眾安在綫財產保險股份有限公司

ZhongAn Online P & C Insurance Co., Ltd.*

A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as "ZA Online Fintech P & C"

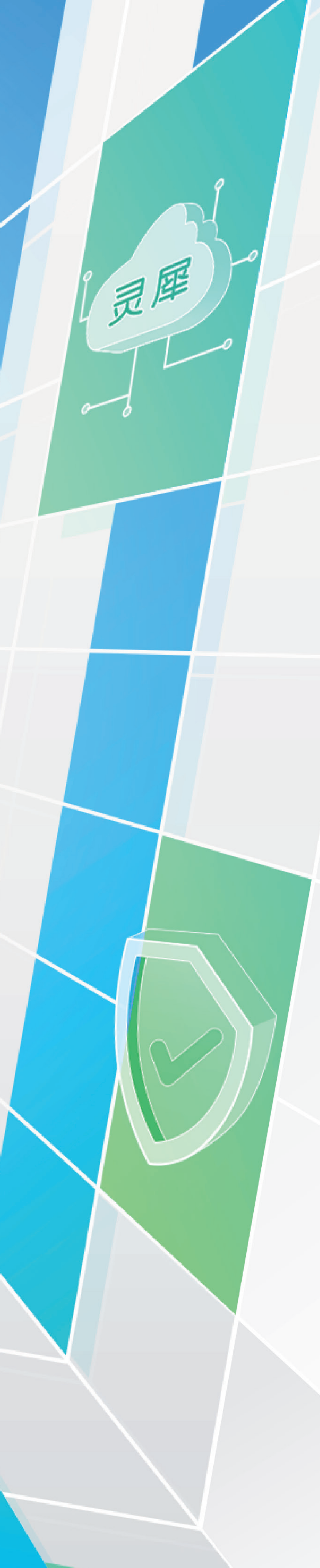
(Stock Code : 6060)

ANNUAL REPORT 2024

众安保险
ZhongAn Insurance

* For identification purposes only


BUY



Contents

Five-Year Financial Summary

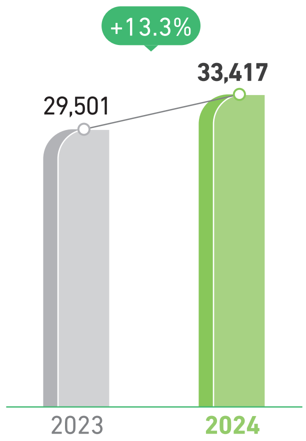
(RMB'000)	2024	2023	2022	2021	2020
	As at December 31 or for the Year Ended December 31				
	Based on HKFRS 17 Insurance Contracts			Based on HKFRS 4 Insurance Contracts	
Insurance revenue	**31,744,343**	27,535,275	22,189,381	—	—
Net profit/(loss)	**603,456**	3,845,278	(1,384,417)	757,099	254,380
Net profit/(loss) attributable to owners of the parent	**603,456**	4,077,855	(1,112,414)	1,164,590	553,786
Basic earnings/(loss) per share (in RMB)	**0.41**	2.77	(0.76)	0.79	0.38
Total assets	**45,284,579**	42,863,606	47,648,878	51,772,329	45,673,436
Total liabilities	**24,358,178**	22,790,183	30,033,758	32,642,132	28,280,101
Total equity	**20,926,401**	20,073,423	17,615,120	19,130,197	17,393,335
Equity attributable to owners of the parent	**20,926,401**	20,073,423	15,766,090	16,748,402	15,705,350
Underwriting combined ratio (%)	**96.9%**	95.2%	94.2%	99.6%	102.5%
Comprehensive solvency margin ratio[1](%)	**227%**	240%	299%	472%	560%

1 The Company formally implemented the Regulatory Rules on the Solvency of Insurance Companies (II) ("**C-ROSS Phase II Rules**") since January 1, 2022. The impacts of changes in C-ROSS Phase II Rules have been reflected in the comprehensive solvency margin ratio as at December 31, 2022, December 31, 2023 and December 31, 2024.

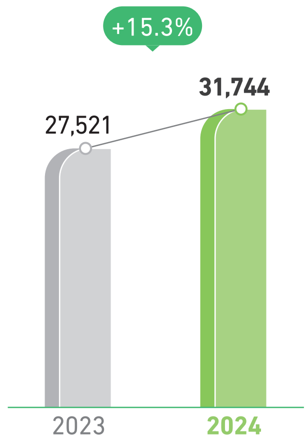
Results Summary

Overall Operating Results

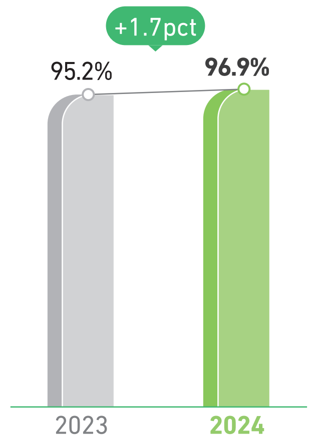
Gross written premiums
(RMB million)



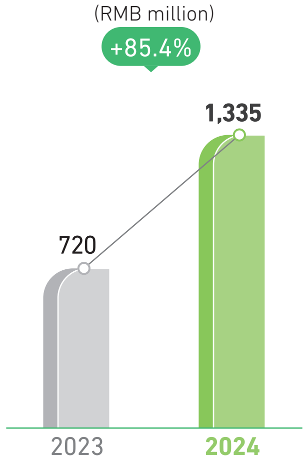
Insurance revenue
(RMB million)



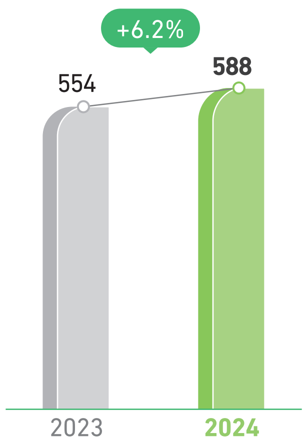
Underwriting combined ratio
(%)



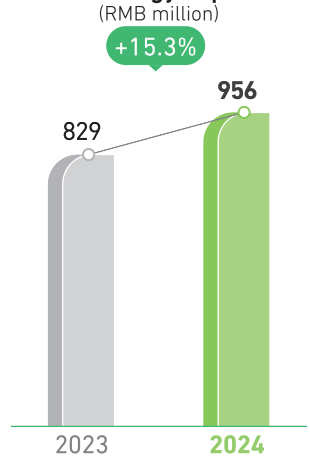
Total investment income from insurance assets
(RMB million)



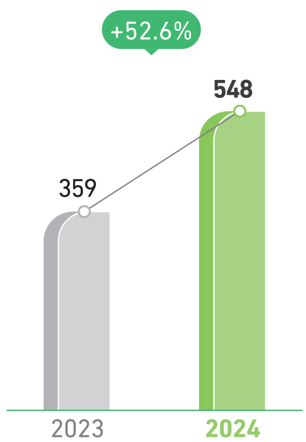
Net profit of the insurance segment
(RMB million)



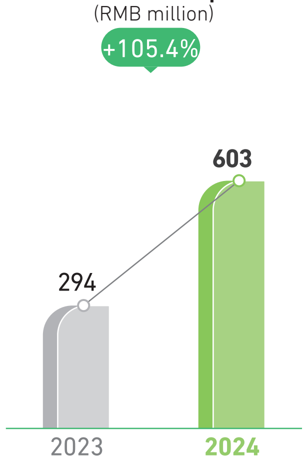
Total revenue from technology export[1]
(RMB million)



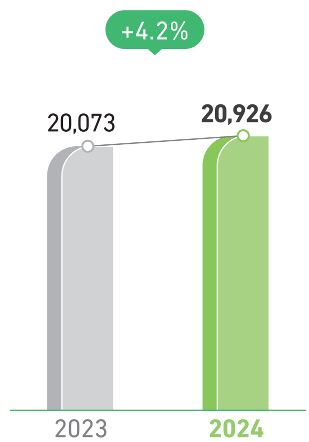
Net revenue of ZA Bank[2]
(RMB million)



Net profit attributable to owners of the parent[3]
(RMB million)



Equity attributable to owners of the parent
(RMB million)



1 Total revenue from technology export represents the sum of revenue from technology export of each company held by the Company including ZhongAn Technology, ZhongAn Information Technology and Peak3, without taking into account the impact of shareholding percentage. For the avoidance of doubt, ZhongAn Technology is our wholly-owned subsidiary; and ZhongAn Information Technology and Peak3 are accounted as our joint ventures whose results are not consolidated into those of the Group.

2 Net revenue is the sum of net interest income, handling charges and commissions, net gains/(losses) on other financial instruments and other income.

3 Net profit attributable to owners of the parent amounted to RMB4,078 million in 2023, which included the one-off investment income of RMB3,784 million recognized in 2023 when ZhongAn International ceased to be a subsidiary of the Company and was accounted for as a joint venture since August 14, 2023.

Message from the Chairman

Dear Shareholders, Customers, Partners and Colleagues,

In 2024, ZhongAn Online (stock code: 06060) celebrated its eleventh anniversary since its establishment. This year, the global economic landscape underwent profound changes. Persistent inflationary pressures, frequent geopolitical conflicts, and recurrent natural disasters caused by climate change, have placed higher demands on the insurance industry. At the same time, the wave of digital transformation swept across the globe, with emerging technologies such as artificial intelligence, blockchain and the Internet of Things accelerating their practical application, reshaping the ecosystem of the financial and insurance industries.

In such an era, ZhongAn Online has consistently adhered to its mission of "empowering finance with technology and providing insurance service with a caring hand", driven by innovation and based on responsibilities, to forge ahead in a complex and ever-changing environment. On behalf of the Board of Directors of the Company, I would like to extend my heartfelt gratitude to all shareholders, customers and partners for their unwavering support, and to our employees for their dedicated efforts and contribution.

Nowadays, the new economy has become the core driving force of China's economic transformation and upgrading. ZhongAn has been committed to "serving the real economy and protecting the innovation ecosystem" and has developed scenario-based and customized insurance solutions with a focus on new economic fields such as low-altitude economy, silver-haired economy, pet economy, digital economy, green energy and sharing economy. In terms of digital industry, we provide tens of thousands of micro, small, and medium-sized technology enterprises with insurance services covering network security, data asset protection and R&D interruption risk protection. Meanwhile, we have launched full-chain insurance products that cover transactions, logistics and payments, designed for the cross-border e-commerce ecosystem. With precise insights into the unsatisfied demands of the new economy, ZhongAn's ecological product matrix has covered more than 20 emerging fields and served a total more than 1 million micro, small, and medium-sized enterprises.

In 2024, we actively responded to China's "dual carbon" goals by promoting green finance and sustainable development. Through innovative insurance products and services, we supported the development of green energy, low-carbon transportation and other fields, contributing to the fight against climate change. Meanwhile, we have consistently focused on the protection needs of vulnerable groups in society. In the same year, we launched several inclusive insurance products to provide more comprehensive protection to cover the risks of low-income groups, the elderly, and people with disabilities. We also took an active part in charity activities, giving back to society and sharing love through donations and volunteer services.

As a responsible enterprise, we are aware that insurance is not only a tool for risk management but also a cornerstone of social stability. Faced with a complex and ever-changing external environment, we have further strengthened our strategic focus on "empowering insurance with technology and serving the real economy", dedicating ourselves to providing users with more efficient and inclusive insurance services. Looking ahead to 2025, the global economy will continue to face numerous uncertainties. ZhongAn Online will remain steadfast in its "technology-driven" core strategy, staying true to its original aspiration of providing insurance service with a caring hand, and contributing to the continuous development of China's insurance industry.

Finally, I would like to once again express my appreciation to all shareholders, customers, partners and employees for their trust and support for ZhongAn Online. Your joint efforts have been indispensable for our sustainable development in such a challenging market environment. Looking ahead, ZhongAn Online will continue its efforts to meet customer needs, create greater value for shareholders, and contribute more to society.

As the tide of the new economy surges forward, ZhongAn will always position itself as an entrepreneur to provide heart-warming insurance protect for innovation, and illuminate the path of progress with technology. In this era of digital economy, we look forward to working with all stakeholders to embark on a new chapter of insurance services.

Hai Yin
Chairman

Message from the General Manager

In 2024, the global economy struggled to seek a breakthrough in structural adjustments - developed economies bore transformation pressure in a high-interest cycle, while emerging markets were riding the waves of digital infrastructure and green energy. In this moderate but profound transformation, ZhongAn has steadfastly adhered to its original aspiration of "empowering finance with technology and providing insurance service with a caring hand" and maintained the dual-engine growth strategy of "Insurance + Technology" and a user-centric approach, with an aim to achieve steady development. Our annual gross written premiums ("GWP") exceeded RMB33,417 million, representing a year-on-year increase of 13.3%, and the underwriting combined ratio was 96.9%, marking positive underwriting profit for the fourth consecutive year. This year, ZhongAn jumped to the eighth place (up one place) in the domestic P&C insurance industry as measured by GWP, and continued to lead the domestic online P&C insurance sector with absolute predominance.

Health Ecosystem - after ten years of development, remains loyal to our commitment to protecting over 100 million users: In 2024, the tenth year since the establishment of our health ecosystem, its GWP crossed the RMB10 billion mark for the first time and amounted to RMB10,338 million, representing a year-on-year increase of 5.4%, having served more than 130 million users cumulatively. The flagship product "Personal Clinic Policy" series of medical insurance has undergone a total of 25 upgrades, and its coverage was expanded during the year to include externally purchased drugs and medical devices for the first time, which transcended the limitations of conventional million-yuan coverage medical insurance products that focus on in-patient scenarios, and demonstrated our innovative strength as an industry pioneer. Adhering to the concept of inclusive health, we actively updated our inclusive product, Zhong Min Bao (眾民保), which was tailored for "people with substandard risk", thus extending the protection coverage of traditional medical insurance and bringing benefits to more people in need. We also continued to improve the online diagnosis and treatment capabilities of the Internet Hospital, and launched ZhongAn's healthcare and medical service system, "e-Health (e起健康)", which operates in a parallel "healthcare + medical service" mode.

Message from the General Manager

Digital Lifestyle - develops in depth, with agility and innovation to activate new consumption potential: In 2024, the digital lifestyle ecosystem recorded GWP of RMB16,197 million, representing a year-on-year increase of 28.9%. From the booming development of digital lifestyle ecosystem, we could clearly feel the strong rhythm of the digital transformation of the consumer sector. Our products were deeply integrated with the consumer industrial chain from upstream to downstream, forming a closed-loop ecosystem of mutual promotion and progress. By leveraging technology, we gained precise insights into consumer hotspots such as e-commerce, travel, pet economy, fashion sports, low-altitude economy, etc., and deeply empowered consumption scenarios to build up an insurance service system covering the entire chain. At the same time, we adopted technological means to enable rapid product iteration and efficiency improvement, bringing users a more convenient and intelligent service experience.

Auto Insurance Ecosystem - unleashes new potentials, with significant progress made in compulsory traffic accident liability insurance: The auto ecosystem recorded GWP of RMB2,051 million, representing a year-on-year increase of 29.8%. By closely following the development pace of the new energy vehicle (NEV) industry, we have been driving innovation and development with data, continuously optimizing its risk management and pricing system, and has designed one-stop insurance service solutions for vehicle owners of over 100 NEV brands. NEV auto insurance recorded a significant year-on-year increase of approximately 188.4% in GWP, which accounted for more than 12% of the overall GWP of the Company's auto insurance. In 2024, we obtained the qualifications to run compulsory traffic accident liability insurance in Shanghai and Zhejiang, successfully completed system integration and officially issued policies. This enabled us to provide users with more comprehensive auto insurance protection and injected new momentum for the growth of GWP of our auto ecosystem.

Consumer Finance - moves steadily forward, with technology empowering inclusive services: With our leading technology strength, we have built a technical bridge connecting multiple Internet platforms and offered licensed financial institutions with professional credit technology services, thereby providing consumers with easy access to convenient and inclusive credit products. By utilizing AI technology and data analysis capabilities, we developed precise user insights from in-depth interactions with them under daily and commercial scenarios, so as to provide financial institutions with all-round support throughout the life cycle of loans. By doing so, we helped financial institutions significantly expand their service coverage and allowed users to enjoy more flexible and convenient credit services.

Sophisticated brand operation and expanded direct operation brought new vitality to user management: In 2024, we continued to focus on the "ZhongAn" brand and further expanded our user coverage through multi-scenario and multi-dimensional touchpoints with targeted customers. Through traffic scenarios such as short videos and livestreaming, and combined with AI customer service and personalized recommendation technology, we managed to improve both service efficiency and user experience. Benefiting from the strategy of refined operation, the GWP of our proprietary channels for 2024 amounted to RMB7,460 million, accounting for 22.3% of the total GWP, and premiums of renewed insurance contracts of our proprietary channels increased by 34%, with the contribution of renewed policies to GWP further increasing to 30%, thanks to our refined operations and comprehensive services. We have been actively exploring the strategic path for traffic conversion and user management, and have achieved remarkable results in building private domain traffic, with the average number of policies per paying user increasing to 1.7 in our proprietary channels, indicating a further improvement in user loyalty and brand value.

Laying a solid foundation with technology R&D and unleashing upgrade potential with AI: ZhongAn continued to invest and make breakthroughs in cutting-edge technologies including artificial intelligence, big data and cloud computing, and reshaped its insurance value chain with technology empowerment. In 2024, relying on our cloud-based insurance core system "Wujieshan", which has successfully supported massive and fragmented insurance business with its excellent performance, we issued a total of 19,732 million policies throughout the year, with the automation rate for underwriting rising to 99%. We used mainstream big models + our own data to improve our AI middle platform, enabling the efficient integration and delivery of AI capabilities. We have completed the refinement of several core functions and deployed more than 70 active robots to support more than 10 key scenarios (such as AI customer service, AI health consultation, and AI claim settlement), which helped improve customer service efficiency and satisfaction. In addition, we have also implemented AI quality inspection that covers the entire process and all aspects to build a dynamic risk barrier. We will continue to embrace AI and promote its widespread application in all business scenarios.

Technology export continued to break through, with significant improvement in operation quality: In 2024, the technology export segment recorded total revenue of RMB956 million, representing a year-on-year increase of 15.3%. In particular, domestic technology export has benefited from our new breakthroughs in product fields such as core system for property and casualty insurance, intelligent marketing and data intelligence. We also seized the opportunities presented by the implementation of the new accounting standards (IFRS17). Furthermore, we broke new ground in our international presence, as the technology subsidiary of ZA Global (formerly known as ZA Tech) completed its series A financing of USD35 million and officially changed its name to Peak3 to launch a new global identity in June 2024.

Finally, I would like to share with you the latest development of ZA Bank, a subsidiary of ZA Global and a digital bank in Hong Kong. During the Reporting Period, ZA Bank recorded net revenue of HKD548 million, representing a year-on-year increase of 52.6%. ZA Bank is currently the only digital bank that offers users 24/7 digital banking services such as deposits, loans, transfers, card spending, foreign exchange, insurance, investment and business banking.

AI has become a new focus of international competition, exerting significant and profound impacts on economic development, social progress, as well as international political landscape. Meanwhile, as the impact of ESG philosophy emerges at an accelerated rate, we also see new opportunities for mutual empowerment between digital inclusive finance and sustainable growth. This not only poses a dynamic test to our original aspirations, but also represents a strategic core for creating a community of users and our ecosystems.

Over the past year, we have laid a solid foundation. ZhongAn will continue its strong momentum to embrace strategic opportunities, and facilitate the realization of AI value and diversified business innovation through scenario-based innovation. With meticulous efforts and steady progress, we are confident that ZhongAn will achieve more quality development.

Xing Jiang
General Manager

Our Milestones

2013 2014 2015 2016 2017 2018

October 9, 2013

Establishment of the Company

ZhongAn Online P & C Insurance Co., Ltd. was incorporated.

