	Loss-recovery component		
	RMB million			
Reinsurance contract assets as at 1 January 2023	12,842	1,990	6,837	21,669
Reinsurance contract liabilities as at 1 January 2023	(157)	–	22	(135)
Net assets/(liabilities) of reinsurance contract as at 1 January 2023	12,685	1,990	6,859	21,534
Allocation of reinsurance premiums paid	(4,141)	–	–	(4,141)
Recovery of incurred claims and other expenses	–	(196)	3,745	3,549
Recognition and reversals of loss-recovery component	–	389	–	389
Changes to assets for incurred claims recovered from reinsurers	–	–	696	696
Amounts recovered from reinsurers	–	193	4,441	4,634
Gains or losses on reinsurance contracts	(4,141)	193	4,441	493
Financial changes in reinsurance contracts held	1,337	107	–	1,444
Total amounts recognised in comprehensive income	(2,804)	300	4,441	1,937
Investment components	(1,674)	–	1,674	–
Reinsurance premiums paid	6,694	–	–	6,694
Incurred claims and other expenses recovered from reinsurers	–	–	(5,868)	(5,868)
Total cash flows	6,694	–	(5,868)	826
Net assets/(liabilities) of reinsurance contract as at 31 December 2023	14,901	2,290	7,106	24,297
Reinsurance contract assets as at 31 December 2023	15,043	2,290	7,087	24,420
Reinsurance contract liabilities as at 31 December 2023	(142)	–	19	(123)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities) (continued)

(1) Reconciliation of remaining coverage and incurred claims for reinsurance contracts held (continued)

Contracts measured using the premium allocation approach

	Assets for remaining coverage recovered from reinsurers		Assets for incurred claims recovered from reinsurers		Total
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	RMB million				
Reinsurance contract assets as at 1 January 2024	(402)	28	1,790	10	1,426
Reinsurance contract liabilities as at 1 January 2024	(166)	1	100	–	(65)
Net assets/(liabilities) of reinsurance contract as at 1 January 2024	(568)	29	1,890	10	1,361
Allocation of reinsurance premiums paid	(381)	–	–	–	(381)
Recovery of incurred claims and other expenses	–	(29)	632	10	613
Recognition and reversals of loss-recovery component	–	24	–	–	24
Changes to assets for incurred claims recovered from reinsurers	–	–	(442)	(9)	(451)
Amounts recovered from reinsurers	–	(5)	190	1	186
Gains or losses on reinsurance contracts	(381)	(5)	190	1	(195)
Financial changes in reinsurance contracts held	38	–	36	–	74
Total amounts recognised in comprehensive income	(343)	(5)	226	1	(121)
Investment components	(1,308)	–	1,308	–	–
Reinsurance premiums paid	1,206	–	–	–	1,206
Incurred claims and other expenses recovered from reinsurers	–	–	(413)	–	(413)
Total cash flows	1,206	–	(413)	–	793
Net assets/(liabilities) of reinsurance contract as at 31 December 2024	(1,013)	24	3,011	11	2,033
Reinsurance contract assets as at 31 December 2024	(954)	23	2,967	11	2,047
Reinsurance contract liabilities as at 31 December 2024	(59)	1	44	–	(14)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities) (continued)

(1) Reconciliation of remaining coverage and incurred claims for reinsurance contracts held (continued)

Contracts measured using the premium allocation approach (continued)

	Assets for remaining coverage recovered from reinsurers		Assets for incurred claims recovered from reinsurers		
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	RMB million				
Reinsurance contract assets as at 1 January 2023	(399)	57	2,757	12	2,427
Reinsurance contract liabilities as at 1 January 2023	(55)	1	29	–	(25)
Net assets/(liabilities) of reinsurance contract as at 1 January 2023	(454)	58	2,786	12	2,402
Allocation of reinsurance premiums paid	(585)	–	–	–	(585)
Recovery of incurred claims and other expenses	–	(59)	634	9	584
Recognition and reversals of loss-recovery component	–	30	–	–	30
Changes to assets for incurred claims recovered from reinsurers	–	–	(799)	(11)	(810)
Amounts recovered from reinsurers	–	(29)	(165)	(2)	(196)
Gains or losses on reinsurance contracts	(585)	(29)	(165)	(2)	(781)
Financial changes in reinsurance contracts held	40	–	37	–	77
Total amounts recognised in comprehensive income	(545)	(29)	(128)	(2)	(704)
Investment components	(1,283)	–	1,283	–	–
Reinsurance premiums paid	1,714	–	–	–	1,714
Incurred claims and other expenses recovered from reinsurers	–	–	(2,051)	–	(2,051)
Total cash flows	1,714	–	(2,051)	–	(337)
Net assets/(liabilities) of reinsurance contract as at 31 December 2023	(568)	29	1,890	10	1,361
Reinsurance contract assets as at 31 December 2023	(402)	28	1,790	10	1,426
Reinsurance contract liabilities as at 31 December 2023	(166)	1	100	–	(65)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities) (continued)

(2) Reconciliation of fulfilment cash flows and contractual service margin for reinsurance contracts held

Contracts not measured using the premium allocation approach

	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	RMB million			
Reinsurance contract assets as at 1 January 2024	27,197	7,859	(10,636)	24,420
Reinsurance contract liabilities as at 1 January 2024	(78)	35	(80)	(123)
Net assets/(liabilities) of reinsurance contract as at 1 January 2024	27,119	7,894	(10,716)	24,297
Contractual service margin recognised for the service provided	–	–	980	980
Change in the risk adjustment for non-financial risk	–	(395)	–	(395)
Current experience adjustment	(2,352)	–	–	(2,352)
Changes relating to current service	(2,352)	(395)	980	(1,767)
Impact of reinsurance contracts held initially recognised in the period	(84)	47	37	–
Changes in estimates with adjustment to contractual service margin	826	89	(915)	–
Changes in estimates without adjustment to contractual service margin	(7)	1	–	(6)
Changes relating to future service	735	137	(878)	(6)
Changes to assets for incurred claims recovered from reinsurers	2,346	–	–	2,346
Changes relating to past service	2,346	–	–	2,346
Gains or losses on reinsurance contracts held	729	(258)	102	573
Financial changes in reinsurance contracts held	3,512	1,174	(533)	4,153
Total amounts recognised in comprehensive income	4,241	916	(431)	4,726
Reinsurance premiums paid	2,523	–	–	2,523
Incurred claims and other expenses recovered from reinsurers	(3,001)	–	–	(3,001)
Total cash flows	(478)	–	–	(478)
Net assets/(liabilities) of reinsurance contract as at 31 December 2024	30,882	8,810	(11,147)	28,545
Reinsurance contract assets as at 31 December 2024	31,250	8,774	(11,333)	28,691
Reinsurance contract liabilities as at 31 December 2024	(368)	36	186	(146)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities) (continued)

(2) Reconciliation of fulfilment cash flows and contractual service margin for reinsurance contracts held (continued)

Contracts not measured using the premium allocation approach (continued)