April 2014

Wujieshan

ZhongAn's self-developed core system called "Wujieshan" was launched.

June 2015

Series A Financing

ZhongAn completed the series A financing with proceeds amounting to RMB5,775 million.

November 2015

Baobiao Auto Insurance

ZhongAn launched Baobiao Auto Insurance (now renamed as "ZA & PA Joint Auto Insurance") based on the co-insurance model jointly developed with Ping An Insurance.

July 7, 2016

ZhongAn Technology

ZhongAn Information and Technology Services Co., Ltd., a wholly-owned subsidiary of the Company, was incorporated.

June 2017

Innovation Achievement

The Insurance Solution for Mitigating Capital Pressure of Micro E-commerce launched by Zhong Le Bao and Can Ju Xian received the second prize at the 2016 Shanghai Financial Innovation Achievement Award.


荣誉证书

众安在线财产保险股份有限公司：

"'众乐宝、参聚险'缓解小微电商资金压力的保证保险解决方案"项目荣获2016年度上海金融创新成果奖二等奖。

特颁此证。

证书编号：1202016018

上海市人民政府

二〇一七年六月

September 28, 2017

Listing of H Shares

ZhongAn was listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6060).

December 4, 2017

Hong Kong Stock Connect

ZhongAn was selected as a constituent stock of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

December 8, 2017

ZATI

ZhongAn announced the establishment of a joint venture company – ZhongAn Technologies International Group Limited in Hong Kong, acting as an international development platform for ZhongAn Technology to explore international business development, cooperation and investment opportunities in relation to FinTech and InsurTech businesses in overseas markets.

September 2018

International Technology Export

We assisted Sompo Japan Insurance Inc. ("SOMPO") in approaching digital transformation with its next generation cloud based end-to-end insurance core system.

2019

March 2019

Virtual Bank

ZA Bank became one of the first batch of companies who were granted a virtual bank license in Hong Kong and launched its trial pilot on December 18, 2019.

ZA Bank

July 2019

Internet Hospital

The Internet hospital was officially launched in December 2019, which provides users with one stop services covering online medical advice and doorstep medicine delivery, establishing a closed-loop health ecosystem.

众安互联网医院

2020

May 2020

Virtual Insurance

ZA Life obtained a virtual insurance license in Hong Kong to engage in the long term insurance business and officially opened for business on May 18, 2020.

ZA Insure

December 2020

Issuance of the USD Notes

ZhongAn publicly issued an aggregate of USD1 billion senior unsecured notes, setting the highest financing record in the global InsurTech industry in 2020.

December 2020

H Share Full Circulation

ZhongAn completed the H Share full circulation programme.

2021

October 2021

ZATI completed the first round of financing to promote the expansion of international FinTech business.

October 2021

ZhongAn released the digital insurance ecosystem cube plan and opened more than 20 rights and interests in 4 categories of products, services, technologies and resources to 12 major industry scenarios.

December 2021

ZhongAn launched the 2022 version of "Personal Clinic Policy", and started the era of tailor-made million-yuan medical insurance for healthy insureds to use services.

December 2021

ZhongAn achieved underwriting profit for the first time, and the combined ratio for the year was optimized to 99.6% (HKFRS 4 Insurance Contracts).

2022

January 2022

ZA Bank started its investment and wealth management business and became the first virtual bank in Hong Kong to be granted a Type 1 regulated activity (dealing in securities) license by the Securities and Futures Commission, and launched fund sales services in August 2022.

May 2022

ZhongAn Insurance was selected as a Specialized and Sophisticated Enterprise in Shanghai.

2023

May 2023

ZhongAn Insurance and ZhongAn Technology jointly released the "White Paper on AIGC/ChatGPT Applications in the Insurance Industry" (《AIGC/ChatGPT保險行業應用白皮書》), the first white paper on the AIGC (AI-generated content technology) applications in the domestic insurance industry

July 2023

Our technology export business successfully entered the European market

July 2023

ZhongAn Insurance was the only InsurTech company listed in the 2023 China 500 published by the Fortune magazine

财富 FORTUNE CHINA

December 2023

As at the end of 2023, our health ecosystem served more than 125 million users cumulatively; We have served more than 4.65 million pet owners together with ecosystem partners.

2024

February 2024

ZA Bank officially introduced its US stock trading services

November 2024

ZhongAn obtained approval to conduct compulsory auto insurance business in Shanghai and Zhejiang

December 2024

ZhongAn's health ecosystem surpassed the milestone of RMB10 billion GWP

December 2024

ZhongAn moved up one place to the 8th in the domestic P&C insurance industry as measured by GWP

Management Discussion and Analysis[1]

The Group has adopted HKFRS 17 Insurance Contracts to replace HKFRS 4 Insurance Contracts since January 1, 2023. In this annual report, except for GWP-related disclosures, financial data are all disclosed in accordance with HKFRS 17 Insurance Contracts.

Our Mission

Empowering finance with technology and providing insurance service with a caring hand.

Overview

As the first Internet-based InsurTech company in China, ZhongAn aims to redefine insurance with cutting-edge technology and innovative business models. We embrace a dual-engine strategy of "Insurance + Technology" and adhere to conducting end - to - end deep integration of technology and insurance, and using technology to empower the insurance value chain. With an ecosystem - oriented approach, we start from users' internet life scenarios through proprietary channels and ecosystem partner platforms, providing innovative, inclusive and diverse insurance products and services to meet users' diversified protection needs and create an effective value proposition for users. We continuously improve and upgrade technology strengths during the operation of our insurance business, and we export InsurTech systems and functional modules to global insurance companies and industry chain clients in a productized way, so as to facilitate the digital transformation of the industry. In addition, we also applied years of experience in Internet insurance and Internet finance operations in the Hong Kong market. In March 2020, ZA Bank, a subsidiary of our joint venture, ZhongAn International, became the first digital bank to officially commence operations to Hong Kong and has been providing a convenient, inclusive and innovative one-stop financial service experience for retail customers and SMEs in the Hong Kong market under the "ZA" brand.

2024 Results Review

In 2024, the Company recorded GWP of RMB33,417 million, representing a year-on-year increase of 13.3%, with insurance revenue amounting to RMB31,744 million, representing a year-on-year increase of 15.3%. In 2024, ZhongAn Insurance rose to the 8th place in the domestic P&C insurance industry as measured by GWP as we further gained market share, and our share[2] in the domestic online P&C insurance market ranked first.

In the 2024 China 500 list published by Fortune, a prominent international financial magazine, ZhongAn Online was included once again by virtue of its long-term technological advancement and excellent business performance in recent years, with the ranking up by 37 places to No. 460, by pursuit of growth with quality.

In 2024, our underwriting combined ratio[3] was 96.9%, delivering underwriting profit for four consecutive years, with loss ratio[4] of 58.3% and expense ratio[5] of 38.6%. The underwriting profit was RMB990 million, and the underwriting combined ratio increased by 1.7 percentage points from the corresponding period of 2023, mainly because the loss ratio increased by 1.5 percentage points to 58.3%, while the expense ratio increased by 0.2 percentage point to 38.6%.

Benefiting from the ongoing digital transformation in the domestic and global financial industry, our technology business recorded total revenue from technology export[6] of RMB956 million, representing a year-on-year increase of 15.3%, mainly because we further landed new customer leads in industries such as broader financial (including banking and securities), retail and manufacturing while consolidating customers in the insurance industry, and provided our customers with various products of business production and digital new infrastructure series, thereby achieving rapid growth. ZA Bank has become one of the most comprehensive digital banks with the widest range of products in the Hong Kong market, building a one-stop integrated financial service platform through its mobile

1 Unless otherwise specified, the insurance business data mentioned in the management discussion and analysis does not include the life insurance business in Hong Kong.
2 According to data from the Insurance Association of China.
3 Underwriting combined ratio is defined as the sum of insurance service expenses, net income/(expenses) from reinsurance contracts held, finance expenses from insurance contracts issued and finance income/(expenses) from reinsurance contracts held divided by insurance revenue. Underwriting combined ratio is calculated in accordance with HKFRS 17 Insurance Contracts, only takes into account the online P&C insurance business in the PRC, and is the result after inter-segment elimination.
4 Loss ratio is defined as the sum of incurred claims and claim expenses, changes in the fulfilment cash flows relating to the liability for incurred claims, finance expenses from insurance contracts issued, losses on onerous contracts and reversal of those losses, net income/(expenses) from reinsurance contracts held and finance income/(expenses) from reinsurance contracts held divided by insurance revenue.
5 Expense ratio is defined as the sum of insurance acquisition cash flows amortization and maintenance expenses divided by insurance revenue.
6 Total revenue from technology export represents the sum of revenue from technology export of each company held by the Company including ZhongAn Technology, ZhongAn Information Technology and Peak3, without taking into account the impact of shareholding percentage. For the avoidance of doubt, ZhongAn Technology is our wholly-owned subsidiary; and ZhongAn Information Technology and Peak3 are accounted as our joint ventures whose results are not consolidated into those of the Group.

app, which operates in a fully digitalized mode, and it is currently the only digital bank in Hong Kong that provides users with 24/7 services such as deposits, loans, transfers, card spending, foreign exchange, insurance, investment and business banking. In 2024, ZA Bank recorded net revenue[7] of HKD548 million for the Reporting Period, representing a year-on-year growth of 52.6%. Meanwhile, ZA Bank focused on business quality and operating efficiency improvement, and net loss was significantly reduced by HKD167 million to HKD232 million.

As of December 31, 2024, the Group had total assets of RMB45,285 million and net assets of RMB20,926 million, representing an increase of 5.6% and 4.2%, respectively, as compared to that at the beginning of the year. The comprehensive solvency margin ratio remained sufficient at 227%. Due to its steady operation and abundant capital, the Company received an investment grade of Baa1 for its insurance financial strength rating and a grade of Baa2 rating for its senior unsecured debts from Moody's, with a stable outlook.

Segment Financial Overview

The following table sets forth the key items of the segment statement of profit or loss for the year ended December 31, 2024 and the year ended December 31, 2023, respectively. Specifically, the insurance segment offers online property and casualty insurance and services in the PRC; the technology segment provides technology export related services to global insurance companies and insurance industry chain clients; the banking segment offers digital banking services in Hong Kong; and others segment includes entities other than the aforesaid segments, such as ZA Life and ZhongAn Insurance Broker. Since August 14, 2023, ZhongAn International ceased to be a subsidiary of the Company and was accounted for as a joint venture. Therefore, all incomes and expenses of the overseas technology export business under the technology segment, the banking segment and the ZA Life business under others segment of the Group for the period from January 1, 2023 to August 14, 2023 were consolidated in the Group's consolidated statement of profit or loss, while the net profit/(loss) for the period from August 15, 2023 to December 31, 2023 were included in the Group's consolidated statement of profit or loss in proportion to the Group's shareholding percentage in respective entities.

Segment statement of profit or loss for the year ended December 31, 2024

(RMB'000)	Insurance	Technology	Banking	Others	Eliminations	Total
Insurance revenue	31,746,109	—	—	8,334	(10,100)	31,744,343
Underwriting profit	898,966	—	—	(12,474)	103,765	990,257
Net investment income	348,881	108,189	204,782	33,234	(233,598)	461,488
Net fair value changes through profit or loss	989,622	(9,293)	—	40,247	3,114	1,023,690
Other income	101,219	882,919	243,217	768,523	(964,148)	1,031,730
Foreign exchange gains/(losses)	(104,506)	(988)	(11,883)	8,628	9,778	(98,971)
Other finance costs	(439,493)	(9,508)	(11)	(4,374)	6,705	(446,681)
Net profit/(loss)	588,485	77,605	(92,012)	74,337	(44,959)	603,456
Attributable to:						
– Owners of the parent						603,456

7 Net revenue is the sum of net interest income, handling charges and commissions, net gains/(losses) on other financial instruments and other income.

Management Discussion and Analysis

Segment statement of profit or loss for the year ended December 31, 2023

(RMB'000)	Insurance	Technology	Banking	Others	Eliminations	Total
Insurance revenue	27,524,755	—	—	16,844	(6,324)	27,535,275
Underwriting profit	1,189,869	—	—	(22,396)	125,202	1,292,675
Net investment income	247,304	31,308	104,973	53,765	3,755,570	4,192,920
Net fair value changes through profit or loss	473,083	98,246	—	215,987	(18,900)	768,416
Other income	119,839	610,926	357,880	632,517	(585,696)	1,135,466
Foreign exchange gains/(losses)	(109,406)	(2,279)	5,869	18,420	(7,112)	(94,508)
Other finance costs	(451,973)	(10,575)	(70)	(3,101)	861	(464,858)
Net profit/(loss)	553,981	(468,103)	(284,341)	97,747	3,945,994	3,845,278
Attributable to:						
– Owners of the parent						4,077,855

The Group recorded a net profit attributable to owners of the parent of RMB603 million in 2024, representing an increase of 105.4% as compared with the adjusted net profit attributable to owners of the parent[1] of RMB294 million for the corresponding period of last year, which was mainly attributable to the increase in the profit of the insurance business, the turnaround from the loss of the technology business and the significant reduction in net loss of the banking business. The specific performance of each segment is as follows:

1) Insurance segment: in 2024, insurance revenue increased by 15.3%, with continuous profitability in underwriting. However, due to the increase in loss ratio, the combined ratio increased by 1.7 percentage points to 96.9% and underwriting profit decreased by RMB291 million. Additionally, benefiting from the recovery of the capital markets, total investment income from onshore insurance assets increased by 85.4% to RMB1,335 million as compared to last year. As a result of the above, the net profit of the insurance segment increased by RMB35 million.

2) Technology segment: benefiting from the ongoing digital transformation in the domestic and overseas financial industry, in 2024, our technology business recorded total revenue from technology export[2] of RMB956 million, representing a year-on-year increase of 15.3%. Meanwhile, the technology segment recorded a net profit of RMB77.61 million.

3) Banking segment: ZA Bank recorded a net revenue of HKD548 million for the Reporting Period, representing a year-on-year growth of 52.6%. Meanwhile, ZA Bank focused on business quality and operating efficiency improvement, and net loss decreased by HKD167 million to HKD232 million.

1 Net profit attributable to owners of the parent amounted to RMB4,078 million in 2023, which included the one-off investment income of RMB3,784 million recognized in 2023 when ZhongAn International ceased to be a subsidiary of the Company and was accounted for as a joint venture since August 14, 2023.

2 Total revenue from technology export represents the sum of revenue from technology export of each company held by the Company including ZhongAn Technology, ZhongAn Information Technology and Peak3 without taking into account the impact of shareholding percentage. For the avoidance of doubt, ZhongAn Technology is our wholly-owned subsidiary; and ZhongAn Information Technology and Peak3 are accounted as our joint ventures whose results are not consolidated into those of the Group.

Our Ecosystems

The following table sets forth GWP in absolute amounts and as percentages of total GWP by ecosystem for the year ended December 31, 2024 and the year ended December 31, 2023, respectively:

(RMB'000)	2024		2023		
Ecosystems	**GWP**	**Percentage**	**GWP**	**Percentage**	**Year-on-year change (%)**
Health	**10,337,716**	**30.9%**	9,806,472	33.2%	5.4%
Digital lifestyle	**16,196,652**	**48.5%**	12,563,273	42.6%	28.9%
Consumer finance	**4,832,276**	**14.5%**	5,551,048	18.8%	(12.9%)
Auto	**2,050,773**	**6.1%**	1,580,343	5.4%	29.8%
Total	**33,417,417**	**100%**	29,501,136	100.0%	13.3%

The following table sets forth a breakdown of (i) GWP, (ii) insurance revenue, (iii) expense ratio, (iv) loss ratio, and (v) underwriting combined ratio, by ecosystem for the year ended December 31, 2024 and the year ended December 31, 2023, respectively. Specifically, net income/(expenses) from reinsurance contracts held and finance income/(expenses) from reinsurance contracts held are not taken into account in the calculation of the expense ratio, loss ratio and underwriting combined ratio:

(RMB'000)	2024	2023
Ecosystems		
Health		
GWP	**10,337,716**	9,806,472
Insurance revenue	**9,738,012**	8,599,277
Expense ratio (%)	**56.7%**	53.0%
Loss ratio (%)	**39.0%**	34.2%
Underwriting combined ratio (%)	**95.7%**	87.2%
Digital lifestyle		
GWP	**16,196,652**	12,563,273
Insurance revenue	**15,786,205**	12,446,251
Expense ratio (%)	**31.7%**	33.6%
Loss ratio (%)	**68.0%**	65.9%
Underwriting combined ratio (%)	**99.7%**	99.5%
Consumer finance		
GWP	**4,832,276**	5,551,048
Insurance revenue	**4,377,435**	5,040,923
Expense ratio (%)	**28.0%**	28.0%
Loss ratio (%)	**62.1%**	68.4%
Underwriting combined ratio (%)	**90.1%**	96.4%
Auto		
GWP	**2,050,773**	1,580,343
Insurance revenue	**1,842,691**	1,434,895
Expense ratio (%)	**26.7%**	30.3%
Loss ratio (%)	**67.5%**	65.1%
Underwriting combined ratio (%)	**94.2%**	95.4%

Management Discussion and Analysis

Health Ecosystem

2024 marked a pivotal year for the development of China's healthcare industry. In September 2024, the State Council issued the Several Opinions on Strengthening Regulation and Forestalling Risks to Promote High-quality Development of the Insurance Industry, which requires enhancing the quality of health insurance services and expanding the coverage of health insurance. Driven by both policy initiatives and market demand, the domestic health insurance market continued to grow in 2024, with its scale reaching RMB977.4 billion.

2024 marked the tenth anniversary of the establishment of our health ecosystem. Over the past 10 years, we have always adhered to our original aspiration of providing medical insurance for 100 million people. With user demands at the core, we have broken the boundaries of traditional insurance through technological empowerment, kept diversifying the offering of insurance products and services of the health ecosystem, and have served more than 130 million insured users cumulatively. In 2024, the health ecosystem surpassed the milestone of RMB10 billion GWP at RMB10.338 billion, representing a year-on-year increase of 5.4%, with the year-on-year growth rate in the second half of the year reaching 21.1%.

In the context of medical insurance payment reform, we have fully leveraged commercial health insurance as a complement to public medical insurance, therefore promoting the development of a multi-tiered medical insurance system. Based on the million-yuan medical insurance with "Personal Clinic Policy(尊享e生)" at the core, we have established a rich product matrix covering inclusive medical insurance, chronic diseases insurance, outpatient and emergency insurance, critical illness insurance and mid-to-high-end medical insurance, to cater for the in-depth health protection demands of our users.

Our flagship health insurance product, medical insurance represented by "Personal Clinic Policy", has undergone a total of 25 upgrades in the ten years since its launch to meet the growing and personalized health needs of our users, and has shown strong product vitality. The latest 2025 "Personal Clinic Policy" (尊享e生2025版) introduced several notable enhancements. On one hand, its coverage was expanded to include externally purchased drugs and medical devices for the first time, which transcended the limitations of conventional million-yuan coverage medical insurance products that focus on in-patient scenarios, and effectively made up for the inadequate claim coverage for patients following the healthcare reform. On the other hand, the coverage of hospitals was also expanded, providing patients with more choices and significantly improving the accessibility and flexibility of protection. In addition to expanding medication benefits, we also collaborated with partners to enhance the experience of medication delivery and other related services. During the Reporting Period, the "Personal Clinic Policy" series recorded GWP of approximately RMB4,661 million, with an average user age of 39 years old.

For people with substandard risk, we have constantly diversified our health insurance products to cover a wider range of segmented user groups with substandard risk and meet their health protection needs. Adhering to the concept of inclusive health, we actively updated our inclusive product, Zhong Min Bao (眾民保), which is a "million-yuan coverage medical insurance product for people with substandard risk" that primarily caters to three types of individuals who are not covered by conventional medical insurance products, namely the super-elderly, people with pre-existing conditions, and people with chronic diseases. We have lowered the enrollment threshold for Zhong Min Bao (眾民保), including by setting higher age caps for the insured, waiving the health claims and removing occupational restrictions, so that our product could be more widely accessible and inclusive. We have also added high-perception services for substandard risk group, such as medical checkups. During the Reporting Period, the Zhong Min Bao (眾民保) series recorded GWP of approximately RMB768 million, representing a year-on-year increase of 177%. At the beginning of 2025, we further launched the "Zhong Min Bao Mid-to-High-End Medical Insurance (眾民保中高端醫療險)", which is a further upgrade of the Zhong Min Bao inclusive insurance series, with broad inclusion and adequate protection as its core concept. It provides access to the international departments and special medical departments of public hospitals in case of critical illness, and removed all restrictions on externally purchased prescription drugs and medical devices that meet the insurance terms and conditions, enabling more people with medical conditions to obtain medical insurance protection that is closer to that of healthy people. Zhong Min Bao Mid-to-High-End Medical Insurance recorded the total GWP of more than RMB140 million in 10 days after its launch.

We have developed more than 100 exclusive products for chronic diseases, and 35 exclusive protection insurance products for female consumers, such as Hao Yun Bao (好孕保). In 2024, we partnered with Nova Technology to launch the industry's first insurance product for multi-disease recurrence, "ZhongAn Ta An Kang (眾安她安康)", which covers the recurrence and metastasis of four common malignant tumors in women and provides patients with full life-cycle management to help delay the recurrence of diseases. We have also launched "ZhongAn Sui An Kang (眾安髓安康)" for leukemia patients, "ZhongAn Hu Jia An Kang (眾安護甲安康)" for thyroid cancer patients, and "Ru Yu An Xin (乳愈安心)" for breast cancer patients, all of which have achieved favorable market response.

Our critical illness insurance has reshaped the service logic of traditional health insurance through an approach of "technology + scenario", becoming a cost-effective product that provides inclusive protection for consumers. The critical illness insurance grew rapidly in 2024 with GWP of approximately RMB1,962 million, representing a year-on-year increase of approximately 46%. Our outpatient and emergency insurance has extended our services from required and urgent medical scenarios to outpatient and emergency scenarios that meet the daily needs of our users, thereby continuing to satisfy their high-frequency medical needs. During the Reporting Period, the outpatient and emergency insurance recorded GWP of RMB1,058 million, representing a year-on-year increase of over 2 times.

In 2024, ZhongAn's high-end health insurance products recorded GWP of approximately RMB108 million, representing a year-on-year growth of 179%. We also expanded multi-tiered products within our high-end medical insurance product category, launching products such as "Zunxiang Baobei – High-end Medical Insurance for Children (尊享寶貝 • 少兒高端醫療險)", with a robust growth in the total premiums, which has testified the feasibility of selling high-unit-price, high-value products through internet channels.

In terms of our group health insurance business focused on health management and employee welfare protection for corporate clients, we assisted enterprises in meeting the diversified health needs of their employees by customizing solutions covering multiple scenarios based on the enterprise scale and the industry characteristics, as well as by providing full-process online services and intelligent risk control experience. In 2024, the GWP of our group health insurance business reached RMB637 million, representing a year-on-year increase of 6%.

In the inclusive insurance sector, we are committed to serving a wider range of new citizens and flexible employment groups, which is evidenced by its "Driver Protection Scheme" programme launched in partnership with the DiDi platform. With its fragmented coverage, Dian Di Bao (點滴保) enhanced the critical illness protection for DiDi drivers, and has served a total of more than 3 million dedicated drivers since its launch. In addition, we have further extended the insurance model of Dian Di Bao to food delivery and other platforms by introducing a customized critical illness insurance plan for delivery workers, thus promoting inclusive health for delivery workers with its fragmented insurance purchase model.

In 2024, our health ecosystem provided health insurance to approximately 27.77 million insured users, recording insurance revenue of RMB9,738 million, representing a year-on-year increase of 13.2%. In 2024, the underwriting combined ratio of the health ecosystem was 95.7%, representing an increase of 8.5 percentage points as compared to the corresponding period of 2023, of which the loss ratio was 39.0%, representing an increase of 4.8 percentage points as compared to the corresponding period of 2023, mainly due to the changes in product mix and the greater contribution of renewed policies to GWP; while the expense ratio was 56.7%, representing an increase of 3.7 percentage points as compared to the corresponding period of 2023, mainly attributable to the investment in upfront infrastructure for customer operation and maintenance, including artificial intelligence areas.

Management Discussion and Analysis

Digital Lifestyle Ecosystem

Nowadays, against the backdrop of a booming digital economy, the growth of digital lifestyle ecosystem is a microcosm of the digital transformation in the consumer sector. Insurance products are closely interconnected with the upstream and downstream industrial chains of the consumer sector, mutually empowering each other. By keenly identifying consumption hotspots such as e-commerce, travel, and pet economy, we leveraged our own technology strengths to establish a comprehensive insurance service system that is deeply integrated into consumption scenarios. Meanwhile, we utilize technology to drive rapid product iteration and efficiency optimization. In 2024, the digital lifestyle ecosystem recorded GWP of RMB16,197 million, representing a year-on-year increase of 28.9%, mainly benefiting from the sustained prosperous momentum in the e-commerce sector and the rapid growth of innovative products such as pet insurance.

In the e-commerce sector, in recent years, with the shift in user spending habits and the diversification of consumption scenarios, the e-commerce ecosystem showed its vitality, with continuous release of the commercial value of public and private domain traffic. According to the National Bureau of Statistics, online retail sales in China reached approximately RMB15.52 trillion in 2024, representing a year-on-year increase of 7.2%. The growth of online traffic and the cultivation of consumption habits have empowered the accelerated development of e-commerce. With precise insight into consumer needs, we have launched various insurance products for online shopping, such as shipping return policy and product quality insurance. E-commerce insurance products not only effectively reduce risks faced by consumers during the online shopping process, but also enhance online shopping experience, thereby contributing to more active e-commerce transactions. Our e-commerce business, represented by shipping return policy, covers the mainstream integrated e-commerce platforms and various emerging vertical e-commerce platforms in the market, and recorded a year-on-year increase of 30.6% in GWP in 2024, contributing approximately 53% of the total GWP of our digital lifestyle ecosystem.

We continue to devote efforts to emerging consumer sectors, leveraging technology to address unmet insurance protection needs in the consumer sector. Taking pet insurance as an example, according to the 2025 Chinese Pet Industry White Paper (Consumption Report), the number of pets in China reached 124.11 million in 2024, and such a large pet population has contributed to the growth of pet-related consumption demand, with the value of China's urban pet (dogs and cats) consumption market reaching RMB300.2 billion in 2024. The growth of the pet consumption market provides extensive market space for pet insurance. The upgrade of pet consumption has created a demand for risk transfer, while the development of pet insurance has provided protection to cover the risks related to the pet consumption market, thus facilitating the further growth of pet consumption. In an era marked by the rise of "self-indulgence economy" and "emotional consumption", pet insurance not only offers traditional risk management functions, but also serves as an embodiment of the emotional bond between pet owners and their beloved pets. Based on our deep insight into consumers' emotional needs, and through product innovation, technology empowerment and ecosystem integration, we have established an insurance service system centered on emotional security, which has emerged as a typical carrier for emotional value in the pet economy.

In 2024, our pet insurance recorded a year-on-year increase of 129.5% in terms of GWP, occupying a leading market share. As of December 31, 2024, we have served more than 6 million pet owners cumulatively, among which 80% of pet insurance policyholders are under the age of 40, and our pet insurance has become the first policy for many young people.

With the growing number, diversified background and evolving consumption concepts of pet owners, coupled with differences in pet breed, personality and health status, consumers' demands for pet services have become increasingly personalized and differentiated. As such, market expectations have gone far beyond the traditional basic services that are typically simple, and consumers now prefer a highly personalized and customized service model. We fully leveraged the advantages of pet insurance as a payment tool and integrated a wide range of customized services to provide users with full life-cycle pet services. In 2024, our pet ecosystem provided more than 1,530,000 cases of services cumulatively, representing an increase of over 2.6 times as compared with the corresponding period of 2023. Cumulatively, almost half of the pet insurance users selected, on their own initiative, to use our services.

We emphasize improving the product competitiveness of our pet insurance and have launched our multi-product matrix to better serve pets during the entire life cycle. In addition to pet health and accident coverage, our product matrix also covers value-added optional protections such as pet critical illness insurance, pet third-party liability and pet death compensation, as well as pet food safety insurance, pet transport protection insurance, pet anesthesia accident insurance, and employee accident insurance for the pet industry, thereby meeting users' growing protection needs related to pets. As of December 31, 2024, our pet insurance service network further expanded to include 20,000 offline pet hospitals and service agencies, covering major cities across the country.

In the travel sector, our flight accident, flight delay, travel accident, and flight or hotel cancellation insurance products cover major domestic OTA platforms. In particular, in response to the general trend of gradual recovery of vacation travels and overseas tourism, we have further enriched our product offerings and service matrix of the air travel sector by launching outbound travel insurance products specifically for European Schengen visa, Japan and South Korea visa, tours in Europe and the United States and tours in Japan, South Korea and Southeast Asia, thereby diversifying the travel insurance products and services and providing more choices and high-quality insurance products and quality coverage for domestic and overseas travels. In 2024, GWP generated from air travel products accounted for 17% of the total GWP from our digital lifestyle ecosystem.

In recent years, the rapid development of the low-altitude economy has brought new opportunities to the insurance industry. We joined hands with DJI, the global leader in civilian drones and aerial imaging technology, to enable accurate pricing for different drone models and different service models based on the features including the usable environment of drones and user usage frequency, and then launched solutions such as drone damage insurance and third-party liability insurance, which have served more than one million drone owners cumulatively. In addition, in active response to the requirements of the State policies, we have provided protection for more than 100,000 farmers to cover their risks related to production and operation. In the future, the Company will continue to actively expand its investment in R&D and innovations of insurance products tailored to low-altitude economy.

In the new scenario sector, we cooperated with food delivery platforms to create insurance that covers (among others) food safety and delivery delays.

In the inclusive insurance sector, in active response to the Guiding Opinions on Promoting the High-quality Development of Inclusive Insurance, we worked with ecosystem partners to introduce multi-scenario accident protection, serving more than one million new citizens including delivery workers, ride-hailing drivers and online store operators, and provided them with accident insurance, liability insurance and other protection. Our commercial property insurance, liability insurance and other products have served more than one million SMEs throughout the year. By virtue of our insights into the main expectations of SMEs for insurance services, including easy accessibility, affordable price, satisfactory claim experience and convenient use, we have deeply explored the high-frequency risk claim scenarios for enterprises.

We actively sought for cooperations with leading service providers in the field of artificial intelligence (AI), with a focus on intelligent driving scenarios of unmanned vehicles used in large logistics. By providing products and services such as enterprise R&D equipment P&C insurance and R&D equipment testing period liability insurance for Q-Truck, the unmanned electric heavy-duty trucks used in ports, railway hubs, land ports, airports, and factories, we offer robust safeguards against risks for customers in their innovations and R&D in AI-powered large logistics.

The loss ratio of the digital lifestyle ecosystem was approximately 68.0% in 2024, representing a year-on-year increase of approximately 2.1 percentage points, and the expense ratio was approximately 31.7%, representing a year-on-year decrease of approximately 1.9 percentage points, mainly benefiting from the changes in its product mix. The overall combined ratio remained stable.

Management Discussion and Analysis

Auto Ecosystem

According to data from the China Association of Automobile Manufacturers, in 2024, China's automobile sales reached 31,436 thousand units, representing a year-on-year growth of 4.5%. In particular, new energy vehicles (NEV) maintained rapid growth and the new energy passenger vehicles recorded domestic sales of 11,050 thousand units, representing a year-on-year increase of 40.2% and accounting for 48.9% of the domestic sales of passenger vehicles.

In 2024, under the context of fully implementing the policy of "consistency between the reported and actual commission rates", the auto insurance market gradually shifted from high-speed growth to high-quality development stage, and the transformation of auto insurance sales channels accelerated with online sales becoming increasingly prevalent. ZhongAn captured the opportunity arising from the online prosperity of the industry and leveraged its own online channel capabilities. For users of auto insurance, we also actively launched insurance products including accident insurance for both drivers and passengers and travel accident insurance, to provide protection for their travel. During the Reporting Period, the auto ecosystem recorded GWP of RMB2,051 million, representing a year-on-year increase of 29.8%, higher than the average growth of 5.4% in the auto insurance industry.

Among commercial auto insurance products, we offer professional auto insurance and solutions as well as value-added services to protect our customers against vehicle damage, personal injury and death, as well as vehicle theft and robbery via the "ZhongAn & Ping An Joint Auto Insurance" product. This product is based on the co-insurance model jointly developed with Ping An P&C. We connect with Internet platforms and automotive aftermarket service channels by leveraging our technology strengths to acquire customers, while Ping An P&C relies on its offline claim network to provide quality claim settlement services to users. Since January 2025, we began to implement the renewed co-insurance agreement with Ping An P&C valid from January 1, 2025 to December 31, 2025, the cooperation framework of which remained basically unchanged, with premiums, claim payments and other costs for auto insurance shared between ZhongAn and Ping An P&C continuing to be at a 50:50 ratio.

By actively seizing the opportunities of the NEV insurance and embracing policy support while continuously enriching our database, risk rules and algorithms and improving pricing and risk control models, ZhongAn provided vehicle owners of over 100 NEV brands with auto insurance products and services, bringing new momentum to the overall growth of auto insurance, with GWP of NEV auto insurance increased by approximately 188.4% year-on-year in 2024, contributing more than 12% to the GWP of auto insurance of the Company.

In 2024, we obtained the qualifications to run compulsory traffic accident liability insurance in Shanghai and Zhejiang, and successfully issued policies in the ordinary course of business. This enabled us to provide users with more comprehensive auto insurance protection and provided new momentum for the growth of GWP of our auto ecosystem.

During the Reporting Period, we focused on high-quality product segments such as personal lines, with personal lines insurance contributing 93.7% of the total GWP of ZhongAn's auto insurance. In 2024, our auto ecosystem recorded insurance revenue of RMB1,843 million, representing a year-on-year increase of 28.4%, and the combined ratio of the auto insurance ecosystem was 94.2%, representing an improvement of 1.2 percentage point from 2023, of which the loss ratio increased by 2.4 percentage points year-on-year to 67.5% due to the impact of the increase in travel, and the expense ratio dropped by 3.6 percentage points year-on-year to 26.7%, benefitting from the improvement in refined operational management and adherence to the requirement of "consistency between the reported and actual commission rates" in terms of control on commission rates.

Consumer Finance Ecosystem

ZhongAn has long connected with different kinds of Internet platforms by leveraging its technology strength to provide licensed financial institutions with credit technology services and enable consumers to obtain more convenient and inclusive credit products.

We reach out to potential borrowers with good credit through multiple scenarios (such as Bestpay under telecommunication scenarios and iQIYI under video streaming scenarios) and multiple channels of our Internet platform partners, strengthen the credit evaluation of potential borrowers and assist internet finance companies (such as ZhongAn Loan and Mashang Consumer Finance) in credit risk management and comprehensive post-loan management. Through artificial intelligence and big data analysis, we refine user insights from interactions with them under daily and commercial scenarios, so as to empower financial institutions throughout the life cycle of loans, support financial institutions to expand their service coverage, and allow users to obtain more accessible credit services. All of the funding providers that we collaborate with are licensed financial institutions.

The targeted customers of our consumer finance ecosystem are primarily China's young near-prime group with good education and strong consumption demands. Our major customers are aged 30-40. We also provide our diversified product offerings for users of consumer finance ecosystem to meet their multi-level protection needs. We focus on small, dispersed and short-term Internet consumer finance assets and work with licensed financial institutions to utilize industry-leading technology, risk control and other capabilities to set insurance premium rates based on individual risk profile of the underlying assets and provide coverage with our credit insurance and bond insurance.

In 2024, faced with the pressure of an uncertain macro environment and industry challenges, we adopted a more prudent risk control strategy and proactively scaled down our business to cope with fluctuations in asset quality. In 2024, our consumer finance ecosystem recorded insurance revenue of RMB4,377 million, representing a year-on-year decrease of 13.2%. As of December 31, 2024, the outstanding balance of insured loans of the consumer finance ecosystem was RMB24,199 million, representing a decrease of 10.7% from the end of 2023. The average duration of our underlying assets is nearly 10 months, with an average principal amount of approximately RMB7,200 per loan. In the second half of 2024, the underlying asset quality showed an improving trend. At the same time, with the recovery of residents' consumption and credit demands under the stimulus of various economic policies, we dynamically adjusted our business strategy and saw further expansion in business scale as compared with the first half of 2024.

In 2024, the combined ratio of the consumer finance ecosystem was 90.1%, representing an improvement of 6.3 percentage points from 96.4% for the corresponding period of 2023, with loss ratio of 62.1%, representing a decrease of 6.3 percentage points from the corresponding period of 2023, mainly attributable to the improvement of the external macro environment and the tightening of risk control measures, which resulted in a year-on-year improvement in the quality of underlying assets. The expense ratio was 28.0%, remaining stable as compared to the corresponding period of 2023. In the second half of 2024, the combined ratio of the consumer finance ecosystem improved from the first half, mainly attributable to the gradual improvement in the quality of underlying assets from the second half of 2024, as compared with the first half. In the past few years, our consumer finance ecosystem has undergone multiple rounds of stress tests for asset quality and still maintain its business scale and generate stable underwriting profits. We will stick to a prudent business strategy, constantly improve risk control models, and continuously strengthen the management and control of assets before, during and after loans through AI technology, thereby keeping our underlying asset quality within a controllable range.

Brand Building and Proprietary Channels

In 2024, we stayed focused on multi-scenario and multidimensional touchpoints with potential customers around the "ZhongAn" brand, acquired users through online traffic scenarios such as short videos and livestreaming, and offered efficient services and personalized recommendations by leveraging AI customer service, among other technologies. We closely monitored the changes in the trend of public domain traffic, with greater emphasis on improving user experience and unlocking long-term user value. Focusing on the operation and construction in the field of private domain traffic, we have devoted meticulous efforts to script writing, customer segmentation and intelligent operation, and conducted controllable, sustainable and in-depth user operations. On social media platforms such as Douyin (抖音) and rednote (小紅書), we employed AI automatic Q&A to facilitate the conversion into premiums and thus improving brand awareness and user loyalty. Through refined operation of private domain traffic, we have been able to enhance brand loyalty.

In 2024, we stayed focused on cross-penetration between ecosystems, striving to provide users with convenient and cost-efficient comprehensive protection for their lives, while enriching the product matrix in our proprietary channels. We extended our insurance protection products around the four major ecosystems, and provided more value proposition to users through upgraded medical health, family, and pets related services.

In 2024, the GWP of our proprietary channels amounted to RMB7,460 million, accounting for 22.3% of the total GWP, and premiums of renewed insurance contracts of our proprietary channels increased by 34%, with the contribution of renewed policies to GWP further increasing to 30%, thanks to our refined management and comprehensive services for users. Of the total GWP of proprietary channels, the ARPU increased 17.6% to RMB788, and the customer renewal rate[1] increased by 2.7 percentage points year-on-year to 91.0%. Based on our self-developed data and customer middle platforms, ZhongAn has realized real-time data sharing across all ecosystems and conducted refined operation with each user to better serve users during the entire life cycle. We have adopted a strategy covering traffic conversion to user management, aiming at creating value together, and achieved remarkable results in boosting private domain traffic. In 2024, the average number of policies per paying user further increased to 1.7 in our proprietary channels.