	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	RMB million			
Reinsurance contract assets as at 1 January 2023	27,998	7,870	(14,199)	21,669
Reinsurance contract liabilities as at 1 January 2023	(64)	60	(131)	(135)
Net assets/(liabilities) of reinsurance contract as at 1 January 2023	27,934	7,930	(14,330)	21,534
Contractual service margin recognised for the service provided	–	–	857	857
Change in the risk adjustment for non-financial risk	–	(352)	–	(352)
Current experience adjustment	(1,097)	–	–	(1,097)
Changes relating to current service	(1,097)	(352)	857	(592)
Impact of reinsurance contracts held initially recognised in the period	(9)	36	(27)	–
Changes in estimates with adjustment to contractual service margin	(3,095)	(302)	3,397	–
Changes in estimates without adjustment to contractual service margin	364	25	–	389
Changes relating to future service	(2,740)	(241)	3,370	389
Changes to assets for incurred claims recovered from reinsurers	696	–	–	696
Changes relating to past service	696	–	–	696
Gains or losses on reinsurance contracts held	(3,141)	(593)	4,227	493
Financial changes in reinsurance contracts held	1,500	557	(613)	1,444
Total amounts recognised in comprehensive income	(1,641)	(36)	3,614	1,937
Reinsurance premiums paid	6,694	–	–	6,694
Incurred claims and other expenses recovered from reinsurers	(5,868)	–	–	(5,868)
Total cash flows	826	–	–	826
Net assets/(liabilities) of reinsurance contract as at 31 December 2023	27,119	7,894	(10,716)	24,297
Reinsurance contract assets as at 31 December 2023	27,197	7,859	(10,636)	24,420
Reinsurance contract liabilities as at 31 December 2023	(78)	35	(80)	(123)

As of December 31, 2024, the Group expects that 56.49% (as at December 31, 2023: 56.80%) of the contractual service margin for reinsurance contracts not measured using the premium allocation approach will be amortised into profit over the next 10 years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities) (continued)

(3) Impact of the initial recognition of the reinsurance contracts in the current period

Contracts not measured using the premium allocation approach

	For the year ended 31 December					
	2024			2023		
	Reinsurance contracts with a net gain	Reinsurance contracts with a net cost	Total	Reinsurance contracts with a net gain	Reinsurance contracts with a net cost	Total
	RMB million			RMB million		
Estimates of the present value of future cash inflows	639	269	908	560	191	751
Estimates of the present value of future cash outflows	(570)	(422)	(992)	(551)	(209)	(760)
Risk adjustment for non-financial risk	33	14	47	27	9	36
Contractual service margin	(102)	139	37	(36)	9	(27)
Total	–	–	–	–	–	–

(4) Reconciliation of contractual service margin for reinsurance contracts held not measured using the premium allocation approach

	Reinsurance contracts held measured under the modified retrospective approach at the transition date	Other contracts	Total
	RMB million		
As at 1 January 2024	(10,585)	(131)	(10,716)
Changes relating to current service	1,003	(23)	980
Impact of reinsurance contracts initially recognised in the period	–	37	37
Changes in estimates with adjustment to contractual service margin	(1,159)	244	(915)
Changes relating to future service	(1,159)	281	(878)
Financial changes in reinsurance contracts held	(529)	(4)	(533)
As at 31 December 2024	(11,270)	123	(11,147)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

14 INSURANCE CONTRACTS (continued)

14.3 Reinsurance contract assets/(liabilities) (continued)

(4) Reconciliation of contractual service margin for reinsurance contracts held not measured using the premium allocation approach (continued)

	Reinsurance contracts held measured under the modified retrospective approach at the transition date	Other contracts	Total
	RMB million		
As at 1 January 2023	(13,806)	(524)	(14,330)
Changes relating to current service	857	–	857
Impact of reinsurance contracts initially recognised in the period	–	(27)	(27)
Changes in estimates with adjustment to contractual service margin	2,962	435	3,397
Changes relating to future service	2,962	408	3,370
Financial changes in reinsurance contracts held	(598)	(15)	(613)
As at 31 December 2023	(10,585)	(131)	(10,716)

15 INTEREST-BEARING LOANS AND OTHER BORROWINGS

			As at 31 December 2024	As at 31 December 2023
	Maturity date	Interest rate	RMB million	RMB million
Guaranteed loans	8 September 2026	EURIBOR+2.8%	729	773
Guaranteed loans	8 September 2026	EURIBOR+2.8%	2,493	2,605
Credit loans	16 May 2025	3.08%	2,511	2,495
Credit loans	22 September 2025	6M SOFR+1.15%	6,960	6,984
Credit loans	16 April 2025	12%	65	–
Total			12,758	12,857

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

16 BONDS PAYABLE

As at 31 December 2024, all bonds payable were the bonds for capital replenishment (the “Bond”) with a total carrying amount of RMB35,194 million (as at 31 December 2023: RMB36,166 million), and the fair value of RMB35,387 million (as at 31 December 2023: RMB36,278 million). The fair value of the Bond was classified as level 2 in the fair value hierarchy. The following table presents the par value of the bonds payable:

Issue date	Maturity date	Interest rate p.a.	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
22 March 2019	22 March 2029	4.28%	–	35,000
24 September 2024	24 September 2034	2.15%	35,000	–
Total			35,000	35,000

On 20 March 2019, the Company issued a bond in the national inter-bank bond market at a principal amount of RMB35 billion, and completed the issuance on 22 March 2019. The bond has a 10-year maturity and a fixed coupon rate of 4.28% per annum. The Company has a conditional right to redeem the bonds at the end of the fifth year. If the Company does not redeem the bonds at the end of the fifth year, the coupon rate per annum for the remaining 5 years will be raised to 5.28%.

On 18 February 2024, the Company issued the “Notice of Exercise of Redemption Option of China Life Insurance Company Limited 2019 Bonds for Capital Replenishment (Bond Pass-Through)” and on 22 March 2024, the Company redeemed this Bond in full.

On 24 September 2024, the Company issued a bond in the national inter-bank bond market at a principal amount of RMB35 billion, and completed the issuance on 26 September 2024. The bond has a 10-year maturity and a fixed coupon rate of 2.15% per annum. The Company has a conditional right to redeem the bonds at the end of the fifth year. If the Company does not redeem the bonds at the end of the fifth year, the coupon rate per annum for the remaining 5 years will be raised to 3.15%.

17 OTHER LIABILITIES

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Payable to the third-party holders of consolidated structured entities	96,428	84,295
Salary and welfare payable	10,161	8,404
Brokerage and commission payable	5,080	4,780
Payable to constructors	2,502	2,189
Agency deposits	1,056	1,107
Tax payable	1,380	834
Stock appreciation rights (Note 29)	421	181
Others	23,903	24,960
Total	140,931	126,750

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

18 FINANCIAL ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Interbank markets	89,390	150,028
Stock exchange markets	62,174	66,823
Total	151,564	216,851
Maturing:		
Within 30 days	151,561	216,579
More than 30 days within 90 days	3	272
Total	151,564	216,851

As at 31 December 2024, bonds with a carrying amount of RMB117,422 million (as at 31 December 2023: RMB182,528 million) were pledged as collateral for financial assets sold under agreements to repurchase resulting from repurchase transactions entered into by the Group in the interbank markets.

For debt repurchase transactions through the stock exchange, the Group is required to deposit certain exchange-traded bonds into a collateral pool with fair value converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balance of the related repurchase transaction. As at 31 December 2024, the carrying amount of securities deposited in the collateral pool was RMB295,843 million (as at 31 December 2023: RMB310,320 million). The collateral is restricted from trading during the period of the repurchase transaction.

19 STATUTORY INSURANCE FUND

Since January 1, 2023, the Group has paid the Insurance Protection Fund in accordance with the "Measures for the Administration of the Insurance Security Fund" (Issued by Order no.7 [2022] Former CBIRC, the Ministry of Finance of the People's Republic of China and the People's Bank of China) and the "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Matters related to the Payment of Insurance Protection Fund" (No. 2 [2023] of the General Office of the China Banking and Insurance Regulatory Commission).