1 Renewal rate = number of renewed policies in the 13th month / number of policies to be renewed as of the 12th month.

Management Discussion and Analysis

Artificial Intelligence

ZhongAn continued to focus on the development of cutting-edge technologies including artificial intelligence, cloud computing and big data, aiming to reshape every stage throughout the insurance value chain with technology. In 2024, ZhongAn invested RMB846 million in R&D activities. As of December 31, 2024, ZhongAn had a total of 1,077 engineers and technicians, which accounted for 45.0% of our total employees. As of December 31, 2024, we had accumulatively filed applications for 463 patents, including 168 applications for overseas patents. As of the same date, we obtained 103 patents in total, and 37 overseas patents were granted. In addition, as of December 31, 2024, we had 38 PCT (Patent Cooperation Treaty) patent applications in total, covering 11 countries and regions.

Relying on our cloud-based insurance core system "Wujieshan", which can support massive fragmented insurance business, we issued a total of 19,732 million policies in 2024. The user experience was greatly improved through technology empowerment with the automation rate for underwriting reaching 99%. In terms of the underlying architecture, we have integrated mainstream domestic big models such as Deepseek, Ernie Bot, Doubao, Tongyi Qianwen and other general-purpose models. Based on our underlying architecture, we have built a robust data middle platform, which serves as the cornerstone of the Company's AI technical architecture. This platform integrates core technologies such as Embedding models, Distillation of Large Language Models and navigation charts as well as various models such as language, voice, image, classification models, and is complemented by big data platforms and machine learning platforms. By establishing an innovative insurance-related text retrieval model built on the Mixture-of-Experts (MoE) architecture, fine-tuning Multimodal Large Language Models (MLLMs) and utilizing the 700 million conversations collected in Local Distillation of Large Language Models, we have labelled and adjusted more than 150 types of intentions, entities and emotions, bringing the recognition accuracy of the model to over 85%.

Regarding AI middle platform, based on "Lingxi (靈犀)" - our self-developed AI middle platform, prompt engineering optimizes the input information, while knowledge engineering integrates industry knowledge and data, jointly providing precise knowledge support for applications. Voice services, Retrieval-Augmented Generation (RAG) services and AI Agent play roles in voice interaction, information retrieval and intelligent agent, respectively, providing diverse AI capabilities for scenario applications. The AI-Gateway serves to unify the management and scheduling of AI services, ensuring efficient collaboration among different services. ZhongAn's AI middle platform enables efficient integration and delivery of AI capabilities, providing robust intelligent support for various business scenarios.

"Lingxi" has completed the refinement of several core functions and launched more than 70 active robots, deeply integrating AI technologies into the full-chain business scenarios. We lead the industry in the usage frequency of mainstream general-purpose big models, with an unparalleled average monthly usage frequency of robots in the production environment of the Lingxi middle platform reaching 50 million times.

In terms of application, we have realized the full-chain application of AI in areas such as product design, marketing, underwriting, services, claim settlement and quality inspection. In the process of product design, AI helped enable faster development and iteration of products. On the marketing side, AI expanded user reach and improved efficiency, thereby achieving accurate matching of needs. In respect of customer acquisition from the public domain, we have built a live broadcasting by digital characters model from scratch, and used AI intelligent tools in live broadcasting and short video production to improve customer acquisition accuracy and marketing efficiency. In terms of private domain traffic and customer operation, we have leveraged AI to generate complete user behavioral trajectories ("navigation charts"). Additionally, we have integrated AI-powered tools such as scenario-based long-term memory capabilities throughout the entire process and lifecycle of insurance application, claim settlement and service delivery to facilitate customer retention and renewal, and to tap into the value of cross-selling. Taking health insurance as an example, we fully promoted AI-assisted marketing and achieved 100% coverage of AI Copilot for paid scenarios. The efficiency of AI customer service in selling high-value policies and facilitating cross-selling has surpassed that of 40% of human customer service. We continued to upgrade our AI customer service, achieving proactive emotional value delivery on the service side. In the field of AI-powered customer service, the average accuracy rate was up to 98% for automatic voice recognition and more than 90% for semantic recognition. In terms of customer service in the private domain, with the help of AI, the Company's customer service per capita control volume exceeded 60,000, doubling the previous data. The ARPU output increased by 60%.

With the support of AI, we have enabled automated underwriting, timely risk identification and early warning, as we use AI to identify potential underwriting risks and fraud possibilities and provide early warnings to reduce the risk costs of the Company. In terms of intelligent claim settlement, the AI technologies of the Company cover seven key scenarios, including claim application, progress inquiry and document submission. We have achieved automated information collection and intelligent review in the hierarchical review of claim settlement cases, which reduced manpower input and time costs, effectively raising review efficiency and further improving user experience. Through the application of AI, the intelligent recognition approval rate for accident and health insurance claim documents increased to 90%, with cases can be closed as fast as in 15 seconds, which increased the quick claim settlement rate by 6 times. AI technology has been used in auto insurance claims to analyze claim-related video materials. At present, video reporting of claim cases takes only 100 seconds, and video review takes only 7.5 minutes on average, which greatly improves the customer claims experience and enhances customer satisfaction.

"Lingmou QI (靈眸質檢)", our full-process AI-powered QI, adopts ASR (Automatic Speech Recognition) + LLM(l) technologies, achieving 100% full-scale AI QI coverage. We transitioned from rule-based QI to real-time full-process QI by establishing a model for QI rules. We have also implemented a full-process AI quality inspection, established a dynamic risk barrier, and achieved a 96% reduction in the quality inspection violation rate and an improvement in premium conversion efficiency. In terms of risk management and control, the Company has launched real-time risk warnings, achieving daily handling and conclusion of high-risk cases. Meanwhile, the Company promptly adapts to market changes and continuously optimizes its AI services through the internal cycle of "QI - feedback - optimization" and a weekly iteration mechanism. In the future, we shall secure steady progress based on a user-centric approach, and continue to deepen our AI strategy and its integration with insurance.

Technology Export

We have been deeply rooted in the InsurTech segment, developing and exporting our advanced experience and technology strengths in the InsurTech industry in a diverse manner to facilitate digital transformation throughout the insurance industry. We have developed a new generation of insurance core systems and scenario-based solutions for our customers in the insurance industry, and joined hands with Internet platforms and other insurance intermediary platforms to develop digital insurance ecosystem.

Our domestic technology export business is conducted through ZhongAn Technology and ZhongAn Information Technology, and the overseas technology export business is conducted through Peak3. For the avoidance of doubt, ZhongAn Technology is our wholly-owned subsidiary; and ZhongAn Information Technology and Peak3 are accounted as our joint ventures whose results are not consolidated into those of the Group.

Domestic Technology Export

Our technology export business focuses on the exploration and R&D of cutting-edge technologies including artificial intelligence, big data and cloud computing. By leveraging the ecological advantages of ZhongAn, it has created a battle-tested value delivery system of "product + service". We focus on the FinTech sector. Through industry leading research and development capabilities and service practices, we provide intelligent and platform-based digital transformation solutions for financial clients in banking, insurance and securities, with a view to promoting high-quality development of the financial industry with core advanced technology and facilitating the formation of a new landscape of digital finance.

In 2024, relying on our persistent efforts in InsurTech, we have made major breakthroughs in multiple fields including RegTech, data intelligence, core business system, brokage and agency middle platform and insurance digital marketing, and our InsurTech export business continued to maintain rapid growth. With the implementation of the new insurance contract standards (IFRS17) in China, ZhongAn recorded strong growth in customer accumulation and contract value by virtue of its practical experience in the industry and product capabilities.

We seized the opportunity presented by the implementation of the new insurance contract standards (IFRS17) in the industry. At the end of December 2024, we have signed up and served a total of 21 IFRS17 clients since the launch of our IFRS 17 system products.

In 2024, we had 98 newly contracted clients along the insurance industrial chain, of which 18 clients had a total contract value of RMB5 million and 7 clients had a contract value of RMB10 million with us. In addition, we continued to expand our business to diversified sectors, contracting with 16 clients from the broader financial industries such as the banking and securities industries in 2024, and further expanding our general software and technology services to manufacturing, retail and other industries.

Management Discussion and Analysis

Our domestic InsurTech product lines mainly fall into three product series, namely, the business production series, the business growth series and the digital new infrastructure series, which can boost rapid business growth and accelerate the digital transformation and upgrading of clients.

1) Business Production Series

Our business production series products mainly include distributed cloud-native insurance core and peripheral systems, brokerage systems and IFRS17 system solutions, which support the entire life cycle operation of insurance business, helping insurers, insurance brokers and other players in the industry value chain to successfully complete digital transformation and serve users more effectively.

Our cloud-based insurance core system "Wujieshan", which can support a massive volume of fragmented insurance businesses, launched the "Wujieshan Mate" version last year. As a new-generation core system, "Wujieshan Mate" is launched by ZhongAn based on "Wujieshan 2.0" to empower customers according to their business scenarios, which helps insurance companies improve their overall operational efficiency and lower operating thresholds. "Wujieshan Mate", our new generation of core system for non-auto property and casualty insurance, has empowered various insurers, including Taiping General Insurance, Guoren Property and Casualty Insurance, Yingda Taihe Property Insurance, Zheshang Insurance and Generali China Insurance. Through our "Wujieshan Mate" system, customers will be able to further improve and optimize their product systems, continuously enhance the stability, scalability and security of their Internet insurance business systems, and comprehensively increase their operational efficiency and customer service capabilities.

ZhongAn Technology provides end-to-end IFRS17 system solutions that cover the whole process from data collection, model building and processing to report generation, thus ensuring the accurate measurement and dynamic management of insurance contract liabilities, helping insurance companies comply with the new accounting standards, accelerating the digital transformation of finance, and facilitating internal collaboration among finance, actuarial, auditing and IT departments of clients.

With the approach of the latest effective date of the new insurance contract accounting standards in 2026, insurance companies have an increasingly urgent need to implement the IFRS17 system. ZhongAn Technology competes in the domestic market with its industry-leading experience in IFRS17 implementation and has established cooperation with many insurance companies. The product has signed up and served a total of more than 20 clients since its launch, with the customer base continuously expanding to include domestic and foreign P&C insurance and life insurance companies including China Export & Credit Insurance Corporation, Minsheng Life Insurance and AXA Tianping. In April 2024, the new insurance contract standard (IFRS17) project of Mitsui Sumitomo Insurance (China) was successfully completed with the assistance of ZhongAn Technology. With the main functions completed and launched in merely 6 months, the project set a benchmark for the industry in terms of a fast and efficient IFRS17 launch cycle.

2) Business Growth Series

Our business growth series products cover the entire marketing field, creating a closed-loop customer operation from the public domain to the private domain. Combined with ZhongAn's own unique advantages, such products provide enterprises with integrated marketing solutions, including marketing and customer acquisition, customer insight, intelligent strategy, private domain management, personalized content recommendation and intelligent performance analysis, thereby forming the X product matrix of our business growth series. The X product matrix is also equipped with ZhongAn's model and strategy for the entire customer operation process, enabling precise identification of customer portraits and user segmentation. The intelligent content recommendation generates unique recommendation results for each user to facilitate rapid business start-up and business growth and scale expansion. During the Reporting Period, our business growth series newly contracted with 75 clients.

In 2024, in terms of our ecosystem-building strategy, we also partnered with Tokio Marine & Nichido Fire Insurance (China), NS Solutions and Takumi Innovators (Shanghai) to carry out in-depth cooperation in the fields of InsurTech and digital services, jointly explore insurance and digital integrated service models, and promote the digital transformation and growth of the parties involved and Japanese clients. Through our business marketing intelligence platform, Tokio Marine & Nichido Fire Insurance (China) will exclusively develop specific scenario-based insurance and sell to Japanese companies in China, which will not only bring more diversified insurance options and value-added services to its clients, but also provide a solid foundation for us to connect with more ecosystem partners.

3) Digital New Infrastructure Series

Our digital new infrastructure series includes integrated DevOps platform, big data platform, etc., which provide financial institutions with an efficient, secure and stable basic management platform, and help clients rapidly complete infrastructure during their digital transformation process, so that they can concentrate more on business and application transformation and upgrading in a faster and better way.

DevCube, our independently developed integrated DevOps platform, is an integrated IT governance platform covering project coordination and management, ongoing software delivery, automated software testing, and application, monitoring and maintenance. It enables end-to-end management and automated delivery from the identification of business needs to product launch, and provides online stability assurance. At the Trusted Cloud Summit hosted by the China Communications Standards Association and organized by the CAICT, ZhongAn Technology, in collaboration with the Institute of Cloud Computing and Big Data of the CAICT and IM Auto, released the "Research Report on Intelligent Application of AIGC-Driven DevOps", providing valuable guidance and implementation reference for the development of DevOps from automation to intelligence.

We provide big data platform solutions, covering various scenarios including, but not limited to, data governance, upgrade and transformation, construction of data middle platform, architecture design for core database of the insurance industry, construction of indicator system, visualized data analysis and data intelligence application, which help enterprises connect internal and external information chains, integrate data across all domains, revitalize existing and incremental data, and build an enterprise-level data pool, thus enhancing capabilities of unified customer identification, automated services, intelligent monitoring and scientific decision-making. Based on ZhongAn Insurance's years of experience in big data application, we have independently developed our own data middle platform product, which includes a series of tools such as data management system, data circulation system and data value systems, to establish a mechanism that continuously transforms data into assets and serves the insurance business.

International Business

The international business of the Group consists of (a) Peak 3 (overseas technology export) and (b) digital banking in Hong Kong, and is mainly carried out through ZA Global and its subsidiaries whose results are not consolidated into those of the Group and is accounted for as a joint venture.

(a) Peak3[1] (Overseas Technology Export)

Peak3 (Hong Kong) Limited ("Peak3"), formerly known as ZA Tech Global Limited ("ZA Tech"), was incubated by ZA Global in 2018 to provide technology solutions to international enterprise customers. In March 2024, it completed its external series A financing of USD35 million, led by EQT. In June 2024, ZA Tech officially changed its name to Peak3, as a tribute to the stylized three peaks in ZA Global's logo. The new Peak3 brand represents three pinnacles: scaling the heights of innovation, surpassing performance limits, and delivering superior reliability.

Peak3 focuses on the development and sales of technology and artificial intelligence (AI) solutions for insurance companies and insurance intermediaries in global markets. Peak3's product portfolio includes its cloud-native and modular insurance core and orchestration platforms, which support life, health and property & casualty insurance and are used by leading global insurers, digital platforms and other intermediaries.

In 2024, Peak3 focused on the expansion of its product capabilities, including the development of capabilities for commercial lines and employee benefits, new AI capabilities to automate claims processing and fraud detection, and investments into localizations to better serve the specific requirements of its clients. To support its strong growth in Europe with new client implementations in six new countries in 2024, Peak3 set up its European technology center in Serbia.

Peak3 recorded Annual Recurring Revenue[2] of HKD168 million in December 2024, an increase of approximately 18.5% compared to ARR in December 2023.

1 Part of the "ZA Global Business".
2 Annual recurring revenue refers to annualized recurring revenue from active contracts as of December 2024.

Management Discussion and Analysis

(b) ZA Bank[1]

ZA Bank, a subsidiary of ZA Global and a digital bank in Hong Kong, became one of the first banks in Hong Kong having been granted a digital banking license on March 27, 2019, and officially commenced operation on March 24, 2020. ZA Bank aims to build a local one-stop digital financial service platform in Hong Kong to provide diversified, convenient and inclusive financial services to retail customers and SMEs.

At present, ZA Bank has become one of the digital banks in the Hong Kong market that offers the most comprehensive functions and products, building a one-stop integrated digital financial service platform through its mobile app, which operates in a fully digitalized mode. The bank is currently the only digital bank that offers users 24/7 digital banking services such as deposits, loans, transfers, card spending, foreign exchange, insurance, investment and business banking.

ZA Bank had over 800,000 retail users as of 31 December 2024, with over half having chosen ZA Bank as their default receiving bank through the Faster Payment System (FPS).

ZA Bank became the first digital bank in Hong Kong to be granted a Type 1 regulated activity (dealing in securities) license by the Securities and Futures Commission (SFC) in January 2022, and has been actively expanding its product suite for investment business since then. Following the launch of investment fund services in August 2022, ZA Bank officially introduced its US stock trading services in February 2024, further meeting users' wealth management needs.

ZA Bank also capitalizes on opportunities brought by Web3 and strategically plans related businesses in the field, to support the Hong Kong Special Administrative Region Government's development vision of building a Web3 hub and to participate in building a vibrant Web3 sector and ecosystem.

In July 2024, shortly after the Hong Kong Monetary Authority announced the list of participants of the stablecoin issuer sandbox, ZA Bank subsequently announced that it would become the first local digital bank to provide dedicated "reserve banking services" for stablecoin issuers, making it one of the first banks in Hong Kong to provide such services.

In November 2024, ZA Bank became Asia's first[2] licensed bank to provide cryptocurrency trading services for retail investors in Hong Kong. In partnership with the world's leading licensed virtual asset exchange, ZA Bank allows users to buy and sell top cryptocurrencies directly in HKD and USD through the ZA Bank App, without having to switch to other applications or platforms. This brand-new service greatly simplifies the investment process and makes ZA Bank the only licensed bank in Asia that currently provides fund, US stock and virtual asset trading services for retail investors, further strengthening ZA Bank's leading position in the field of digital wealth management.

In terms of technology, ZA Bank, as a leading digital bank driven by technology, has successfully migrated its core system to the "Cross-cloud operations (跨雲雙活)" cloud-based infrastructure, thereby providing users with more durable, scalable and resilient 24/7 banking services.

ZA Bank has been widely recognized by leading international media outlets for its outstanding performance in the digital banking sector. ZA Bank is the only digital bank in Hong Kong to be included in the list of 2024 Fintech Innovators Asia of the Fortune magazine, and the first Hong Kong bank to be named "Rising Star" in "Awards for Excellence" by Euromoney. It has been named "Virtual Bank of the Year - Retail Banking" for the second consecutive year in the "Triple A Digital Awards" by The Asset. ZA Bank's express online business account opening service was also awarded the "SME Digital Innovation of the Year – Hong Kong" by Asian Banking & Finance. In addition, ZA Bank won the "Good Organization Award" presented by the Hong Kong Police Force in recognition of its efforts in financial security, making it the only bank to receive this honour in 2024 and the first digital bank to win this award.

As at December 31, 2024, ZA Bank had a deposit balance of approximately HKD19,399 million, representing a year-on-year increase of 65.9%. Gross loan balance was approximately HKD5,782 million, representing a year-on-year increase of 7.9%, with a loan-to-deposit ratio of 29.8%. Meanwhile, benefiting from the interest rate hike cycle and the diversification of loan products, ZA Bank's net interest margin further improved to 2.41% in 2024 from 1.94% in the same period of 2023, which was better than the industry average.

During the Reporting Period, with the launch of new products, ZA Bank recorded net revenue of approximately HKD548 million, representing a year-on-year increase of 52.6%. Meanwhile, ZA Bank focused on business quality and operating efficiency improvement, and the net loss amounted to HKD232 million, down by nearly HKD167 million from the same period of last year. The loss margin narrowed by approximately 69 percentage points to 42% from 111% in the corresponding period of 2023.

1 Part of the "ZA Global Business".
2 "Asia's first" among licensed banks in an Asian country/region (other than West Asia) that has a complete virtual asset regulatory system and was a FATF member state as of November 20, 2024, and is limited to licensed banks that provide retail investors with direct cryptocurrency trading services using fiat currency through their main applications.

Investment Business

Asset Management of Onshore Insurance Funds

As of December 31, 2024, the total investment assets of our onshore insurance funds amounted to approximately RMB39,776 million, among which cash and amounts due from banks and other financial institutions amounted to RMB1,064 million, accounting for 2.7%, fixed income investments amounted to RMB30,495 million, accounting for 76.6% (out of which bonds and bond funds represented 67.6%), stock and equity funds amounted to RMB2,395 million, accounting for 6.0% and unlisted equities amounted to RMB5,822 million, representing 14.6% (which mainly included the equity interests in ZhongAn Technology and ZhongAn Insurance Broker, wholly-owned subsidiaries of the Company).

In 2024, the domestic bond market experienced intensified volatility and delivered growth as the yield of ten-year treasury bond dropped by approximately 88 basis points as compared with the end of last year. The secondary equity market rebounded in the second half of the year, with CSI 300 rising by 14.68% throughout the year.

The Company's asset management of insurance funds benefited from the recovery of the capital markets, and the total investment income for 2024 was RMB1,335 million, representing a significant increase of more than 85.4% compared to the investment income of RMB720 million in 2023. Specifically, the net investment income was RMB349 million, representing an increase of 41.3% compared to 2023, and net fair value changes through profit or loss was RMB990 million, representing a substantial increase of 109.3% compared to 2023.

During the Reporting Period, the Company had a total investment yield of approximately 3.4% and a net investment yield of approximately 2.3%, representing an increase of 1.5% and 0.1% compared to 2023, respectively.

In terms of fixed income investments, the creditworthiness of the fixed income assets we invest in is maintained at a sound level. As of December 31, 2024, among the bonds we invested in, 99.3% received external credit ratings of AA level or above and approximately 79.6% received external credit ratings of AAA level.

In terms of equity investments, we adhere to a sound and prudent investment philosophy and, based on our judgement on the macro economy and risk/return profile of various asset classes, strictly control the scale of equity investment by dynamically adjusting the proportion of equity investment in the secondary market, with more focus on high dividend stocks. At the same time, with an aim of securing stable investment yield, we maintain a high proportion of fixed income assets and strictly manage credit risks. We also fully seize investment opportunities in capital markets and continue to improve our asset management capabilities for insurance funds.

The Company will continue to focus on macroeconomic strategies and fundamental research of underlying assets, optimize insurance fund asset allocation, balance the allocation of long-term assets with stable performance and short-term capital markets trading opportunities, and prioritize low-risk fixed income assets while moderately participating in risky asset investment opportunities. The Company will continue to explore excess return from asset allocation and security selection on top of matching asset and liability durations.

Management Discussion and Analysis

Investment portfolio of insurance funds (by category)

Asset Management of Insurance Funds

(RMB'000)	December 31, 2024 Balance	December 31, 2024 As percentage of the total (%)	December 31, 2023 Balance	December 31, 2023 As percentage of the total (%)
Cash and amounts due from banks and other financial institutions	**1,064,111**	**2.7%**	**1,037,888**	**2.7%**
Fixed income investments	**30,494,552**	**76.6%**	**28,759,665**	**75.3%**
Money market funds	300,108	0.8%	100,055	0.3%
Bonds	21,596,077	54.2%	18,436,216	48.3%
Bond funds	5,348,419	13.4%	6,275,670	16.4%
Others	3,249,949	8.2%	3,947,723	10.3%
Equity and equity funds	**8,216,996**	**20.7%**	**8,406,738**	**22.0%**
Stocks	1,713,198	4.3%	923,595	2.4%
Equity funds	682,160	1.7%	1,656,735	4.3%
Unlisted equity	5,821,637	14.6%	5,826,408	15.3%
Total investment assets	**39,775,659**	**100.0%**	**38,204,290**	**100.0%**

Investment income

(RMB million)	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Net investment income	349	247
Fair value changes	990	473
Impairment losses on investment assets	(4)	(1)
Total investment income	1,335	720
Total investment yield	3.4%	1.9%
Net investment yield	2.3%	2.2%

Outlook

In the future, we will continue to stick to the dual-engine growth strategy of "Insurance + Technology", adhere to "sustainable growth with quality", enhance brand building, and integrate technology development and innovation into the whole process of insurance and continuously optimize underwriting efficiency and customers' experience. At the same time, we will continue to export our InsurTech capability to domestic and overseas markets to empower all participants from upstream to downstream of the insurance industrial chain, and become the best partner during the digital transformation of the global insurance industry. In addition, we will maintain our focus on the Hong Kong financial market and promote innovation in the FinTech sector of Hong Kong with technologies, and provide new experience for users.

Financial Review

In 2024, we pursued "growth with quality" and recorded the combined ratio of 96.9% for the year, marking positive underwriting profit for the fourth consecutive year. Additionally, benefiting from the recovery of the capital markets, investment income increased in 2024. Meanwhile, due to the turnaround from the loss of the technology business and the significant reduction in loss of the banking business, the Company's overall net profit amounted to RMB603 million, representing an increase of approximately 105.4% compared to the adjusted net profit attributable to owners of the parent[1] of RMB294 million which excluded the one-off investment income in 2023.

The following table sets forth the key financial data for the year ended December 31, 2024 and the year ended December 31, 2023:

	For the Year Ended December 31	
(RMB'000)	**2024**	2023
Total income	**34,131,261**	33,538,838
Net profit	**603,456**	3,845,278
Net profit attributable to owners of the parent	**603,456**	4,077,855
Total comprehensive income	**837,645**	4,141,107
Earnings per share		
– Basic (RMB)	**0.41**	2.77
– Diluted (RMB)	**0.41**	2.77

The following table sets forth our key financial ratios as at or for the year ended December 31, 2024 and 2023, respectively:

	As at or for the Year Ended December 31	
	2024	2023
Group		
Return on assets[(1)]	**1.4%**	9.0%
Return on equity[(2)]	**2.9%**	22.8%
Gearing ratio[(3)]	**53.8%**	53.2%
Net investment yield[(4)]	**2.0%**	2.2%
Total investment yield[(5)]	**3.4%**	2.7%
Insurance business		
Net investment yield	**2.3%**	2.2%
Total investment yield	**3.4%**	1.9%

Notes:

(1) Return on assets equals profit/(loss) attributable to owners of the parent divided by the average of the opening and closing balances of total assets.

(2) Return on equity equals profit/(loss) for the year attributable to owners of the parent divided by the average of the opening and closing balances of total equity attributable to owners of the parent.

(3) Gearing ratio equals total liabilities (excluding capital supplementary bonds and subordinated term debts) divided by total assets.

(4) Net investment yield equals the sum of interest income, dividend income and share of net profit/(loss) of associates and joint ventures for the period as a percentage of the average of the opening and closing balances of total investment assets of the period. The interest income and the opening and closing balances of total investment assets of the period excludes the impact of USD notes issuance.

(5) Total investment yield equals total investment income (defined as the sum of net investment income, net fair value changes through profit or loss and share of net profit/(loss) of associates and joint ventures less impairment relating to investment assets) for the period as a percentage of the average of the opening and closing balances of total investment assets of the period. The interest income and the opening and closing balances of total investment assets of the period exclude the impact of USD notes issuance.

1 Net profit attributable to owners of the parent amounted to RMB4,078 million in 2023, which included the one-off investment income of RMB3,784 million recognized in 2023 when ZhongAn International ceased to be a subsidiary of the Company and was accounted for as a joint venture since August 14, 2023.

Management Discussion and Analysis

Domestic P&C Insurance Underwriting Business

The following table sets forth the selected financial data of the underwriting business of the Company for the periods indicated:

	For the Year ended December 31,	
(RMB'000)	**2024**	2023
Insurance revenue	**31,744,343**	27,521,347
Insurance service expenses	**(30,690,035)**	(26,072,768)
Net expenses from reinsurance contracts held	**(14,095)**	(104,392)
Finance expenses from insurance contracts issued	**(52,369)**	(42,126)
Finance income from reinsurance contracts held	**2,413**	7,849
Underwriting profit[1]	**990,257**	1,309,909
Underwriting combined ratio[2](%)	**96.9%**	95.2%

Notes:

(1) Underwriting profit only takes into account the online P&C insurance business in the PRC, and is the result after inter-segment eliminations.

(2) Underwriting combined ratio equals the sum of insurance service expenses, net income/(expenses) from reinsurance contracts held, finance expenses from insurance contracts issued and finance income/(expenses) from reinsurance contracts held divided by insurance revenue.

1. Insurance revenue

The Group recognized the amount of premiums received and expected to be received which are attributable to the current period as insurance revenue. Insurance revenue of the Company increased by approximately 15.3% from approximately RMB27,521 million for the year ended December 31, 2023 to approximately RMB31,744 million for the year ended December 31, 2024.

A breakdown of the insurance revenue by insurance product types for the periods indicated is shown below:

	For the Year ended December 31,		
(RMB'000)	**2024**	2023	Change
Health insurance	**10,502,881**	9,311,830	12.8%
Bond insurance	**3,855,251**	4,444,729	(13.3%)
Accident insurance	**2,032,118**	2,339,077	(13.1%)
Motor insurance	**1,842,691**	1,434,755	28.4%
Credit insurance	**872,350**	875,711	(0.4%)
Household property insurance	**1,104,229**	498,560	121.5%
Liability insurance	**1,066,891**	446,279	139.1%
Cargo insurance	**131,741**	79,248	66.2%
Others[(1)]	**10,336,191**	8,091,157	27.7%
Of which:			
Shipping return insurance	**8,739,526**	6,467,872	35.1%
Total	**31,744,343**	27,521,347	15.3%

Note:

(1) The NFRA recognizes the following types of property and casualty insurance products: accident insurance, bond insurance, health insurance, liability insurance, credit insurance, cargo insurance, household property insurance and others. "Others" primarily consists of shipping return insurance, which is categorized as such based on its policy terms in our periodic reports to the NFRA.

2. **Insurance service expenses**

Insurance service expenses primarily include incurred claims and other directly attributable expenses, insurance acquisition cash flows amortization, losses on onerous contracts and reversal of those losses, and changes in the fulfilment cash flows relating to the liability for incurred claims. Insurance service expenses of the Company increased by approximately 17.7% from approximately RMB26,073 million for the year ended December 31, 2023 to approximately RMB30,690 million for the year ended December 31, 2024.

3. **Net income/(expenses) from reinsurance contracts held**

Net income/(expenses) from reinsurance contracts held represents the allocation of reinsurance premiums paid less amounts recovered from reinsurance contracts. The allocation of reinsurance premiums paid represents the reduction in the carrying value of unearned premium asset recovered from reinsurance contracts as a result of receiving the insurance contract services provided by the reinsurer in the current period. Amounts recovered from reinsurance contracts refers to the increase in the carrying value of incurred claims asset recovered from reinsurance contracts as a result of the recovery of incurred claims and other related expenses in the current period, as well as subsequent changes in the fulfilment cash flows associated therewith. Net expenses from reinsurance contracts held of the Company decreased by approximately 86.5% from approximately RMB104 million for the year ended December 31, 2023 to approximately RMB14 million for the year ended December 31, 2024.

4. **Finance income/(expenses) from insurance**

Finance income/(expenses) from insurance represent the financial changes in insurance contracts recognized in profit or loss for the current and subsequent periods, being the changes in the carrying value of liability for unearned premium and liability for incurred claims as a result of the impacts of time value of money and financial risks. Finance income/(expenses) from insurance include finance income/(expenses) from insurance contracts issued and finance income/(expenses) from reinsurance contracts held. Finance income/(expenses) from insurance contracts issued and finance income/(expenses) from reinsurance contracts held reflect the finance income/(expenses) from insurance contracts issued and the reinsurance finance income/(expenses) from reinsurance contracts held, respectively. Finance expenses from insurance contracts issued increased from approximately RMB42 million for the year ended December 31, 2023 to approximately RMB52 million for the year ended December 31, 2024. Finance income from reinsurance contracts held amounted to RMB8 million for the year ended December 31, 2023, and finance income from reinsurance contracts held amounted to RMB2 million for the year ended December 31, 2024.

Management Discussion and Analysis

Investment Business

In 2024, the Group's investing activities consisted of (i) equity investment; (ii) proprietary trading of bonds and other asset management products; and (iii) entrustment of third-party asset management companies for purchase of stock, bonds and other asset management products.

5. Composition of investment assets

We adhere to a sound and prudent investment philosophy, strengthen asset allocation management and risk management, and continue to serve the investment management needs of insurance funds. The following table shows the composition of our investment assets (by category) as at:

	December 31, 2024		December 31, 2023	
(RMB'000)	Balance	As percentage of the total	Balance	As percentage of the total
Cash and amounts due from banks and other financial institutions	**1,466,741**	**3.6%**	**1,576,424**	**4.0%**
Fixed income investments	**30,945,296**	**75.4%**	**29,204,330**	**74.5%**
Term Deposits	30,827	0.1%	30,184	0.1%
Money market fund	317,103	0.8%	105,210	0.3%
Bonds	21,596,077	52.6%	18,436,216	47.0%
Bond funds	5,503,340	13.4%	6,426,231	16.4%
Others[1]	3,497,950	8.5%	4,206,489	10.7%
Equity and equity funds	**8,595,112**	**21.0%**	**8,412,301**	**21.5%**
Stocks	1,713,198	4.2%	923,595	2.4%
Equity funds	692,437	1.7%	1,671,400	4.3%
Unlisted equity	6,189,476	15.1%	5,817,306	14.8%
Total investment assets	**41,007,150**	**100.0%**	**39,193,055**	**100.0%**

Note:

(1) Other fixed income investments include statutory reserves, securities purchased under agreements to resell, wealth management products and trust investment schemes.

As at December 31, 2024 and December 31, 2023, we had total investment assets of approximately RMB41,007 million and RMB39,193 million, respectively, and total investment assets accounted for approximately 90.6% and 91.4% of our total assets, respectively. As at December 31, 2024, cash and amounts due from banks and other financial institutions and fixed income investments together represented approximately 79.0% of our total investment assets.

6. **Cash and amounts due from banks and other financial institutions**

Cash and amounts due from banks and other financial institutions primarily include cash, deposits with original maturity of no more than three months and placements with banks. As at December 31, 2024 and December 31, 2023, our cash and amounts due from banks and other financial institutions amounted to approximately RMB1,467 million and RMB1,576 million, respectively.

7. **Bonds**

Bonds included government bonds, finance bonds, corporate bonds and negotiable certificate of deposit. As at December 31, 2024, 99.3% of the bonds the Company held received external ratings of AA (domestic) level or above, or BBB- (international) level or above. As at December 31, 2024 and December 31, 2023, our bond investments amounted to approximately RMB21,596 million and RMB18,436 million, respectively.

8. **Stocks and equity funds**

As at December 31, 2024 and December 31, 2023, our investment in stocks and equity funds amounted to approximately RMB2,406 million and RMB2,595 million, respectively. We focus on the balance between the allocation of assets with long-term stable performance and short-term trading opportunities in the capital markets, and strictly control the scale of equity assets by adjusting the allocation of equity assets in the secondary market in a timely manner.

9. **Net Investment Income**

	For the Year Ended December 31		
(RMB'000)	2024	2023	Change
Interest income			
– Bank deposits	23,164	39,208	-40.9%
– Bond investments	615,404	630,644	-2.5%
– Securities purchased under agreements to resell	7,573	1,904	297.7%
– Trust investment scheme	33,789	40,516	-16.6%
– Asset-backed schemes	1,299	411	216.1%
Dividend income			
– Fund investment	92,830	165,999	-44.1%
– Equity investment	80,114	15,465	418.0%
– Wealth management products	66,550	87,602	-24.0%
Realized gain, net	(459,235)	(573,040)	-19.9%
Net investment income	461,488	408,709	12.9%

Management Discussion and Analysis

Net investment income is comprised of interest income from bonds, trust investment schemes, bank deposits and securities purchased under agreements to resell, dividend income from fund investment, investment fund, wealth management products and equity investment and realized gains or losses on securities transactions. We had net investment income of approximately RMB409 million and RMB461 million for the years ended December 31, 2023 and 2024, respectively. We closely monitor the market and make diversified asset allocation based on our judgement.

10. **Net fair value changes through profit or loss**

Net fair value changes through profit or loss represents net fair value change on financial assets measured at fair value through profit or loss. We recorded net gain on fair value changes of RMB1,024 million for the year ended December 31, 2024, compared to a net gain on fair value changes of approximately RMB768 million for the year ended December 31, 2023.

Overall Results

Total income

Total income represents the sum of insurance revenue, net investment income, net fair value changes through profit or loss, share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and other income. Total income increased by approximately 1.8% from approximately RMB33,539 million for the year ended December 31, 2023 to approximately RMB34,131 million for the year ended December 31, 2024.

Profit before income tax

Total profit before income tax of the Group was approximately RMB854 million for the year ended December 31, 2024, compared with profit before income tax of approximately RMB4,010 million for the year ended December 31, 2023.

Income tax

Under the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法), the Company and some of its subsidiaries are subject to the statutory income tax rate of 25%. We recorded income tax expense of approximately RMB165 million and income tax expense of approximately RMB251 million for the years ended December 31, 2023 and 2024, respectively, which were primarily due to the combined impact of deferred income tax and taxable income.

Net profit

The Group recorded a net profit of approximately RMB603 million for the year ended December 31, 2024, compared to a net profit of approximately RMB3,845 million for the year ended December 31, 2023, which included the one-off investment income of RMB3,784 million recognized in 2023 when ZhongAn International ceased to be a subsidiary of the Company and was accounted for as a joint venture since August 14, 2023.

Cash Flow

The following table sets forth our cash flows for the years indicated:

	For the Year Ended December 31	
(RMB'000)	**2024**	2023
Net cash flows generated from operating activities	**1,979,432**	2,208,218
Net cash flows used in investing activities	**(556,301)**	(5,327,305)
Net cash flows (used in)/generated from financing activities	**(1,092,418)**	1,138,762
Effect of exchange rate changes on cash and cash equivalents	**491**	38,991
Net increase/(decrease) in cash and cash equivalents	**331,204**	(1,941,334)
Cash and cash equivalents at the beginning of the year	**1,676,330**	3,617,664
Cash and cash equivalents at the end of the year	**2,007,534**	1,676,330

We had net cash flows generated from operating activities of approximately RMB1,979 million for the year ended December 31, 2024, which comprised cash inflow from the underwriting business and other operating activities of approximately RMB36,265 million, offset by the cash outflows from claims and other operating expenses of approximately RMB16,903 million and RMB17,383 million, respectively.

We had net cash flows used in investing activities of approximately RMB556 million for the year ended December 31, 2024, whereas our net cash flows used in investing activities for the year ended December 31, 2023 were approximately RMB5,327 million. This was primarily due to the increase in the purchase of investment assets.

We had net cash flows used in financing activities of approximately RMB1,092 million for the year ended December 31, 2024, of which net cash outflows from the decrease in securities sold under agreements to repurchase amounted to approximately RMB553 million, and the cash outflow from interest payments amounted to approximately RMB394 million.

Indebtedness

On July 16, 2020, September 8, 2020 and October 12, 2020, the Company issued the 2025 Notes, the 2026 Notes and the Additional Notes (each defined in the section headed "Use of Proceeds") with a total principal amount of USD1,000,000 thousand. As of December 31, 2024, the Company had repurchased notes at a total principal amount of USD49,900 thousand on the Hong Kong Stock Exchange, and the balance of outstanding principal amount of bonds payable was USD950,100 thousand.

In 2021, ZhongAn Technology applied for a twelve-month working capital loan and domestic letter of credit from China Merchants Bank. As of December 31, 2024, the credit line was RMB100 million and the balance of principal amount of the borrowings of ZhongAn Technology was RMB60 million. In 2024, ZhongAn Technology applied for a twelve-month working capital loan from China Citic Bank. As of December 31, 2024, the credit line was RMB30 million and the balance of principal amount of the borrowings of ZhongAn Technology was RMB20 million.

Save as disclosed in this annual report, as of December 31, 2024, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed or unguaranteed, secured or unsecured, nor had any guarantees or other contingent liabilities.

Management Discussion and Analysis

Significant investments

Save as disclosed in this annual report, we did not hold any significant investments during the year ended December 31, 2024 (including any investment in an investee company with a value of 5% or more of the Company's total assets as of December 31, 2024).