The fund contribution is equal to the product of the business income and the fund rate, which is composed of the base rate and the risk differential rate, and is equal to the sum of the base rate and the risk differential rate.

(1) Benchmark Interest Rate

- Short-term health insurance and accident insurance shall be paid at 0.8% of business income;
- Life insurance, long-term health insurance and annuity insurance shall be paid at 0.3% of business income; Among them, investment-linked insurance shall be paid at 0.05% of business income.

(2) Risk differential rate

The risk differential rate is based on the results of the comprehensive solvency risk rating. When the rating is A(including AAA, AA and A), B(including BBB, BB and B), C and D, the applicable rate is -0.02%, 0%, 0.02% and 0.04%, respectively.

When the life insurance protection fund reaches 1% of the total assets of the industry, payment will be suspended. The total assets of the industry shall be subject to the data determined by the State Financial Supervision and Regulation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

20 INSURANCE REVENUE

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Contracts not measured using the premium allocation approach		
Amounts relating to the changes in the liabilities for remaining coverage		
Expected incurred claims and other expenses	45,571	50,712
Change in the risk adjustment for non-financial risk	2,011	1,779
Contractual service margin recognised for the service provided	64,126	65,689
Amortisation of insurance acquisition cash flows	45,167	42,118
Sub-total	156,875	160,298
Contracts measured using the premium allocation approach	51,286	52,147
Total	208,161	212,445

21 INTEREST INCOME

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Financial assets measured at amortised cost (i)	26,332	33,908
Investment in debt instruments at fair value through other comprehensive income	94,626	89,086
Total	120,958	122,994

(i) Interest income from financial assets measured at amortised cost mainly includes interest income arising from cash and cash equivalents, financial assets purchased under agreements to resell, investment in debt instruments at amortised cost and term deposits.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

22 INVESTMENT INCOME

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Dividends and interest income		
Dividends		
Financial assets at fair value through profit or loss	27,607	23,893
Investment in equity instruments at fair value through other comprehensive income	6,882	5,224
Interest income		
Financial assets at fair value through profit or loss	28,057	25,574
Sub-total	62,546	54,691
Realised gains/(losses)		
Financial assets at fair value through profit or loss	(28,443)	(41,676)
Investment in debt instruments at fair value through other comprehensive income	24,166	10,396
Investment in associates and joint ventures	32	–
Sub-total	(4,245)	(31,280)
Unrealised gains/(losses)		
Financial assets at fair value through profit or loss	119,063	(33,074)
Financial liabilities at fair value through profit or loss	(663)	129
Stock appreciation rights	(240)	159
Sub-total	118,160	(32,786)
Total	176,461	(9,375)

23 INSURANCE SERVICE EXPENSES

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Contracts not measured using the premium allocation approach		
Incurred claims and other expenses	43,810	44,062
Amortisation of insurance acquisition cash flows	45,167	42,118
Losses and reversals of losses on onerous contracts	39,044	12,595
Changes to liabilities for incurred claims	650	247
Sub-total	128,671	99,022
Contracts measured using the premium allocation approach	51,873	51,331
Total	180,544	150,353

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

24 NET INVESTMENT RETURN AND FINANCIAL CHANGES IN INSURANCE CONTRACTS

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Net investment returns		
Returns on investment recognised in profit or loss		
Interest income	120,958	122,994
Investment income	176,461	(9,375)
Investment income from associates and joint ventures	12,077	8,079
Net expected credit losses	207	1,217
Other impairment losses	(1,611)	–
Sub-total	308,092	122,915
Returns on investment recognised in other comprehensive income	305,932	100,909
Total	614,024	223,824

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Financial changes in insurance contracts		
Changes in fair value of underlying items of insurance contracts with direct participation features	193,129	66,193
Interest expense	101,019	88,070
Changes in interest rates and other financial assumptions	300,897	104,897
Total financial changes in insurance contracts	595,045	259,160
Recognised in profit or loss	209,952	127,923
Recognised in other comprehensive income	385,093	131,237
Total	595,045	259,160

25 EXPECTED CREDIT LOSSES

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Investment in debt instruments at fair value through other comprehensive income	(456)	(1,107)
Investment in debt instruments at amortised cost	167	(59)
Term deposits	24	(115)
Statutory deposits – restricted	1	(1)
Other receivables	57	65
Total	(207)	(1,217)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

26 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging the following:

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Salary and bonus	18,357	15,105
Social security and other benefits	8,021	7,471
Depreciation and amortisation	5,029	5,016
Remuneration in respect of audit services provided by auditors	54	65
Others	24,760	27,013
Less: Expenses directly attributable to insurance contracts		
Insurance acquisition cash flows recognised in liabilities for remaining coverage	(19,674)	(19,151)
Amounts recognised in insurance service expenses	(18,184)	(17,388)
	18,363	18,131

The disclosure above does not include underwriting and policy acquisition costs in the fulfilment cash flows.

27 TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same tax authority.

(a) The amount of taxation charged to net profit represents:

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Current taxation – Enterprise income tax	1,566	1,241
Deferred taxation	4,707	(4,212)
Taxation charges	6,273	(2,971)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

27 TAXATION (continued)

(b) The reconciliation between the Group's effective tax rate and the statutory tax rate of 25% in the PRC (2023: same) is as follows:

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Profit before income tax	115,213	44,576
Income tax computed at the statutory tax rate	28,803	11,144
Effect of utilising previously unrecognised deferred tax assets attributable to deductible tax losses from prior periods	(4,291)	–
Adjustment on current income tax of previous period	–	(10)
Non-taxable income (i)	(19,388)	(18,522)
Expenses not deductible for tax purposes	610	171
Deductible tax losses for which no deferred tax asset was recognised	77	4,034
Others	462	212
Income tax at the effective tax rate	6,273	(2,971)

- (i) Non-taxable income mainly includes interest income from government bonds, and dividend income from applicable equity investments.
- (ii) The amendments to IAS 12 introduce a temporary mandatory exemption from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development. According to the rules of Pillar Two legislation, low-tax jurisdictions with effective tax rate below 15% may have a top-up tax impact. There are differences in the computation of effective tax rate between Pillar Two legislation and IFRS Accounting Standards. The Group evaluates that the Pillar Two legislation has no significant impact on the Group's consolidated financial statements for the year 2024.

(c) As at 31 December 2024 and 31 December 2023, the amounts of deferred tax assets and liabilities were as follows:

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Deferred tax assets	187,950	86,971
Deferred tax liabilities	(148,071)	(62,540)
Net deferred tax assets	40,026	24,431
Net deferred tax liabilities	(147)	–

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

27 TAXATION (continued)

(c) As at 31 December 2024 and 31 December 2023, the amounts of deferred tax assets and liabilities were as follows (continued):

As at 31 December 2024, the deferred taxation was calculated in full on temporary differences under the statement of financial position liability method using the principal tax rate of 25% (as at 31 December 2023: same). The movements in deferred tax assets and liabilities during the year are as follows:

	As at 1 January 2024	Recognised in profit or loss in the current year	Recognised in other comprehensive income in the current year	As at 31 December 2024
RMB million				
Provision for asset impairment	1,909	168	126	2,203
Accrued payroll	49,671	(2,261)	95,384	142,794
Insurance contract liabilities	1,863	408	–	2,271
Deductible losses	12,355	26,099	–	38,454
Changes in fair value of the financial assets at fair value through profit or loss	19,503	(29,823)	–	(10,320)
Changes in fair value of the financial assets at fair value through other comprehensive income	(62,540)	–	(74,788)	(137,328)
Others	1,670	702	(567)	1,805
Net value	24,431	(4,707)	20,155	39,879