Material acquisitions and disposals

Save as disclosed in this annual report, we did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the year ended December 31, 2024.

Future plans for material investments and capital assets

As of December 31, 2024, we did not have any future plans for material investments and capital assets.

Pledge of assets

Save as disclosed in this annual report, as at December 31, 2024, none of the Group's assets were pledged.

Gearing ratio

As of December 31, 2024, our gearing ratio, calculated as total liabilities (excluding capital supplementary bonds and subordinated term debts) divided by total assets, was approximately 53.8%, representing an increase of 0.6 percentage point as compared with approximately 53.2% as of December 31, 2023.

Foreign exchange exposure

The Group operates principally in the PRC, and RMB is the Group's functional currency and financial reporting currency. Some of the Company's joint ventures (including the digital banking business and the virtual insurance business in Hong Kong and overseas technology export business) are denominated in foreign currencies (including Hong Kong dollars, United States dollars, Japanese yen, Singapore dollars and Euros). Assets denominated in foreign currencies held by the Group are exposed to foreign exchange risks. Such assets include amounts due from banks and other financial institutions. The Group's liabilities denominated in foreign currencies, including bonds payable, are also exposed to exchange rate risk.

Contingent liabilities

As of December 31, 2024, we did not have any material contingent liabilities.

Off-balance sheet commitments and arrangements

As of December 31, 2024, we had not entered into any off-balance sheet arrangements.

Events after the Reporting Period

Save as disclosed in this annual report, there were no other significant events that might affect the Group from December 31, 2024 and up to the date of this annual report.

Employees and remuneration policies

As at December 31, 2024, the Group had 2,395 full-time employees. The number of employees employed by the Group varies from time to time depending on its needs. Employee remuneration is determined in accordance with prevailing industry practices and employees' educational backgrounds, experiences and performance. The Group regularly reviews its employee remuneration and benefits policy on an annual basis, including basic salary, annual bonus and other benefits.

Compensation of key executives of the Group is reviewed and determined by the Company's Nomination and Remuneration Management Committee based on the Group's performance and the executives' respective contributions to the Group.

The total employee benefit cost (including directors' and supervisors' remuneration) incurred by the Group for the year ended December 31, 2024 was approximately RMB1,681 million.

Directors, Supervisors and Senior Management

Basic Information of Directors, Supervisors and Senior Management

Name	Position/Title	Age	Date of Appointment
Xing Jiang	Executive Director	48	November 28, 2022
	Chief executive officer		July 18, 2019
	General manager		October 27, 2022
Gaofeng Li	Executive Director	47	November 28, 2022
	Chief financial officer		March 23, 2020
	Vice general manager and chief investment officer		January 23, 2019
Hai Yin	Chairman of the Board	52	December 4, 2023
	Non-executive Director		December 4, 2023
Yaping Ou(1)	Non-executive Director	62	November 28, 2022
Hugo Jin Yi Ou(1)	Non-executive Director	32	November 28, 2022
Liangxun Shi	Non-executive Director	59	November 18, 2019
Shuang Zhang	Non-executive Director	53	November 28, 2022
Wei Ou	Independent non-executive Director	66	December 19, 2019
Vena Wei Yan Cheng	Independent non-executive Director	46	January 28, 2022
Gigi Wing Chee Chan	Independent non-executive Director	49	November 28, 2022
Stanley Chiu Fai Choi(2)	Independent non-executive Director	56	June 19, 2024
Yuping Wen	Chairman of the Supervisory Committee	44	November 29, 2013
Limin Guo	External Supervisor	61	January 28, 2022
Yao Wang	Employee representative supervisor	38	September 13, 2023
Min Wang	Executive vice general manager	40	July 24, 2019
	Secretary of the Board		May 14, 2018
Yongbo Zhang(3)	Vice general manager and chief legal officer	46	April 20, 2018
	Chief compliance officer		November 8, 2013
	Chief risk management officer		January 26, 2025
Nan Yang	Vice general manager	37	April 2, 2021
Zhenhua Song	Vice general manager	48	July 13, 2021
Liqun Han	Assistant general manager	49	January 18, 2023
Yang Yu(4)	Assistant general manager	43	July 12, 2022
Rui Sun	Financial director	41	June 21, 2019
Hai Lin	Chief actuary	52	January 2, 2020
Xiaoming Wang	Audit director	43	April 14, 2020

Notes:

(1) Mr. Hugo Jin Yi Ou is the son of Mr. Yaping Ou.

(2) Mr. Stanley Chiu Fai Choi's qualification as a Director has been approved by the NFRA, and Mr. Choi has served as an independent non-executive Director with effect from June 19, 2024.

(3) According to the requirements of the Measures for Compliance Management of Financial Institutions (the "**Measures**") (Decree of the National Financial Regulatory Administration (No.7, 2024)), a chief compliance officer must be appointed at the head office for financial institutions and a compliance director appointed by financial institutions can perform the responsibilities and duties of the chief compliance officer required under the Measures. Mr. Yongbo Zhang, who was appointed as the compliance director of the Company on November 8, 2013, has taken the office of the chief compliance officer of the Company from the effective date of the Measures.

Mr. Yongbo Zhang was appointed as the chief risk management officer of the Company with effect from January 26, 2025.

(4) Mr. Yang Yu ceased to be the chief risk management officer of the Company with effect from January 26, 2025.

Directors, Supervisors and Senior Management

Major working experiences and positions of Directors, Supervisors and Senior Management

Executive Directors

Xing Jiang (姜興), aged 48, is an executive Director of the Company. He is also the general manager and chief executive officer of the Company, and a member of the Strategy and Investment Decision Committee of the Board of the Company. Mr. Jiang joined the Group in April 2014. He obtained a bachelor's degree in engineering in computer and applications from the Hunan Finance and Economics Institute (湖南財經學院) (which has merged with Hunan University into the current Hunan University) in July 1999. He was in charge of the insurance division at Zhejiang Rongxin Internet Technology Co., Ltd. (浙江融信網絡技術有限公司), which is wholly owned by Ant Group, a substantial shareholder of the Company, from December 2013 to March 2014. From January 2011 to March 2012, he was a senior director at Alibaba (China) Network Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司).

Gaofeng Li (李高峰), aged 47, commenced his term of office as executive Director of the Company on November 28, 2022. He is also a member of the Strategy and Investment Decision Committee of the Board of the Company, our vice general manager, the chief financial officer and the chief investment officer. Mr. Li studied computer science and technology at Tianjin University and obtained his bachelor's degree in engineering in June 2000. Mr. Li has extensive experience in the financial industry and more than 20 years of management experience, and has an in-depth understanding of China's capital markets. Prior to joining our Group, Mr. Li has served as the head of Chengdu business department of Everbright Securities Company Limited (光大證券股份有限公司) from December 2003 to July 2007, the vice general manager of Cinda Securities Co., Ltd's (信達證券股份有限公司) marketing service center from July 2007 to January 2013, as well as the vice general manager, assistant general manager and secretary of the board of directors of Sun Life Everbright Asset Management Co., Ltd. (光大永明資產管理股份有限公司) from January 2013 to April 2018.

Non-Executive Directors

Hai Yin (尹海), aged 52, is the chairman of the Board, a non-executive Director of the Company and the chairperson of the Strategy and Investment Decision Committee of the Board of the Company. Mr. Yin joined our Group in November 2022. Mr. Yin holds a bachelor's degree in English from Beijing Foreign Studies University and a master's degree in civil and commercial law from Peking University. Mr. Yin was a trader in the trading department of Bank of China Head Office, a strategic analyst in the trading department of Bank of China Head Office, a head of foreign exchange trading in the Capital Market Department of Bank of China London Branch, a director of Huatai Asset Management Co., Ltd., a marketing director of Huatai Property & Casualty Insurance Co., Ltd., a general manager of Huatai Weiye Shanghai Insurance Brokerage Co., Ltd. (華泰偉業上海保險經紀有限責任公司), a general manager and director of the Company, and the chairman of CreditEase Insurance Sales&Service (Beijing) Co., Ltd..

Yaping Ou (歐亞平), aged 62, is a non-executive Director of the Company and a member of the Strategy and Investment Decision Committee of the Board of the Company. Mr. Ou joined our Group in November 2013 and served as the chairman of the Board of the Company between November 2013 and December 2023. Mr. Ou obtained a bachelor's degree in Engineering Management from the Beijing Institute of Technology (北京理工大學) in July 1984. Mr. Ou has over 30 years of experience in investing and corporate management. He served as the chairman and executive director of Sinolink Worldwide Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1168), between December 1997 and August 2013, and has served as its non-executive director from August 2013 to May 2024. Mr. Ou has been the chairman of Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司), a substantial shareholder of the Company, since 2000, as well as the chairman of ZA Bank Limited, ZhongAn Financial Services Limited and ZA Life. Mr. Ou is the father of Mr. Hugo Jin Yi Ou, who is also a non-executive Director of the Company.

Hugo Jin Yi Ou (歐晉羿), aged 32, is a non-executive Director of the Company and a member of the Nomination and Remuneration Management Committee of the Board of the Company. Mr. Ou joined our Group in July 2017. Mr. Ou obtained a bachelor's degree in East Asian studies from Princeton University in July 2015. He has been a non-executive director of Sinolink Worldwide Holdings Limited (stock code: 1168), a company whose shares are listed on the Hong Kong Stock Exchange, since January 2016. Mr. Ou is also a director of ZhongAn Technologies International Group Limited, a joint venture of the Company, as well as a director of ZAKC Limited, ZA International Financial Services Limited, ZhongAn Financial Services Limited, ZhongAn Digital Asset Group Limited, Peak3 (Hong Kong) Limited (formerly known as ZA Tech Global Limited), ZA Bank Limited, Peak3 (Cayman) Limited (formerly known as ZA Tech Global (Cayman) Limited), Granada Protect Pte. Ltd., Nova Technology Ltd., Nova Technology International Limited and Shanghai Nuanwa Technology Co., Ltd. * (上海暖哇科技有限公司). He worked as an associate at Thrive Capital from August 2015 to August 2016 and also served as manager of the planning and development department of Sinolink Worldwide Holdings Limited from 2010 to 2015. Mr. Ou is the son of Mr. Yaping Ou who is a non-executive Director of the Company.

Liangxun Shi (史良洵), aged 59, is a non-executive Director of the Company and a member of the Strategy and Investment Decision Committee of the Board of the Company. Mr. Shi joined our Group in November 2019. Mr. Shi holds a Master's degree in Systems Engineering from Shanghai Institute of Mechanical Engineering. He is currently the general manager of Ping An P&C and the chairman of China Ping An Insurance (Hong Kong) Company Limited. Mr. Shi joined Ping An Insurance in October 1990 and held various positions including assistant general manager of the financial investment department of Ping An Insurance, deputy general manager of the underwriting department of Ping An P&C, deputy general manager of the non-marine insurance department of Ping An P&C, deputy general manager of the P&C insurance department of Ping An P&C, general manager of the P&C insurance department of Ping An P&C and deputy general manager of Ping An P&C.

Shuang Zhang (張爽), aged 53, is a non-executive Director of the Company and a member of the Strategy and Investment Decision Committee of the Board of the Company. Mr. Zhang joined our Group in November 2013 and was previously an independent non-executive Director of the Company. Mr. Zhang graduated from Nanjing University (南京大學), majoring in natural resources management, in July 1994 and obtained a master's degree in science from James Madison University in the United States in May 2002. He has been chief executive officer of The Paradise International Foundation (桃花源生態保護基金會) since 2015. Mr. Zhang is currently an independent non-executive director of Planetree International Development Limited, a company listed on the Hong Kong Stock Exchange (stock code: 0613). Mr. Zhang has been a project director of the China region at The Nature Conservancy (大自然保護協會) from 2005 to 2015.

Independent Non-Executive Directors

Wei Ou (歐偉), aged 66, is an independent non-executive Director of the Company, the chairperson of the Nomination and Remuneration Management Committee and a member of the Audit and Consumer Rights Protection Committee of the Board of the Company. Mr. Ou joined our Group in December 2019. Mr. Ou is a senior economist with a post-graduate diploma. Prior to joining our Group, Mr. Ou served as vice president of The People's Bank Of China, Dalian Branch, director of Liaoning Office and Henan Office of former China Insurance Regulatory Commission, general manager of China Property & Casualty Reinsurance Company Ltd., party secretary and president of China Continent Property & Casualty Insurance Company Ltd., and the chairman of the supervisory committee of China Life Reinsurance Company Ltd..

Vena Wei Yan Cheng (鄭慧恩), aged 46, is an independent non-executive Director of the Company, the chairman of the Risk Management and Related Transaction Control Committee and a member of the Nomination and Remuneration Management Committee of the Board of the Company. Ms. Cheng joined our Group in January 2022. Ms. Cheng obtained a bachelor's degree of law from King's College, University of London, and a Postgraduate Certificate in Laws (PCLL) from the University of Hong Kong respectively. Ms. Cheng is admitted to practice law in Hong Kong, New York, and the United Kingdom, and has more than 20 years of experience practicing as a lawyer. Ms. Cheng is currently a consultant at P. C. Woo & Co., and also serves as a member of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a member of the Council of The Hong Kong Polytechnic University, a member of the audit committee of the Council of The Hong Kong Polytechnic University, a member of the Lump Sum Grant Steering Committee, a member of the Standing Commission on Civil Service Salaries and Conditions of Service, a member of the Quality Education Fund Assessment and Monitoring Sub-committee and a member of the Audit Sub-Committee of the Hong Kong Housing Authority.

Directors, Supervisors and Senior Management

Gigi Wing Chee Chan (陳詠芝), aged 49, is an independent non-executive Director of the Company, the chairperson of the Audit and Consumer Rights Protection Committee and a member of the Risk Management and Related Transaction Control Committee of the Board of the Company. Ms. Chan joined our Group in November 2022. Ms. Chan obtained an EMBA degree from Oxford University in United Kingdom, a master's degree in economics from The University of Hong Kong and a bachelor's degree in business administration in accounting from the Hong Kong University of Science and Technology. Ms. Chan is a licensee of SFC-licensed corporations with a Hong Kong CPA Certificate and has over 25 years of working experience in the financial industry. Ms. Chan also serves as chief executive officer and chairperson of the board of Wonder Capital Group Limited, the chairperson of the board of Fair Rich Development Limited and the chairperson of International Financial and Economic Association (國際金融經貿協會). Ms. Chan was the head and chief operating officer of Janus Capital Group Inc., Asia Pacific, the head of Janus Henderson Investors, Greater China, the chief financial officer of AllianceBernstein, Asia, the assistant manager of Hong Kong Exchanges and Clearing Limited, and the senior accountant of Arthur Andersen (now known as PricewaterhouseCoopers).

Stanley Chiu Fai Choi (蔡朝暉), aged 56, is an independent non-executive Director of the Company and a member of each of the Audit and Consumer Rights Protection Committee and the Risk Management and Related Transaction Control Committee of the Board of the Company. Mr. Choi joined the Group in June 2024. Mr. Choi obtained a bachelor's degree in business administration from Wichita State University in Kansas, America, a master's degree in science from the University of Illinois and a doctoral degree in business administration from the City University of Hong Kong. Mr. Choi is currently the chairman of Head & Shoulders Financial Group Limited, the managing director of Head & Shoulders Securities Limited and the non-executive director of ICO Group Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1460). Mr. Choi served as the chairman and executive director of International Entertainment Corporation, a company listed on the Hong Kong Stock Exchange (stock code: 1009) from 2017 to 2022, and was a global affiliate visiting scholar at the Walter H. Shorenstein Asia-Pacific Research Center of Stanford University from 2022 to 2023. He has rich experience in business management, financial investment and insurance industries.

Supervisors

Yuping Wen (溫玉萍), aged 44, is the chairperson of the Supervisory Committee of the Company. Ms. Wen joined our Group in November 2013. Ms. Wen obtained a master's degree in management from the Xi'an University of Architecture and Technology (西安建築科技大學) in July 2005. Ms. Wen has been a director and a chief financial officer in the financial affairs department of Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司) with a rich experience in financial management. Ms. Wen served as an accountant in the financial department of Hisense Kelon Electronic Holdings Co., Ltd. (海信科龍電器股份有限公司) and as a financial manager of Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司).

Limin Guo (郭立民), aged 61, is an external Supervisor of the Company. Mr. Guo joined our Group in January 2022. Mr. Guo is a senior engineer and obtained a master's degree in International Business from Hunan University, an EMBA degree from the Hong Kong University of Science and Technology and a bachelor's degree in Chemical Engineering from Beijing Institute of Chemical Industry. Mr. Guo served as the deputy director of Development Planning Commission of Shenzhen Municipality (深圳市發展計劃局), the chairman of Shenzhen Airport Group Co., Ltd., the chief of State-owned Assets Supervision and Administration Commission of Shenzhen Municipality, the chairman of the Board of Shum Yip Group Limited, and the chief of Economy, Trade and Informatization Commission of Shenzhen Municipality (深圳市經濟貿易信息化委員會). In addition, Mr. Guo has served as a non-executive director of E-Star Commercial Management Company Limited (stock code: 6668), Ping An Insurance, Road King Infrastructure Limited and Coastal Greenland Limited, all being companies listed on the Hong Kong Stock Exchange.

Yao Wang (王瑤), aged 38, is the employee representative supervisor of the Company and a senior corporate culture expert of the HR department of the Company. Ms. Wang joined our Group in April 2014 and served as the head of the marketing and public relations department and the senior director of the open platform business department, among other related roles. Prior to joining the Company, Ms. Wang worked as a reporter at financial media publications such as China Business News (第一財經日報), and worked in marketing in HFT Investment Management Co., Ltd.. Ms. Wang obtained a bachelor's degree in Management from Shanghai University of Finance and Economics (上海財經大學), and a master's degree in Business Administration from China Europe International Business School.

Senior Management

The Company's senior management team comprises Mr. Xing Jiang and Mr. Gaofeng Li, each an executive Director, as well as the persons set out below.

Min Wang (王敏), aged 40, is the executive vice general manager of the Company and the secretary of the Board. Mr. Wang has obtained a doctorate degree in Economics. He has worked in insurance supervision, where he was involved in the development of a number of insurance regulatory measures and became familiar with insurance regulations and industry operations.

Yongbo Zhang (張勇博), aged 46, is the vice general manager, the chief compliance officer, the chief risk management officer and the chief legal officer of the Company. Mr. Zhang obtained a master's degree in international economic law from the East China University of Political Science and Law (華東政法大學). He has been an accredited lawyer and was involved in corporate governance and compliance matters at Manulife-Sinochem Life Co., Ltd. (中宏人壽保險有限公司) and Alltrust Insurance Company Limited (永誠財產保險股份有限公司).

Nan Yang (楊楠), aged 37, is the vice general manager of the Company. Ms. Yang was graduated from the School of Economics and Management of Tsinghua University and obtained a bachelor's degree in Economics. Ms. Yang has extensive experiences in strategy, capital market and investment. Before joining the Group, Ms. Yang had served in leading investment banking and private equity firms.

Zhenhua Song (宋振華), aged 48, is the vice general manager of the Company. Mr. Song was graduated from the East China University of Science and Technology and obtained a bachelor's degree. Mr. Song served in large enterprises such as Ping An, and has multiple experiences in starting up business. Mr. Song has senior technology development background, experiences in Internet products and platform operation, profound theory foundation in insurance field and practical experience of multiple years.

Liqun Han (韓立群), aged 49, is the assistant general manager of the Company. Mr. Han graduated from Zhejiang University with a master's degree in business administration. Having worked for a number of insurance companies and large corporate groups, Mr. Han has a solid background in the insurance industry as well as many years of management experience in insurance companies and corporate groups.

Yang Yu (于洋), aged 43, is the assistant general manager of the Company. Mr. Yu obtained dual bachelor's degrees in Science and Economics from Peking University in 2004 and a master's degree in Artificial Intelligence from the Catholic University of Louvain in 2005. Mr. Yu has rich professional experience in data analysis and risk management. He has served successively as the manager of the Data Analysis Department at Beijing Rainier Technology Co., Ltd., the senior statistical analyst at Experian China and the senior statistical consultant at Accenture China. Before joining in ZhongAn, Mr. Yu worked at China Minsheng Bank as the senior risk manager. He also partook in the founding of Henan Zhongyuan Consumer Finance Co., Ltd. as the head of Risk & Compliance Management.

Rui Sun (孫睿), aged 41, is the financial director of the Company. Mr. Sun graduated with a bachelor's degree in law from the Department of Social Work at Fudan University in July 2005. He has over 10 years of work experience in finance, having worked on technological research relating to U.S. and Hong Kong listings at Deloitte Touche Tomatsu and in other fields including mergers and acquisitions and anti-fraud.

Hai Lin (林海), aged 52, is the chief actuary of the Company. Mr. Lin graduated with a bachelor's degree in science from Fudan University in 1996 and a master's degree in business administration from Shanghai Jiao Tong University in 2004. He has more than 10 years of experience in actuarial management at the headquarters of property insurance companies. He served as actuarial director at Guangbo Business Consulting (Shanghai) (光博商務諮詢 (上海)), and as chief actuary or as head of the actuarial department in multiple insurance companies including Yanzhao Property Insurance, Tianan Property Insurance, Yongan Property Insurance, and Bank of China Insurance.

Xiaoming Wang (王曉明), aged 43, is the audit director of the Company, responsible for our Company's internal audit matters. Mr. Wang graduated from Central University of Finance and Economics with a bachelor's degree in accounting and a master's degree in certified public accountant. He possesses the qualifications of certified internal auditor (CIA) and certified anti-money laundering specialist. Mr. Wang has over 15 years of experience in internal audit and management in finance and insurance industries. He successively worked as head of the audit and internal control departments in Ping An Group, Houxiang Group (厚相集團) and Mandao Group (漫道集團), responsible for the overall management of internal audit matters.

Directors, Supervisors and Senior Management

Changes in Directors, Supervisors and Chief Executive

Changes in information of Directors, Supervisors and the chief executive of the Company which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below:

1. Mr. Hugo Jin Yi Ou was appointed as a director of Nova Technology Ltd. and Nova Technology International Limited on March 13, 2024, and a director of Shanghai Nuanwa Technology Co., Ltd.* (上海暖哇科技有限公司) on March 21, 2024.

2. Mr. Yaping Ou ceased to be a non-executive director of Sinolink Worldwide Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1168) with effect from May 30, 2024.

3. Since Mr. Stanley Chiu Fai Choi's qualification as a Director has been approved by the NFRA, he has served as an independent non-executive Director of the fourth session of the Board with effect from June 19, 2024. He was also appointed as a member of each of the Risk Management and Related Transaction Control Committee and the Audit and Consumer Rights Protection Committee of the Company on August 27, 2024.

4. Mr. Wei Ou ceased to be a member of the Risk Management and Related Transaction Control Committee of the Company with effect from August 27, 2024.

5. Ms. Vena Wei Yan Cheng ceased to be a member of the Audit and Consumer Rights Protection Committee of the Company with effect from August 27, 2024. In addition, Ms. Vena Wei Yan Cheng was appointed as a member of the Council of the Hong Kong Polytechnic University and a member of the audit committee of the Council of the Hong Kong Polytechnic University.

6. Ms. Yao Wang was appointed as a senior corporate culture expert of the HR department of the Company and ceased to be the senior director of the open platform business of the Company with effect from February 10, 2025.

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

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the Reporting Period.

Corporate Governance Practices

The Company is committed to maintaining and promoting stringent corporate governance. The Company keeps improving its corporate governance levels in accordance with the Company Law, Listing Rules and other relevant laws and regulations, as well as the Articles of Association. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders and customers.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices. In the opinion of the Directors, the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company. Specific enquiry has been made of all the Directors and they have confirmed that they had complied with the Model Code throughout the Reporting Period.

Board of Directors

The Company is led by an effective Board, which is responsible for formulating strategies, overseeing the Group's business and performance achievement, and making decisions in the best interests of the Company from an objective perspective.

The Board of the Company maintains a balance of skills, experience and diversity of perspectives in line with the Company's business needs, regularly reviews the contributions required of Directors to discharge their responsibilities to the Company and confirms whether Directors have sufficient time to perform the responsibilities corresponding to their roles in the Board and responsibilities of the Board as a whole. The Board is well balanced between executive Directors and non-executive Directors (including independent non-executive Directors) so that it can effectively exercise independent judgement. Expertise, diversity, balance and compliance of Directors are key considerations in the composition of the Board of the Company. All Directors, including two female members, have extensive professional backgrounds in finance, law, business management, treasury and social responsibility areas, and are fully competent to perform their duties.

As of December 31, 2024, the Board comprised two executive Directors, five non-executive Directors and four independent non-executive Directors, with the number of independent non-executive Directors exceeding one-third of the Board.

The details of the Board composition are as follows:

Name of Director	Membership of Board Committee(s)
Executive Directors	
Xing Jiang	Member of the Strategy and Investment Decision Committee
Gaofeng Li	Member of the Strategy and Investment Decision Committee
Non-executive Directors	
Hai Yin (Chairman)	Chairperson of the Strategy and Investment Decision Committee
Yaping Ou[(1)]	Member of the Strategy and Investment Decision Committee
Liangxun Shi	Member of the Strategy and Investment Decision Committee
Shuang Zhang	Member of the Strategy and Investment Decision Committee
Hugo Jin Yi Ou[(1)]	Member of the Nomination and Remuneration Management Committee
Independent Non-executive Directors	
Wei Ou	Chairperson of the Nomination and Remuneration Management Committee and member of the Audit and Consumer Rights Protection Committee
Vena Wei Yan Cheng	Chairperson of the Risk Management and Related Transaction Control Committee and member of the Nomination and Remuneration Management Committee
Gigi Wing Chee Chan	Chairperson of the Audit and Consumer Rights Protection Committee and member of the Risk Management and Related Transaction Control Committee
Stanley Chiu Fai Choi[(2)]	Member of the Audit and Consumer Rights Protection Committee and the Risk Management and Related Transaction Control Committee

Corporate Governance Report

Notes:

(1) Hugo Jin Yi Ou is the son of Yaping Ou. Save as disclosed, there is no relationship (including financial, business, family or other material/relevant relationship(s)), between members of the Board or between the Chairman of the Board and the chief executive.

(2) After Mr. Stanley Chiu Fai Choi's qualification as a Director was approved by the NFRA, he has served as an independent non-executive director of the fourth session of the Board with effect from June 19, 2024. He was also appointed as a member of the Risk Management and Related Transaction Control Committee and the Audit and Consumer Rights Protection Committee of the Company on August 27, 2024. Mr. Stanley Chiu Fai Choi obtained the legal advice referred to in Rule 3.09D of the Listing Rules on June 6, 2024. Mr. Stanley Chiu Fai Choi confirmed his understanding of his obligations as a director of a listed issuer.

The biographies of each Director are set out in the section headed "Directors, Supervisors and Senior Management" on pages 36 to 38 of this annual report.

Board Meetings

Code provision C.5.1 of the CG Code stipulates that Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of a majority of the Directors entitled to be present, either in person or through electronic means of communication.

During the year, the Board continued to regulate its operations and improve corporate governance levels in accordance with the applicable principles and code provisions set out in the CG Code, the Company Law and the relevant provisions of the Articles of Association.

Nine Board meetings and three general meetings of the Company were held during the year ended December 31, 2024. At the meetings, all Directors performed their duties diligently, actively participated in discussions, raised questions on issues related to the proposals, and provided professional guidance on related work. Based on the principles of independence and prudence, without any interference, all Directors leveraged their professional experience to judge and vote on the proposals, effectively formed resolutions and determined the direction for the execution of various tasks.

Apart from regular Board meetings, the chairman of the Board also held meetings with the independent non-executive Directors without the presence of other Directors during the year.

A summary of the attendance record of the Directors at the Board meetings and general meetings held during the year is set out in the table below:

Name of Director	Number of Board meetings attended/held for the year ended December 31, 2024	Attendance rate	Number of general meetings attended/held for the year ended December 31, 2024	Attendance rate
Executive Directors				
Xing Jiang	9/9	100%	3/3	100%
Gaofeng Li	9/9	100%	3/3	100%
Non-executive Directors				
Hai Yin	9/9	100%	2/3	66.7%
Yaping Ou	9/9	100%	3/3	100%
Liangxun Shi	9/9	100%	2/3	66.7%
Shuang Zhang	9/9	100%	3/3	100%
Hugo Jin Yi Ou	9/9	100%	3/3	100%
Independent Non-executive Directors				
Wei Ou	9/9	100%	3/3	100%
Vena Wei Yan Cheng	9/9	100%	3/3	100%
Gigi Wing Chee Chan	9/9	100%	3/3	100%
Stanley Chiu Fai Choi[1]	6/6	100%	2/2	100%

(1) Commenced his term of office as an independent non-executive Director of the Company on June 19, 2024.

Chairman and Chief Executive Officer

The positions of Chairman of the Board and Chief Executive Officer of the Company are held by Hai Yin and Xing Jiang, respectively. The Chairman provides leadership and is responsible for the effective functioning of the Board. The Chief Executive Officer focuses on the Company's business development and the daily management and operations generally. The respective responsibilities are clearly defined and set out in writing.

Independent Non-executive Directors

During the period from January 1, 2024 to December 31, 2024, the Company had four independent non-executive Directors, representing at least one-third of the Board with one of whom, Ms. Gigi Wing Chee Chan, possessing appropriate professional qualifications or accounting or related financial management expertise.

Following the re-designation of Mr. Hai Yin from an independent non-executive Director to a non-executive Director with effect from December 4, 2023, the number of independent non-executive Directors was less than one-third of the members of the Board as required under Rule 3.10A of the Listing Rules. Mr. Stanley Chiu Fai Choi was nominated as an independent non-executive Director of the Company on January 25, 2024 and his nomination was approved by the Shareholders on February 29, 2024. The Company applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange granted, a waiver to extend the grace period under Rule 3.11 of the Listing Rules to re-comply with Rule 3.10A of the Listing Rules to June 3, 2024. On June 3, 2024, the grace period was further extended for three months to September 2, 2024, because the review process by the NFRA in respect of Mr. Choi's director's qualification was still ongoing. As disclosed in the announcement of the Company dated June 19, 2024, Mr. Stanley Chiu Fai Choi's qualification as a Director has been approved by the NFRA, and Mr. Stanley Chiu Fai Choi's term of service commenced from June 19, 2024.

Except as disclosed above, during the year ended December 31, 2024, the Company had met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules.

The Board has received from each of the independent non-executive Directors a written annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent.

Appointment and Re-election of Directors

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years with effect from the date of their respective appointment.

In accordance with the Articles of Association, all the Directors are subject to retirement by rotation at least once every three years. Directors shall be elected at the shareholders' general meeting with a term of office of three (3) years, however, pursuant to Article 180 of the Articles of Association, an independent non-executive Director shall serve no more than six (6) years. Upon expiry of the term, a Director shall be eligible to offer himself/herself for re-election and reappointment. In addition, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting and be eligible for re-election and reappointment.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Corporate Governance Report

The Company understands and recognizes the importance of independent views and opinions provided by the Directors to the Board, and has established a board independence evaluation mechanism to ensure independent views and input are available to the Board and the Board will review the implementation and effectiveness of such mechanism in accordance with the system. The Company has examined and reviewed the effectiveness of the independent views and opinions obtained by the Board during the year. There exists a strong independent element in the Board, which allows the Board effectively exercises independent judgement to better safeguard Shareholders' interests.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. The management is authorized by the Board to manage the day-to-day operations of the Company's business.

The Company has arranged appropriate insurance coverage on Directors' and senior managements' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Board Committees

The Board has established four committees, namely, the Audit and Consumer Rights Protection Committee, the Nomination and Remuneration Management Committee, the Strategy and Investment Decision Committee, and the Risk Management and Related Transaction Control Committee, for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined responsibilities and duties. The terms of reference of the aforesaid committees are available on the websites of the Company and the Hong Kong Stock Exchange.

Audit and Consumer Rights Protection Committee

The Company has established an Audit and Consumer Rights Protection Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit and Consumer Rights Protection Committee are to supervise the risk management, strengthen internal control management and compliance management, review financial reports, supervise financial reporting procedures, consumer rights protection and other relevant matters.

During the year, the Audit and Consumer Rights Protection Committee continued to perform its duties conscientiously and provided the Board and the management with extensive opinions and suggestions on finance, internal control, compliance and operation management, and protection of consumer rights, playing an active role in promoting the improvement of the Company's management and enhancing corporate governance levels.

As at December 31, 2024, the Audit and Consumer Rights Protection Committee comprised Ms. Gigi Wing Chee Chan, Mr. Wei Ou and Mr. Stanley Chiu Fai Choi. Ms. Gigi Wing Chee Chan is the chairperson of the Audit and Consumer Rights Protection Committee.

During the year ended December 31, 2024, the Audit and Consumer Rights Protection Committee convened seven meetings. The attendance record of these meetings is set out in the table below:

Name of Committee Members	Number of meetings attended/held during the year ended December 31, 2024	Attendance rate
Gigi Wing Chee Chan (Chairperson)	7/7	100%
Wei Ou	7/7	100%
Vena Wei Yan Cheng(1)	4/4	100%
Stanley Chiu Fai Choi(2)	3/3	100%

(1) Resigned on August 27, 2024.

(2) Appointed on August 27, 2024.

During these meetings, the Audit and Consumer Rights Protection Committee reviewed the annual results announcement and report of the Company for the year ended December 31, 2023 and the interim results announcement and interim report for the six months ended June 30, 2024, the relevant financial disclosures, issues on operations and compliance control, the effectiveness of the risk management and internal control systems of the Company, the internal audit function of the Company, scope of work and appointment of external auditors, the effectiveness of the Company's consumer rights protection measures, as well as arrangements for employees to raise concerns about possible improprieties.

The Audit and Consumer Rights Protection Committee has also reviewed the annual results of the Group for the year ended December 31, 2024 and has discussed with the management of the Company about the accounting principles and practices adopted by the Group, and its internal controls and financial reporting matters.

The Audit and Consumer Rights Protection Committee also held two meetings with the external auditors without the presence of executive Directors during the year.

Nomination and Remuneration Management Committee

The Company established a Nomination and Remuneration Management Committee in compliance with Rules 3.25 and 3.27A of the Listing Rules and the CG Code. The primary functions of the Nomination and Remuneration Management Committee include overseeing and developing the process and policies relating to the nomination, appointment and remuneration of Directors, reviewing and advising the Board on appropriate candidates for directorships, Board composition and succession planning, assessing the independence of independent non-executive Directors and reviewing and making recommendations to the Board on remuneration packages of individual executive Directors and senior management.

The Company understands and recognizes the importance of Board diversity and regards it as an important factor in ensuring that the Company improves its corporate governance levels and achieves sustainable development. In assessing the Board composition, the Nomination and Remuneration Management Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy (the "**Diversity Policy**"), including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience. The Nomination and Remuneration Management Committee has discussed and agreed on measurable objectives for achieving diversity on the Board, and recommended them to the Board for adoption.

Corporate Governance Report

In identifying and selecting suitable candidates for directorships, the Nomination and Remuneration Management Committee would consider the candidates' qualifications, experience, educational background, independence, professional experience and other relevant criteria as set out in the Company's Director Nomination Policy necessary to complement the corporate strategy and achieve Board diversity, before making recommendations to the Board. Remuneration of Directors is reviewed and determined by the Nomination and Remuneration Management Committee based on the Group's performance and the Director's contributions to the Group.

As at December 31, 2024, the Nomination and Remuneration Management Committee comprised Mr. Wei Ou, Mr. Hugo Jin Yi Ou and Ms. Vena Wei Yan Cheng. Mr. Wei Ou is the chairperson of the Nomination and Remuneration Management Committee.

During the year ended December 31, 2024, the Nomination and Remuneration Management Committee convened five meetings. The attendance record of these meetings is set out in the table below:

Name of Committee Members	Number of meetings attended/held during the year ended December 31, 2024	Attendance rate
Wei Ou (Chairperson)	5/5	100%
Hugo Jin Yi Ou	5/5	100%
Vena Wei Yan Cheng	5/5	100%

Based on the above professional background, composition, age, gender and other information of the current Directors of the Company, the Nomination and Remuneration Management Committee believes that the Board of the Company meets the requirements for diversity (including gender diversity). The Nomination and Remuneration Management Committee has reviewed the Diversity Policy and measurable objectives to ensure that the policy remains effective. In addition, during the meetings, the Nomination and Remuneration Management Committee reviewed the remuneration policy and packages of the Directors and senior management of the Company, assessed the performance of the executive Directors, and reviewed matters relating to the structure, size and composition of the Board and other aspects of the Directors by making reference to the factors and criteria set out in the Diversity Policy and the Director Nomination Policy, and the independence of the independent non-executive Directors. In 2024, there were no matters relating to share schemes under Chapter 17 of the Listing Rules that required the Nomination and Remuneration Management Committee's review and/or approval.

Details of the remuneration payable to each Director of the Company for the year ended December 31, 2024 are set out in Note 14 to the financial statements.

The remuneration of the members of senior management by band for the year ended December 31, 2024 is set out in the table below:

Remuneration bands (RMB)	Number of persons
1,000,000-2,000,000	3
2,000,000-3,000,000	5
3,000,000-4,000,000	2
4,000,000-5,000,000	1
Total	11

Strategy and Investment Decision Committee

The Strategy and Investment Decision Committee is mainly responsible for considering the corporate development planning, purpose management of the insurance assets, investment decision procedure and authorization mechanism, significant investment, management system related to insurance asset and liability, formulating and improving the management mechanism of assets and liabilities of the Company, and ESG management.

During the year, the Strategy and Investment Decision Committee reviewed (among others) the Company's annual business development plan, financial plan and business plan, and continued to monitor the corporate governance of the Company.

As at December 31, 2024, the Strategy and Investment Decision Committee comprised Mr. Hai Yin, Mr. Yaping Ou, Mr. Xing Jiang, Mr. Gaofeng Li, Mr. Liangxun Shi and Mr. Shuang Zhang. Mr. Hai Yin is the chairman of the Strategy and Investment Decision Committee.

During the year ended December 31, 2024, the Strategy and Investment Decision Committee convened five meetings. The attendance record of these meetings is set out in the table below:

Name of Committee Members	Number of meetings attended/held during the year ended December 31, 2024	Attendance rate
Hai Yin (Chairperson)	5/5	100%
Yaping Ou	5/5	100%
Xing Jiang	5/5	100%
Gaofeng Li	5/5	100%
Liangxun Shi	5/5	100%
Shuang Zhang	5/5	100%

Corporate Governance Report

Risk Management and Related Transaction Control Committee

The purpose of the Risk Management and Related Transaction Control Committee is to advise the Board on the overall risk appetite/tolerance and risk management strategies of the Company, and oversee senior management's implementation of those strategies as established and approved by the Board, provide an independent review of the effectiveness of the strategies adopted to ensure that it aligned with the Company's overall business objectives, and manage related party transactions.

During the year, the Risk Management and Related Transaction Control Committee continued to monitor the operation of the Company's risk management system and reviewed the Company's risk assessment report and risk appetite and risk tolerance, the Company's 2024-2026 three-year capital planning report, the Company's specific related transactions, and other related proposals.

As at December 31, 2024, the Risk Management and Related Transaction Control Committee comprised Ms. Vena Wei Yan Cheng, Ms. Gigi Wing Chee Chan and Mr. Stanley Chiu Fai Choi. Ms. Vena Wei Yan Cheng is the chairperson of the Risk Management and Related Transaction Control Committee.