	As at 1 January 2023	Recognised in profit or loss in the current year	Recognised in other comprehensive income in the current year	As at 31 December 2023
RMB million				
Provision for asset impairment	1,935	(324)	298	1,909
Accrued payroll	26,545	(9,457)	32,583	49,671
Insurance contract liabilities	2,714	(851)	–	1,863
Deductible losses	7,185	5,170	–	12,355
Changes in fair value of the financial assets at fair value through profit or loss	10,356	9,147	–	19,503
Changes in fair value of the financial assets at fair value through other comprehensive income	(37,052)	–	(25,488)	(62,540)
Others	1,147	527	(4)	1,670
Net value	12,830	4,212	7,389	24,431

Unrecognised deductible tax losses of the Group amounted to RMB2,248 million as at 31 December 2024 (as at 31 December 2023: RMB7,116 million), expected to mature within 5 years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

28 EARNINGS PER SHARE

There is no difference between the basic and diluted earnings per share. The basic and diluted earnings per share for the year ended 31 December 2024 are calculated based on the net profit for the year attributable to ordinary equity holders of the Company and the weighted average of 28,264,705,000 ordinary shares (2023: same).

29 STOCK APPRECIATION RIGHTS

The Board of Directors of the Company approved, on 5 January 2006, an award of stock appreciation rights of 4.05 million units and on 21 August 2006, another award of stock appreciation rights of 53.22 million units to eligible employees. The exercise prices of the two awards were HKD5.33 and HKD6.83, respectively, the average closing price of shares in the five trading days prior to 1 July 2005 and 1 January 2006, the dates for vesting and exercise price setting purposes of this award. Upon the exercise of stock appreciation rights, exercising recipients will receive payments in RMB, subject to any withholding tax, equal to the number of stock appreciation rights exercised times the difference between the exercise price and market price of the H shares at the time of exercise.

Stock appreciation rights have been awarded in units, with each unit representing the value of one H share. No shares of common stock will be issued under the stock appreciation rights plan. According to the Company's plan, all stock appreciation rights will have an exercise period of five years from the date of award and will not be exercisable before the fourth anniversary of the date of award unless specific market or other conditions have been met. On 26 February 2010, the Board of Directors of the Company approved the Proposal on Extension of the Effective Period of Stock Appreciation Rights to extend the exercise period of all stock appreciation rights, which is also subject to government policy.

As at 31 December 2024, there were 55.01 million units outstanding and exercisable (as at 31 December 2023: same). As at 31 December 2024, the amount of intrinsic value for the vested stock appreciation rights was RMB408 million (as at 31 December 2023: RMB168 million).

The fair value of the stock appreciation rights is estimated at each reporting date using lattice-based option valuation models based on expected volatility from 27% to 53%, an expected dividend yield of no higher than 5.05% and a risk-free interest rate ranging from 3.17% to 4.20%.

The Company recognised a loss of RMB240 million in the net fair value through profit or loss in the consolidated comprehensive income representing the fair value change of the rights during the year ended 31 December 2024 (2023: The Company recognised a gain of RMB159 million in the net fair value through profit or loss in the consolidated comprehensive income representing the fair value change of the rights). RMB408 million and RMB13 million were included in salary and staff welfare payable included under other liabilities for the units not exercised and exercised but not paid as at 31 December 2024 (as at 31 December 2023: RMB168 million and RMB13 million), respectively. There was no unrecognised compensation cost for the stock appreciation rights as at 31 December 2024 (as at 31 December 2023: same).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

30 DIVIDENDS

Pursuant to the shareholders’ approval at the Annual General Meeting on 27 June 2024, a final dividend of RMB0.43 (inclusive of tax) per ordinary share totalling RMB12,154 million in the respect of the year ended 31 December 2023 was declared and paid in 2024. The dividend has been reflected in the consolidated financial statements for the year ended 31 December 2024.

Pursuant to the shareholders’ approval at the Extraordinary General Meeting on 30 October 2024, an interim dividend of RMB0.20 (inclusive of tax) per ordinary share totalling RMB5,653 million in the respect of the six months ended 30 June 2024 was declared and paid in 2024. The dividend has been reflected in the consolidated financial statements for the year ended 31 December 2024.

Pursuant to a resolution passed at the meeting of the Board of Directors on 26 March 2025, a final dividend of RMB0.45 (inclusive of tax) per ordinary share totalling approximately RMB12,719 million for the year ended 31 December 2024 was proposed for shareholders’ approval at the forthcoming Annual General Meeting. The dividend has not been recorded in the consolidated financial statements for the year ended 31 December 2024.

31 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties with control relationship

Information of the parent company is as follows:

Name	Location of registration	Principal business	Relationship with the Company	Nature of ownership	Legal representative
CLIC	Beijing, China	Insurance services including receipt of premiums and payment of benefits in respect of the in-force life, health, accident and other types of personal insurance business, and the reinsurance business; holding or investing in domestic and overseas insurance companies or other financial insurance institutions; fund management business permitted by national laws and regulations or approved by the State Council of the People’s Republic of China; and other businesses approved by insurance regulatory agencies.	Immediate and ultimate holding company	State-owned	Cai Xiliang

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Subsidiaries

(i) The table below presents the basic information of the Company's subsidiaries as at 31 December 2024:

Name	Place of incorporation and operation	Percentage of equity interest held	Registered capital	Principal activities
China Life Asset Management Company Limited ("AMC") (i)	PRC	60.00% directly	RMB4,000 million	Asset management
China Life Pension Company Limited ("Pension Company") (i)	PRC	74.27% directly and indirectly	RMB3,400 million	Pension and annuity
China Life Franklin Asset Management Company Limited	Hong Kong, PRC	50.00% indirectly	Not applicable	Asset management
China Life (Suzhou) Pension and Retirement Investment Company Limited (i)	PRC	100.00% directly and indirectly	RMB3,236 million	Investment in retirement properties
China Life AMP Asset Management Co., Ltd. (i)	PRC	85.03% indirectly	RMB1,288 million	Fund management
Golden Phoenix Tree Limited	Hong Kong, PRC	100.00% directly	Not applicable	Investment
King Phoenix Tree Limited	The British Jersey Island	100.00% indirectly	Not applicable	Investment
China Life Wealth Management Company Limited (i)	PRC	100.00% indirectly	RMB200 million	Asset management
Shanghai Rui Chong Investment Co., Limited ("Rui Chong Company") (i)	PRC	100.00% directly	RMB5,380 million	Investment
New Aldgate Limited	Hong Kong, PRC	100.00% directly	Not applicable	Investment
Glorious Fortune Forever Limited	Hong Kong, PRC	100.00% directly	Not applicable	Investment
CL Hotel Investor, L.P.	USA	100.00% directly	Not applicable	Investment
Golden Bamboo Limited	The British Virgin Islands	100.00% directly	Not applicable	Investment
Sunny Bamboo Limited	The British Virgin Islands	100.00% directly	Not applicable	Investment
Fortune Bamboo Limited	The British Virgin Islands	100.00% directly	Not applicable	Investment
China Century Core Fund Limited	The British Cayman Islands	100.00% indirectly	Not applicable	Investment
China Life (Beijing) Health Management Co., Limited (i)	PRC	100.00% directly	RMB1,530 million	Health management

Notes to the Consolidated Financial Statements (continued)

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31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Subsidiaries (continued)

(i) The table below presents the basic information of the Company's subsidiaries as at 31 December 2024 (continued):

Name	Place of incorporation and operation	Percentage of equity interest held	Registered capital	Principal activities
China Life Franklin (Shenzhen) Private Equity Investment Fund Management Co., Limited (i)	PRC	100.00% indirectly	RMB100 million	Investment
Ningbo Meishan Bonded Port Area Guo Yang Guo Sheng Investment Partnership (ii)	PRC	89.997% directly	Not applicable	Investment
New Capital Wisdom Limited	The British Virgin Islands	100.00% indirectly	Not applicable	Investment
New Fortune Wisdom Limited	The British Virgin Islands	100.00% indirectly	Not applicable	Investment
Wisdom Forever Limited Partnership	The British Cayman Islands	100.00% indirectly	Not applicable	Investment
Ningbo Meishan Bonded Port Area Bai Ning Investment Partnership (Limited Partnership) (ii)	PRC	99.98% directly	Not applicable	Investment
Shanghai Yuan Shu Yuan Pin Investment Management Partnership (Limited Partnership) ("Yuan Shu Yuan Pin") (ii)	PRC	99.98% directly	Not applicable	Investment
Shanghai Yuan Shu Yuan Jiu Investment Management Partnership (Limited Partnership) ("Yuan Shu Yuan Jiu") (ii)	PRC	99.98% directly	Not applicable	Investment
Dalian Hope Building Company Ltd. (i)	PRC	100.00% indirectly	RMB484 million	Investment
Shanghai Wansheng Industry Partnership (Limited Partnership) (ii)	PRC	99.98% directly	Not applicable	Investment
Wuhu Yuanxiang Tianfu Investment Management Partnership (Limited Partnership) ("Yuanxiang Tianfu") (ii)	PRC	99.98% directly	Not applicable	Investment
Wuhu Yuanxiang Tianyi Investment Management Partnership (Limited Partnership) ("Yuanxiang Tianyi") (ii)	PRC	99.98% directly	Not applicable	Investment
Xi'an Shengyi Jingsheng Real Estate Co., Ltd. (i)	PRC	100.00% indirectly	RMB831 million	Investment
Global Investors U.S. Investments I, LLC	USA	99.99% directly	Not applicable	Investment
China Life Guangde (Tianjin) Equity Investment Fund Partnership (Limited Partnership) ("CL Guang De") (ii)	PRC	99.95% directly	Not applicable	Investment

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Subsidiaries (continued)

(i) The table below presents the basic information of the Company's subsidiaries as at 31 December 2024 (continued):

Name	Place of incorporation and operation	Percentage of equity interest held	Registered capital	Principal activities
Beijing China Life Pension Industry Investment Fund (Limited Partnership) ("CL Pension Industry") (ii)	PRC	99.90% directly	Not applicable	Investment
China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) ("CL Qihang Fund I") (ii)	PRC	99.99% directly	Not applicable	Investment
Xing Wan (Tianjin) Enterprise Management Partnership (Limited Partnership) (ii)	PRC	99.98% indirectly	Not applicable	Investment
China Life Nianfeng Insurance Agency Co., Ltd. (i)	PRC	90.81% directly	RMB544 million	Insurance agent
China Life (Hangzhou) Hotel Co., Ltd. (i)	PRC	99.99% indirectly	RMB65 million	Hotel management
China Life Jiayuan (Xiamen) Health Management Company Limited (i)	PRC	99.99% indirectly	RMB1,500 million	Health consultation
China Life (Tianjin) Pension & Retirement Investment Company Limited (i)	PRC	99.99% indirectly	RMB1,551 million	Investment management
China Life (Qingdao) Health Management Co., Ltd. (i)	PRC	99.50% indirectly	RMB211 million	Health management
China Life Qinhuangdao Health and Elderly Care Service Co., Ltd. (i)	PRC	100.00% indirectly	RMB33 million	Elderly care services
Zhuhai Xinwan Real Estate Co., Ltd. (i)	PRC	100.00% indirectly	RMB6,800 million	Real estate management
China Life (Shenzhen) Health and Elderly Care Service Co., Ltd. (iii)	PRC	100.00% indirectly	RMB123 million	Elderly care services
China Life (Beijing) Health and Elderly Care Service Co., Ltd. (iii)	PRC	99.99% indirectly	RMB1,170 million	Elderly care services
China Life (Hangzhou) Health and Elderly Care Service Co., Ltd. (iii)	PRC	100.00% indirectly	RMB151 million	Elderly care services
Zhuhai Linghang Kunpeng Equity Investment Fund Partnership (Limited Partnership) (iii)	PRC	99.913% indirectly	Not applicable	Investment management
China Life (Kunming) Health and Elderly Care Service Co., Ltd. (iii)	PRC	100.00% indirectly	RMB107 million	Elderly care services
Beijing Xinyi Equity Investment Fund Partnership Enterprise (Limited Partnership) (iii)	PRC	89.7197% indirectly	Not applicable	Investment management
Beijing Yongsheng Enterprise Management Partnership (Limited Partnership) (iii)	PRC	99.9965% indirectly	Not applicable	management consulting

(i) The above subsidiaries are registered as limited companies in accordance of the Company Law of the People's Republic of China.

(ii) The above subsidiaries are registered as limited liability partnerships in accordance of the Law of the People's Republic of China on Partnerships.

(iii) Newly established subsidiary in 2024.

Non-controlling interests in subsidiaries are not significant to the Company.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Subsidiaries (continued)

(ii) The table below presents the basic information of the Company's major consolidated structured entities as at 31 December 2024:

Name	Percentage of shares held	Trust/investments received	Principal activities
CL Asset-Yuanliu No.1 Insurance Asset Management Product	63.20% directly	RMB106,936million	Investment management
CL Asset-Yuanliu No.2 Insurance Asset Management Product	61.10% directly	RMB30,384 million	Investment management
CL Asset-Yuanliu No.3 Insurance Asset Management Product	66.89% directly and indirectly	RMB26,623 million	Investment management
China Life-Yunnan Guoqi Reform And Development Equity Investment Plan I	100.00% directly	RMB17,000 million	Investment management
China Life- Hufa No.1 Equity	99.15% directly	RMB11,122million	Investment management
CL Investment-China Eastern Airlines Group Equity	100.00% directly	RMB11,000 million	Investment management
Bai Rui Heng Yi No.817 Collective Fund Trust Scheme (Zhong Guo Guo Xin)	90.00% directly and indirectly	RMB10,000 million	Investment management
Guang Da • Hui Ying No. 8 Collective Fund	89.00% directly	RMB10,000 million	Investment management
Shan Guo Tou • Jing Tou Corporate Trust Loan Collective Funds Trust Scheme	98.40% directly	RMB10,000 million	Investment management
China Life-China Hua Neng Debt-to-Equity Swap	100.00% directly	RMB10,000 million	Investment management
Jiao Yin Guo Xin • China Aluminium Co., Ltd. Supply-side Reform Collective Fund Trust Scheme	99.99% directly	RMB10,000 million	Investment management
Jiao Yin Guo Xin • Jing Tou Corporate Collective Funds	91.99% directly	RMB9,964 million	Investment management
Zhong Hang Trust Fund • Tian Qi [2020] No.372 China Eastern Airlines Equity Instrument Investment Collective Fund Trust Scheme	99.99% directly	RMB9,000 million	Investment management
China Life Security Anji Pure Bond Semi-Annual Fixed Open Bond Fund (Initiative Type)	93.26% directly and indirectly	RMB8,841 million	Investment management
Jiang Su Trust • Xin Bao Sheng No.144 (Jing Tou)	84.00% directly	RMB8,000 million	Investment management
Zhong Hang Trust Fund • Tian Qi 21A No.155 China Eastern Airlines Perpetual Bonds Investment Collective Fund Trust Scheme	99.38% directly	RMB8,000 million	Investment management

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Other related parties

Significant related parties	Relationship with the Company
China Life Insurance (Overseas) Company Limited ("CL Overseas")	Under common control of CLIC
China Life Investment Management Company Limited (Formerly known as "China Life Investment Holding Company Limited") ("CLI")	Under common control of CLIC
China Life Enterprise Annuity Fund ("EAP")	A pension fund jointly set up by the Company and others
China Life Property & Casualty Insurance Company Limited ("CLP&C")	An associate of the Company

The major associates and joint ventures of the basic and important information related to see note 10.

(d) Transactions with significant related parties

		For the year ended 31 December	
Transactions with CLIC and its subsidiaries	Notes	2024	2023
		RMB million	RMB million
CLIC			
Distribution of dividends from the Company and AMC to CLIC		12,577	9,806
Policy management fee from CLIC	(i)	457	463
Asset management fee from CLIC		110	141
CLP&C			
Agency fee from CLP&C	(i)	1,730	1,706
Dividends from CLP&C		167	80
Rental and a service fee from CLP&C		104	99
Asset management fee from CLIC		50	42
CLI			
Payment of asset management fee to CLI	(i)	566	542
CL Overseas			
Asset management fee from CL Overseas		80	102

		For the year ended 31 December	
Transactions with associates and joint ventures		2024	2023
		RMB million	RMB million
CGB			
Interest on deposits from CGB		761	2,453
Dividends from CGB (Note 10)		765	742
Commission expenses charged by CGB		140	252
Rental fee from CGB		163	163
Insurance Premiums		96	8
Other associates and joint ventures			
Dividends from other associates and joint ventures (Note 10)		4,396	4,032
Transaction with EAP			
Contribution to EAP		1,394	1,051

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(d) Transactions with significant related parties (continued)

		For the year ended 31 December	
Transactions between subsidiaries and the Company		2024	2023
	Note	RMB million	RMB million
Payment of asset management fee			
Payment to AMC	(i)	3,701	3,265
Dividends from subsidiaries			
Dividends from AMC		589	483
Dividends from Pension Company		171	248
Rental received			
Rental from Pension Company		77	75
Capital increase in subsidiaries			
Capital contribution to Pension Industry Fund		1,532	1,595
Capital contribution to CL Guangde		166	120
Capital contribution to CL Qihang Fund I		2,931	57
Capital reduction of subsidiaries			
Capital reduction to Rui Chong Company		720	–
Capital reduction to Yuan Shu Yuan Jiu		35	35
Capital reduction to Yuan Shu Yuan Pin		35	35
Capital reduction to Yuanxiang Tianfu		22	23
Capital reduction to Yuanxiang Tianyi		22	23
Transactions between the consolidated structured entities and the Company			
Distribution of profits from the consolidated structured entities to the Company		22,488	20,616

- (i) These transactions constitute continuing connected transactions which are subject to reporting and announcement requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(e) Amounts due from/to significant related parties

The following table summarises the balances due from and to significant related parties. The balances of the Group are all unsecured. The balances of the Group are non-interest-bearing and have no fixed repayment dates except for deposits with CGB, wealth management products and other securities of CGB.

	As at 31 December 2024	As at 31 December 2023
Amounts due from and to related parties of the Group	RMB million	RMB million
Amount due from CLIC	548	549
Amount due from CL Overseas	142	109
Amount due from CLP&C	316	335
Amount due to CLP&C	76	68
Amount due to CLI	461	483
Amount deposited with CGB	20,052	43,707
Wealth management products and other securities of CGB	10,540	8,059
Amount due to CGB	70	74

	As at 31 December 2024	As at 31 December 2023
Amounts due from and to subsidiaries of the Company	RMB million	RMB million
Amount due from CL Hotel Investor, L.P.	2,154	6,241
Amount due to AMC	2,071	1,771
Amount due from Rui Chong Company	490	10

(f) Key management personnel compensation

	For the year ended 31 December	
	2024	2023
	RMB million	RMB million
Salaries and other benefits	16	21

The total compensation package for the Company's key management personnel has not yet been finalised in accordance with regulations of the relevant PRC authorities. The compensation listed above is the tentative payment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

31 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(g) Transactions with state-owned enterprises

Under IAS 24 Related Party Disclosures, business transactions between state-owned enterprises controlled by the PRC government are within the scope of related party transactions. CLIC, the ultimate holding company of the Group, is a state-owned enterprise. The Group's key business is insurance and investment related and therefore the business transactions with other state-owned enterprises are primarily related to insurance and investment activities. The related party transactions with other state-owned enterprises are conducted in the ordinary course of business. Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. Nevertheless, the Group believes that the following captures the material related party transactions and has applied IAS 24 exemption and disclosed only qualitative information.

As at 31 December 2024, most of the bank deposits of the Group were with state-owned banks; the issuers of corporate bonds and subordinated bonds held by the Group were mainly state-owned enterprises. For the year ended 31 December 2024, a large portion of group insurance business of the Group were with state-owned enterprises; the majority of bancassurance commission charges were paid to state-owned banks and postal offices; and the majority of the reinsurance agreements of the Group were entered into with state-owned reinsurance companies (2023: same).

32 SHARE CAPITAL

	As at 31 December 2024		As at 31 December 2023	
	No. of shares	RMB million	No. of shares	RMB million
Registered, authorised, issued and fully paid				
Ordinary shares of RMB1 each	28,264,705,000	28,265	28,264,705,000	28,265

As at 31 December 2024, the Company's share capital is as follows:

	As at 31 December 2024	
	No. of shares	RMB million
Owned by CLIC (i)	19,323,530,000	19,324
Owned by other equity holders	8,941,175,000	8,941
Including: Domestic listed	1,500,000,000	1,500
Overseas listed (ii)	7,441,175,000	7,441
Total	28,264,705,000	28,265

(i) All shares owned by CLIC are domestic listed shares.

(ii) Overseas listed shares are traded on the Stock Exchange of Hong Kong Limited.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

33 RESERVES

	Share premium	Statutory reserve fund	Discretionary reserve fund	General reserve	Others	Total
	RMB million	RMB million (a)	RMB million (b)	RMB million (c)	RMB million	RMB million
As at 1 January 2023	53,905	54,553	50,607	52,429	(51,710)	159,784
Other comprehensive income	–	–	–	–	(21,741)	(21,741)
Appropriation to reserves	–	1,753	3,932	1,919	–	7,604
Other comprehensive income to retained earnings	–	–	–	–	(94)	(94)
Others	–	–	–	–	380	380
As at 31 December 2023	53,905	56,306	54,539	54,348	(73,165)	145,933
Appropriation to reserves	–	9,881	–	9,881	–	19,762
As at 1 January 2024	53,905	66,187	54,539	64,229	(73,165)	165,695
Other comprehensive income	–	–	–	–	(56,770)	(56,770)
Appropriation to reserves	–	–	1,753	10,136	–	11,889
Other comprehensive income to retained earnings	–	–	–	–	(2,005)	(2,005)
Others	–	–	–	–	224	224
As at 31 December 2024	53,905	66,187	56,292	74,365	(131,716)	119,033

- (a) Pursuant to the relevant PRC laws, the Company appropriated 10% of its net profit under Chinese Accounting Standards (“CAS”) to statutory reserve fund. It may not be withdrawn when the accumulated amount of the statutory reserve fund reaches more than 50% of the registered capital. Statutory reserve fund can be used to cover losses or increase share capital after approval. According to the approval of the Board of Directors, the Company did not withdraw statutory reserve fund in 2024 (2023: RMB1,753 million).
- (b) Approved at the Annual General Meeting in 27 June 2024, the Company appropriated RMB1,753 million to the discretionary reserve fund for the year ended 31 December 2023 based on net profit under CAS (2023: RMB3,932 million).
- (c) Pursuant to “Financial Standards of Financial Enterprises – Implementation Guide” issued by the Ministry of Finance of the PRC on 30 March 2007, for the year ended 31 December 2024, the Company appropriated 10% of net profit under CAS which amounted to RMB9,933 million to the general reserve for future uncertain catastrophes, which cannot be used for dividend distribution or conversion to share capital increment (2023: RMB1,753 million). In addition, pursuant to the CAS, the Group appropriated RMB203 million to the general reserve of its subsidiaries attributable to the Company in the consolidated financial statements (2023: RMB166 million).

Under related PRC law, dividends may be paid only out of distributable profits. Any distributable profits that are not distributed in a given year are retained and available for distribution in the subsequent years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

	Interest-bearing loans and other borrowings	Bonds payable	Lease liabilities	Financial assets sold under agreements to repurchase	Other liabilities-payable to the third-party holders of consolidated structured entities	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2023	12,782	36,167	1,569	149,022	73,934	273,474
Changes from financing cash flows	(1,073)	(1,500)	(1,149)	64,330	10,361	70,969
Foreign exchange movement	479	–	–	–	–	479
Changes arising from losing control of consolidated structured entities	–	–	–	(4)	–	(4)
New leases	–	–	810	–	–	810
Interest expense	669	1,499	54	2,882	–	5,104
Others	–	–	(29)	621	–	592
At 31 December 2023	12,857	36,166	1,255	216,851	84,295	351,424
At 1 January 2024	12,857	36,166	1,255	216,851	84,295	351,424
Changes from financing cash flows	(831)	(1,498)	(1,074)	(68,743)	12,133	(60,013)
Foreign exchange movement	(33)	–	–	–	–	(33)
Changes arising from losing control of consolidated structured entities	–	–	–	(1,734)	–	(1,734)
New leases	–	–	1,133	–	–	1,133
Interest expense	765	526	45	2,751	–	4,087
Others	–	–	(41)	2,439	–	2,398
At 31 December 2024	12,758	35,194	1,318	151,564	96,428	297,262

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

35 PROVISIONS AND CONTINGENT LIABILITIES

The following is a summary of the significant contingent liabilities:

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Pending lawsuits	704	583

The Group involves in certain lawsuits arising from the ordinary course of business. In order to accurately disclose the contingent liabilities for pending lawsuits, the Group analyses all pending lawsuits on a case by case basis at the end of each interim and annual reporting period. A provision will only be recognised if management determines, based on third-party legal advice, that the Group has present obligations and the settlement of which is expected to result an outflow of the Group's resources embodying economic benefits, and the amount of such obligations could be reasonably estimated. Otherwise, the Group will disclose the pending lawsuits as contingent liabilities. As at 31 December 2024, the Group had other contingent liabilities but disclosure of such was not practical because the amounts of liabilities could not be reliably estimated and were not material in aggregate (as at 31 December 2023: same).

36 COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments relating to property development projects and investments:

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Contracted, but not provided for		
Investments	81,276	86,590
Property, plant and equipment	1,280	1,466
Total	82,556	88,056

(b) Operating lease commitments

As lessor, the future minimum rentals receivable under non-cancellable operating leases are as follows:

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
Not later than one year	857	914
Later than one year but not later than five years	1,383	1,413
Later than five years	267	198
Total	2,507	2,525

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

37 STATEMENT OF FINANCIAL POSITION AND RESERVES

(a) Statement of financial position

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
ASSETS		
Property, plant and equipment	47,810	48,775
Right-of-use assets	1,388	1,364
Investment properties	5,856	6,063
Investments in subsidiaries	327,109	315,929
Investments in associates and joint ventures	258,587	217,717
Term deposits	344,382	322,298
Statutory deposits – restricted	5,848	5,801
Investment in debt instruments at amortised cost	8,683	32,206
Investment in debt instruments at fair value through other comprehensive income	3,625,258	2,908,332
Investment in equity instruments at fair value through other comprehensive income	146,523	117,711
Financial assets at fair value through profit or loss	1,601,948	1,462,090
Reinsurance contract assets	30,738	25,846
Other assets	19,911	29,627
Deferred tax assets	42,027	23,020
Financial assets purchased under agreements to resell	25,414	13,155
Accrued investment income	432	70
Cash and cash equivalents	77,346	135,645
Total assets	6,569,260	5,665,649

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

37 STATEMENT OF FINANCIAL POSITION AND RESERVES (continued)

(a) Statement of financial position (continued)

	As at 31 December 2024	As at 31 December 2023
	RMB million	RMB million
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	5,825,026	4,859,175
Reinsurance contract liabilities	160	188
Bonds payable	35,194	36,166
Other liabilities	38,190	35,784
Premiums received in advance	28,760	48,878
Financial assets sold under agreements to repurchase	134,463	203,605
Total liabilities	6,061,793	5,183,796
Equity		
Share capital	28,265	28,265
Reserves	121,274	147,745
Retained earnings	357,928	305,843
Total equity	507,467	481,853
Total liabilities and equity	6,569,260	5,665,649

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

37 STATEMENT OF FINANCIAL POSITION AND RESERVES (continued)

(b) Reserves

	Share premium	Statutory reserve fund	Discretionary reserve fund	General reserve	Others	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
As at 1 January 2023	53,360	54,505	50,607	51,341	(48,346)	161,467
Other comprehensive income	–	–	–	–	(21,128)	(21,128)
Appropriation to reserves	–	1,753	3,932	1,753	–	7,438
Other comprehensive income to retained earnings	–	–	–	–	(96)	(96)
Others	–	–	–	–	64	64
As at 31 December 2023	53,360	56,258	54,539	53,094	(69,506)	147,745
Appropriation to reserves	–	9,881	–	9,881	–	19,762
As at 1 January 2024	53,360	66,139	54,539	62,975	(69,506)	167,507
Other comprehensive income	–	–	–	–	(56,172)	(56,172)
Appropriation to reserves	–	–	1,753	9,933	–	11,686
Other comprehensive income to retained earnings	–	–	–	–	(2,013)	(2,013)
Others	–	–	–	–	266	266
As at 31 December 2024	53,360	66,139	56,292	72,908	(127,425)	121,274

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

38 DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S REMUNERATION

The total compensation package for the directors, supervisors, chief executive and senior management for the year ended 31 December 2024 in accordance with the related measures for compensation management of the Company has not yet been finalised. The amount of the compensation not provided for is not expected to have a significant impact on the Group's 2024 consolidated financial statements. The final compensation will be disclosed in a separate announcement when determined.

(a) Directors' and chief executive's emoluments

The aggregate amounts of emoluments paid to directors and chief executive of the Company for the year ended 31 December 2024 are as follows:

Name	Remuneration paid	Benefits in kind	Pension scheme contributions	Total
	RMB thousand			
Cai Xiliang (i)	—	—	—	—
Bai Tao (ii)	—	—	—	—
Li Mingguang (iii)	—	—	—	—
Liu Hui (iv)	730.9	97.6	116.9	945.4
Ruan Qi (iv)	730.9	96.5	106.1	933.5
Wang Junhui (v)	—	—	—	—
Zhuo Meijuan (vi)	—	—	—	—
Hu Jin (vi)	—	—	—	—
Hu Rong (vi)	—	—	—	—
Lin Zhiquan	420.0	—	—	420.0
Zhai Haitao	420.0	—	—	420.0
Huang Yiping (vii)	385.0	—	—	385.0
Chen Jie	420.0	—	—	420.0
Lu Feng (vii)	35.0	—	—	35.0

(i) Cai Xiliang was appointed as the chairman and executive director in December 2024 and did not receive remuneration from the Company.

(ii) Bai Tao resigned as chairman and executive director in October 2024 and did not receive remuneration from the Company.

(iii) Li Mingguang did not receive remuneration from the Company from May 2023.

(iv) Liu Hui and Ruan Qi were appointed as executive directors in May 2024.

(v) Wang Junhui is a non-executive director and does not receive remuneration from the Company.

(vi) Hu Jin and Hu Rong were appointed as non-executive directors in November 2024 and did not receive remuneration from the Company. Zhuo Meijuan resigned as non-executive director in June 2024 and did not receive remuneration from the Company.

(vii) Lu Feng was appointed as independent director in November 2024. Huang Yiping resigned as independent director in November 2024.

(viii) The above remuneration was calculated based on the relevant employment period during the reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

38 DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(a) Directors' and chief executive's emoluments (continued)

The aggregate amounts of emoluments paid to directors and chief executive of the Company for the year ended 31 December 2023 are as follows:

Name	Basic salaries	Performance related bonuses	Subtotal of salary income	Deferred payment included in salary income	Benefits in kind	Pension scheme contributions	Total	Deferred payment included in total	Actual paid included in total
RMB thousand									
Bai Tao (i)	-	-	-	-	-	-	-	-	-
Zhao Peng (ii)	-	-	-	-	-	-	-	-	-
Li Mingguang (iii)	220.7	441.3	662.0	220.7	54.8	84.2	801.0	220.7	580.3
Wang Junhui (iv)	-	-	-	-	-	-	-	-	-
Zhuo Meijuan (v)	-	-	-	-	-	-	-	-	-
Lin Zhiquan	300.0	120.0	420.0	-	-	-	420.0	-	420.0
Zhai Haitao	300.0	120.0	420.0	-	-	-	420.0	-	420.0
Huang Yiping	300.0	120.0	420.0	-	-	-	420.0	-	420.0
Chen Jie	300.0	120.0	420.0	-	-	-	420.0	-	420.0

(i) Bai Tao was appointed as the chairman and executive director in May 2022 and did not receive remuneration from the Company.

(ii) Zhao Peng resigned as executive director in August 2023 and did not receive remuneration from the Company.

(iii) Li Mingguang did not receive remuneration from the Company from May 2023.

(iv) Wang Junhui is a non-executive director and does not receive remuneration from the Company.

(v) Zhuo Meijuan was appointed as non-executive director in June 2023 and did not receive remuneration from the Company.

(vi) The above remuneration was calculated based on the relevant employment period during the reporting period, and there is no performance remuneration recovery and deduction in 2023.

The compensation amounts disclosed above for these directors and the chief executive for the year ended 31 December 2023 were restated based on the finalised amounts determined during 2024.

The directors and chief executive received the compensation amounts disclosed above during their term of office in 2024 and 2023.

In addition to the directors' emoluments disclosed above, certain directors of the Company received emoluments from CLIC, the amounts of which were not apportioned between their services to the Company and their services to CLIC.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

38 DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(b) Supervisors' emoluments

The aggregate amounts of emoluments paid to supervisors of the Company for the year ended 31 December 2024 are as follows:

Name	Remuneration paid	Benefits in kind	Pension scheme contributions	Total
	RMB thousand			
Cao Weiqing	1,342.5	158.6	187.0	1,688.1
Ye Yinglan	904.4	131.6	149.4	1,185.4
Dong Haifeng (i)	345.2	56.4	61.8	463.4
Lai Jun (i)	795.1	93.3	129.3	1,017.7
Niu Kailong (ii)	—	—	—	—
Gu Haishan (ii)	—	—	—	—

- (i) Dong Haifeng was appointed as employee representative supervisor in July 2024. Lai Jun resigned as employee representative supervisor in October 2024.
- (ii) Gu Haishan was appointed as non-employee representative supervisor in October 2024 and did not receive remuneration from the Company. Niu Kailong resigned as non-employee representative supervisor in June 2024 and did not receive remuneration from the Company.
- (iii) The above remuneration was calculated based on the relevant employment period during the reporting period.

The aggregate amounts of emoluments paid to supervisors of the Company for the year ended 31 December 2023 are as follows:

Name	Basic salaries	Performance related bonuses	Subtotal of salary income	Deferred payment included in salary income	Benefits in kind	Pension scheme contributions	Total	Deferred payment included in total	Actual paid included in total
	RMB thousand								
Cao Weiqing	683.6	1367.2	2050.8	683.6	155.0	225.2	2431.0	683.6	1747.4
Ye Yinglan (i)	347.7	403.6	751.3	181.6	64.9	91.4	907.6	181.6	726.0
Hu Zhijun (ii)	368.6	390.2	758.8	175.6	62.4	87.8	909.0	175.6	733.4
Wang Xiaoqing (ii)	360.1	449.1	809.2	188.6	62.4	100.1	971.7	188.6	783.1
Lai Jun	783.2	1168.8	1952.0	526.0	125.1	218.0	2295.1	526.0	1769.1
Niu Kailong (iii)	—	—	—	—	—	—	—	—	—

- (i) Ye Yinglan was appointed as employee representative supervisor in June 2023.
- (ii) Hu Zhijun and Wang Xiaoqing resigned as employee representative supervisors in June 2023.
- (iii) Niu Kailong did not receive remuneration from the Company.
- (iv) The above remuneration was calculated based on the relevant employment period during the reporting period, and there is no performance remuneration recovery and deduction in 2023.

The compensation amounts disclosed above for these supervisors for the year ended 31 December 2023 were restated based on the finalised amounts determined during 2024.

The supervisors received the compensation amounts disclosed above during their term of office in 2024 and 2023.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

38 DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(c) Five highest paid individuals

For the year ended 31 December 2024, the five individuals whose emoluments were the highest in the Company include one supervisor (2023: one supervisor).

Details of the remuneration of the five highest paid individuals are as follows:

	For the year ended 31 December	
	2024	2023
	RMB thousand	RMB thousand
Basic salaries, housing allowances, other allowances and benefits in kind	6,851.3	11,282.2
Pension scheme contributions	1,054.7	1,135.9
Total	7,906.0	12,418.1

The emoluments fell within the following bands:

	Number of individuals	
	For the year ended 31 December	
	2024	2023
RMB0 – RMB1,000,000	–	–
RMB1,000,001 – RMB2,000,000	5	–
RMB2,000,001 – RMB3,000,000	–	5
RMB3,000,001 – RMB4,000,000	–	–
RMB4,000,001 – RMB4,500,000	–	–

For the year ended 31 December 2024, no emoluments were paid by the Company to the directors, chief executive, supervisors or any of the five highest paid individuals as an inducement to join or upon joining the Company or compensation for loss of office as a director of any member of the Group or of any other office in connection with the management (2023: nil).

The emoluments of the five highest paid individuals are the total emoluments paid to them during the year.

There was no arrangement under which a director, chief executive or supervisor waived or agreed to waive any remuneration during the year.



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