During the year ended December 31, 2024, the Risk Management and Related Transaction Control Committee convened nine meetings. The attendance record of these meetings is set out in the table below:

Name of Committee Members	Number of meetings attended/held during the year ended December 31, 2024	Attendance rate
Vena Wei Yan Cheng (Chairperson)	9/9	100%
Wei Ou[(1)]	5/5	100%
Gigi Wing Chee Chan	9/9	100%
Stanley Chiu Fai Choi[(2)]	4/4	100%

(1) Resigned on August 27, 2024.

(1) Appointed on August 27, 2024.

Corporate Governance Function

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board has reviewed the Company's corporate governance policies and practices, and the Company's policies and practices on compliance with the Model Code and the CG Code, as well as disclosure in this Corporate Governance Report. It has also reviewed and monitored the training and continuous professional development of Directors and senior management, and the disclosure of the Company's policies and practices on compliance with legal and regulatory requirements.

Dividend Policy

On November 27, 2018, the Company adopted a dividend policy in accordance with the CG Code. The Company does not have any pre-determined dividend payout ratio and intends to retain most, if not all, of available funds and any future earnings to operate and expand the business of the Company. The dividend policy outlines the following factors that the Board should take into account in determining any dividend for distribution to the Shareholders:

- earnings and financial condition;
- operating requirements;
- capital requirements and expenditure plans;
- financial results;
- cash flow situation;
- business conditions and strategies;
- interests of the Shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

Depending on the financial conditions of the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board during the financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

Board Diversity Policy

In accordance with the CG Code, the Board continues to implement the diversity policy. The Company recognizes and embraces the benefits of having a diverse Board and is committed to maintaining the highest level of corporate governance. Board diversity is an essential element in maintaining sound corporate governance.

Pursuant to the Diversity Policy, the Nomination and Remuneration Management Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination and Remuneration Management Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

With diverse educational and professional backgrounds, the members of the Board of the Company have extensive experience and expertise in the insurance and finance industries, risk management, and financial, auditing and legal fields. In addition, the Board includes members of different genders.

In terms of the implementation of Board diversity, the Board of the Company has a total of two female members, accounting for 2/11 of the total. The Company targets to maintain at least the current level of female representation on the Board and will continue to seek opportunities to increase the proportion of female members of the Board over time as and when suitable candidates are identified.

In terms of diversity of the Supervisory Committee, there are 2 female members in the Supervisory Committee of the Company, accounting for 2/3, which also meets the requirement of appointing members of different genders. In addition, the Supervisory Committee maintained diversity in terms of background, professional experience and other aspects.

Corporate Governance Report

The Board reviews measurable objectives from time to time to implement the Diversity Policy and to ensure their appropriateness and ascertain the progress made towards achieving those objectives. In addition, the Company will continue to ensure that there is gender diversity when recruiting staff at mid to senior management level so that there will be a pipeline of female senior management and potential successors to the Board in due course. The Group will also continue to emphasize training of female talent and provide long-term development opportunities for female staff.

According to code provision B.1.3 of the CG Code, the board should review the implementation and effectiveness of the issuer's policy on board diversity on an annual basis. The Nomination and Remuneration Management Committee has reviewed the Diversity Policy during the Reporting Period to ensure its effectiveness.

Since the establishment of the Company, the Board has attached great importance to gender diversity across all employees (including senior management). In the gender ratio of the Company's employees as at December 31, 2024 is set out in the table below:

Gender	Number	Percentage
Female	1,005	41.96%
Male	1,390	58.04%
Total	2,395	100.00%

The Company considers the current gender ratio in the workforce to be appropriate and will continue to ensure that recruitment and selection practices at all levels are appropriately structured so that a diverse range of candidates are considered and diversity across the workforce is maintained.

Director Nomination Policy

On November 27, 2018, the Company adopted a Director Nomination Policy in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination and Remuneration Management Committee of the Company.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. During the year ended December 31, 2024, changes to the composition of the Board are set out in the section headed "Report of Directors" on page 56 of this annual report.

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2024.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Assessment on the performance of duties by Directors

The Company has developed special management measures for the assessment on the performance of duties by Directors, which sets out clear provisions on the performance of duties by Directors and Supervisors and their assessment. At present, the Company has established Director performance files to record the important performance behaviors and annual performance of Directors. In 2024, the Supervisory Committee of the Company had organized and carried out the assessment on the performance of duties by Directors for 2023, and timely reported the assessment results at general meetings.

Continuous Professional Development of Directors

Directors keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

The Company arranges induction training for each new Director based on their experience and background. Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for the Directors would be arranged and reading material on relevant topics would be provided to the Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

During the year ended December 31, 2024, the Company organized various training courses provided by the Insurance Association of China for the Directors in relation to macro policies and regulatory policies, financial management, corporate governance, solvency, ESG, use of funds, anti-corruption and other aspects related to the improvement of performance of duties by directors, supervisors and senior management in insurance institutions. The Company also organized external experts to provide Directors with specialized training on compliance of performance of duties by directors and supervisors and ESG to help them understand the most up-to-date regulatory information. In addition, relevant reading materials including Directors' manual, legal and regulatory update and seminar handouts have been provided to the Directors for their reference and studying, to ensure that the Directors understand the business and operations of the Group and their duties and obligations.

Corporate Governance Report

During the year ended December 31, 2024, the following continuous professional trainings were provided to the Directors:

(**A**) Training courses, including but not limited to briefings, conferences, meetings and workshops

(**B**) Reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in discharging their duties

Name of Directors	Training received
Executive Directors	
Xing Jiang	A, B
Gaofeng Li	A, B
Non-executive Directors	
Hai Yin	A, B
Yaping Ou	A, B
Liangxun Shi	A, B
Shuang Zhang	A, B
Hugo Jin Yi Ou	A, B
Independent Non-executive Directors	
Wei Ou	A, B
Vena Wei Yan Cheng	A, B
Gigi Wing Chee Chan	A, B
Stanley Chiu Fai Choi[(1)]	A, B

(1) Commenced his term of office as independent non-executive Director of the Company on June 19, 2024.

Auditors' Responsibility and Remuneration

The Company appointed PricewaterhouseCoopers, Certified Public Accountants and Registered PIE Auditor, Hong Kong ("**PricewaterhouseCoopers**") as the external auditor for the year ended December 31, 2024. A statement by PricewaterhouseCoopers about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 75 to 78. There has been no change of the Company's external auditor in any of the preceding three years.

Details of the fees paid/payable in respect of the audit and non-audit services provided by PricewaterhouseCoopers for the year ended December 31, 2024 are set out in the table below:

Services rendered to the Company	Fees paid and payable
	(RMB'000)
Audit services	11,974
Non-audit services	4,490
– Interim review	3,600
– Other services	890
Total	16,464

Corporate Culture

The Group's mission is "Empowering finance with technology and providing insurance service with a caring hand", its vision is "Developing itself into the No.1 brand in the InsurTech segment and facilitate the digital transformation of insurance industry all over the world", and its cultural values are "simplicity, rapidness, breakthrough and win-win".

Risk Management and Internal Controls

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management (including ESG risks) and internal control systems.

The Audit and Consumer Rights Protection Committee and the Risk Management and Related Transaction Control Committee are responsible for assisting the Board in leading the management and monitoring and overseeing the risk management and internal control systems through the internal audit department, and reporting and making recommendations to the Board where appropriate. During the year ended December 31, 2024, our risk management and internal control systems have been reviewed.

The internal audit department oversees the risk management and internal control systems under the supervision of the Audit and Consumer Rights Protection Committee by performing independent audits on the effectiveness and completeness of the risk management and internal control systems. It identifies any material risks and makes recommendations on the improvement and rectification plans and measures and conducts follow-up audits with regard to the identified issues to ensure the planned remedial measures have been duly implemented. The internal audit department operates independently from the Company's business centers and departments and directly reports to the Audit and Consumer Rights Protection Committee on a quarterly basis.

The management has confirmed to the Board and the Audit and Consumer Rights Protection Committee, and the Company is of the view that our risk management and internal control systems have been effective and adequate during the year ended December 31, 2024. The Board of the Company confirms that, for the year ended December 31, 2024, no significant internal control failings or weaknesses have been identified and the Company's processes for financial reporting and Listing Rules compliance have been effective. The Company has reviewed and constantly improves the effectiveness of its internal control system.

The Company regulates the handling and dissemination of inside information as set out in various inside information disclosure procedures and uses various methods such as communication of regulations, risk warnings and special training to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

The Board, as supported by the Audit and Consumer Rights Protection Committee and the Risk Management and Related Transaction Control Committee as well as the management report and the internal audit findings by the internal audit department, conducted an annual review on the effectiveness of the risk management and internal control systems of the Group, including the financial, operational and compliance controls, for the year ended December 31, 2024, and considered that such systems are effective and adequate. The annual review also covered the adequacy of resources, staff qualifications and experience, training programmes and budget of our accounting, internal audit and financial reporting functions, as well as those relating to our ESG performance and reporting.

Arrangements are in place to facilitate employees of the Company and those who deal with the Company to raise, in confidence and anonymity, concerns with the Audit and Consumer Rights Protection Committee and the Risk Management and Related Transaction Control Committee about possible improprieties in financial reporting, internal control and other matters of the Company.

Corporate Governance Report

The Company also has an anti-corruption policy in place to prevent any kind of corruption and bribery within the Company. The Company provides internal reporting channel for its employees to report any suspected corruption and bribery. Employees can also make anonymous reports to the Security and Integrity Department, which will investigate reported cases and take appropriate action. The Company continues to carry out anti-corruption campaigns, cultivates a culture of integrity, and actively organizes anti-corruption trainings and inspections, all with a view to ensuring the effectiveness of anti-corruption and anti-bribery.

During the year ended December 31, 2024, the Company organized four anti-corruption trainings and briefings for all its employees. There were no cases of non-compliance related to bribery and corruption.

Company Secretary

Mr. Yongbo Zhang (張勇博) is the company secretary of the Company. Please refer to the section headed "Directors, Supervisors and Senior Management – Senior Management" in this annual report for the biography of Mr. Zhang.

For the year ended December 31, 2024, Mr. Zhang had undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Shareholders' Rights

Convening of extraordinary general meetings ("EGM") by Shareholders

Pursuant to Articles 70 and 73 of the Articles of Association, EGMs may be convened by any two or more Shareholders jointly holding 10% or more of the Company's issued shares carrying voting rights by signing a written requisition or several copies with the same format and content, and to illustrate the subject of the meetings. The Board shall convene an EGM as soon as possible upon receipt of the foresaid written requisition. The aforesaid number of shareholdings is calculated as at the date of the submission of the written requisition by the Shareholders. If the Board fails to issue a notice of convening such an EGM within thirty (30) days from the date of receipt of the aforesaid written requisition, the Shareholders who raise the requisition may themselves convene the EGM within four (4) months from the date of receipt of the requisition by the Board. The procedures of convening the EGM shall be similar as those of convening a shareholders' general meeting by the Board as far as possible. Shareholders should follow the requirements and procedures as set out in the Articles of Association for convening an EGM.

Putting forward proposals at Shareholders' general meetings

When a general meeting is held by the Company, the Board, the Supervisory Committee or Shareholder(s) who individually or jointly holding more than 1% of the Shares may propose resolutions in writing to the Company.

Shareholder(s) who individually or jointly holding more than 1% of the Shares may submit extra proposals in writing to the Board at least ten (10) days prior to the Shareholders' general meeting.

The contents of a proposal shall (i) be within the scope of duties and responsibilities of the Shareholders' general meeting, (ii) have definite topics and specific matters to be resolved on, and (iii) be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	4–5/F, Associate Mission Building 169 Yuanmingyuan Road Shanghai, PRC (For the attention of the director's office)
Telephone:	021-60278677
Fax:	021-60272335
Email:	dongshihui@zhongan.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. The information of the Shareholder(s) may be disclosed as required by law.

Communication with Shareholders and Investors Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. As such, the Company attaches great importance to maintaining good investor relations and maintains effective communication with investors through multiple channels. Following the announcement of the 2023 and 2024 interim results, the Company communicated with investors in a timely manner on the Company's operating performance and business development trends through results conferences and road shows, thereby strengthening communication with investors and enhancing their understanding of the Company. The Company also maintains good communication with investors by accepting investor visits, participating in large-scale investment forums, telephone calls and emails, and actively provides investor relations information through the Company's website to establish and maintain good investor relations. The Company has included a shareholders' communication policy (the "**Shareholders' Communication Policy**") in its Articles of Association, which aims to set out the approach of the Board to provide Shareholders and other stakeholders of the Company (including potential investors) with balanced and understandable information about the Company. In accordance with the Shareholders' Communication Policy, the Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At annual general meetings, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries. Also, the Company discloses information and publishes periodic reports and announcements to the public on the Stock Exchange's website in a timely manner in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure that information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors, as well as the public, to make rational and informed decisions. The Company has reviewed and considered the implementation of the Shareholders' Communication Policy during the Reporting Period. The Company is of the view that information of the Company was disseminated in a timely and effective manner during the Reporting Period, and therefore considered the Shareholders' Communication Policy to be appropriately implemented and effective during the Reporting Period.

Changes in Constitutional Documents

The meeting of the Board of the Company held on April 26, 2023 considered and passed the resolutions on the amendments to the Articles of Association of the Company. Such resolutions were considered and approved by the Company at the annual general meeting held on June 15, 2023, and approved by the NFRA on, and became effective from, March 7, 2024. Save for the aforementioned, there were no changes to the Articles of Association of the Company during the Reporting Period.

Report of Directors

The Board of the Company is pleased to present this Report of Directors together with the consolidated financial statements of the Group for the year ended December 31, 2024.

Directors

The Directors who held office during the year ended December 31, 2024 and up to the date of this annual report are:

Executive Directors:

Xing Jiang
Gaofeng Li

Non-executive Directors:

Hai Yin *(Chairman)*
Yaping Ou
Liangxun Shi
Shuang Zhang
Hugo Jin Yi Ou

Independent Non-executive Directors:

Wei Ou
Vena Wei Yan Cheng
Gigi Wing Chee Chan
Stanley Chiu Fai Choi[1]

(1) Commenced his term of office as independent non-executive Director of the Company on June 19, 2024.

Biographical details of the Directors and senior management of the Group are set out in the section headed "Directors, Supervisors and Senior Management" on pages 36 to 39 of this annual report.

Global Offering

The Company was incorporated in the PRC on October 9, 2013 and carries on business in Hong Kong as "ZA Online FinTech P & C". The Company's Shares were listed on the Main Board of the Hong Kong Stock Exchange on September 28, 2017.

Principal activities

The Company is an online InsurTech company incorporated in the PRC with limited liability. The Company offers extensive property and casualty insurance products, covering accident insurance, bond insurance, health insurance, liability insurance, credit insurance, cargo insurance, household property insurance, etc. We design and offer ecosystem-oriented insurance products and solutions, and incorporate our products into the scenarios-based customer experience process. We focus on the integration of our products into various scenarios so as to optimize customer experience. Customers may purchase our insurance products and solutions during various consumption scenarios in their daily lives through the internet.

An analysis of the principal activities of the Group during the year ended December 31, 2024 is set out in "Message from the Chairman and the General Manager" on pages 4 to 7 and in "Management Discussion and Analysis" on pages 10 to 34 of this annual report.

Business review

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depend, is set out in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Events after the Reporting Period" in this annual report.

Principal risks and uncertainties

Since our establishment, we have gradually developed and improved a comprehensive risk management system in strict compliance with regulatory requirements and based on the strategic development needs of the Group. In 2016, we took initiative in building a risk-oriented solvency system ("**C-Ross**") and made continuous efforts in optimizing the risk control system and improving the business procedures, with an aim to prevent and resolve foreseeable risks in an effective manner. We have also formally implemented the C-ROSS Phase II Rules since January 1, 2022. The major types of risks facing by the Group include:

- Insurance risk: refers to the risk of adverse deviation of the actual loss ratio, expense ratio or surrender rate from expectations, which may cause potential losses to the Group.
- Market risk: refers to the risk of unexpected losses arising from unfavorable movements in interest rates, equity prices and foreign exchange rates. Fixed income investments held by the Group with a fixed maturity date and booked at fair value are exposed to interest rate risks. Listed and unlisted equity investments held by the Group are exposed to market price risks. Foreign currency-denominated assets held by the Group are exposed to foreign exchange risks.
- Credit risk: refers to the risk of unexpected losses resulting from any failure or delay of debtors or counterparties to perform their contractual obligations or adverse changes in their credit profiles. The Group is exposed to credit risk primarily associated with its fixed income investment assets, reinsurance assets (including reinsurers' share of insurance contract provisions and reinsurance debtors) and premium receivables.
- Operational risk: refers to the risk of losses resulting from inadequate or flawed internal procedures, employees, information technology systems and external events.
- Strategic risk: refers to the risk of the Company's strategy not matching the market environments and the Company's capabilities due to ineffective development and implementation of the strategy or changes in the business environments. The Board of the Company pays close attention to the tightened ESG policy, extreme weathers, information security and other ESG risks and includes the ESG risks into the comprehensive risk management process, so as to monitor and manage related ESG risks.
- Reputation risk: refers to the risk of the Company's brand or reputation being damaged and other relevant losses caused by negative comments from stakeholders on the Company due to a defect in the Group's operation or an external event.
- Liquidity risk: refers to the risk of the Group being unable to obtain sufficient cash in time, or being unable to obtain sufficient cash in time at a reasonable cost, to repay debts that have become due or fulfill other payment obligations.

The Group made continuous efforts in improving risk management and technological strengths and optimizing the comprehensive risk management system by focusing on capital, adhering to the risk appetite-oriented principle and managing risks through risk quantification tools (e.g. comprehensive budget, asset and liability management, capital planning and allocation and stress testing, etc.) and risk performance appraisal, with an aim to achieve a balance between risk management and business development as well as sound and solid implementation of the Group's strategies.

However, the above is not an exhaustive list. Investors are advised to make their own judgement or consult their own investment advisors before making any investment in the Shares.

Report of Directors

Employees

As at December 31, 2024, the Group had 2,395 employees. As of December 31, 2024, 1,733 of the Group's employees are primarily based at our headquarters in Shanghai, China, 194 of our employees are primarily based in Beijing, China, 164 of our employees are based in Hangzhou, China, 159 of our employees are primarily based in Shenzhen, China, and the remaining are based in other cities in China. The following table sets forth the number of employees by function as of December 31, 2024:

Function	Number of Employees	% of Total
Product	421	17.58%
Technology	1,077	44.97%
Business	593	24.76%
Operations	304	12.69%
Total	2,395	100.00%

The Company primarily recruits employees in China through recruitment agencies, internal referral, on-campus job fairs and online channels including our corporate website and social networking platforms. We have adopted a training policy, pursuant to which management, technology and other trainings are regularly provided to our employees by internally sourced speakers or externally hired consultants. Our employees may also attend external trainings upon their supervisors' approvals. We believe our lean structure and corporate culture have contributed to our ability to recruit and retain qualified employees.

As required under PRC laws and regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business.

We believe that we maintain a good working relationship with our employees and we had not experienced any material labor disputes or any difficulty in recruiting staff for our operations during the year ended December 31, 2024 and up to the date of this annual report.

Major customers

We define our customers as the insured under our insurance policies, including customers who choose to purchase our products, as well as customers who are allocated with our products by our ecosystem partners. For the year ended December 31, 2024, our top five policyholders combined accounted for approximately 3.5% of our GWP, while our top policyholder accounted for approximately 0.9% of our GWP.

During the year ended December 31, 2024, the Group did not experience any significant disputes with its customers.

During the year ended December 31, 2024, our top five suppliers combined accounted for less than 30% of our total purchases.

Financial summary

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 2 of this annual report. This summary does not form part of the audited consolidated financial statements.

Subsidiaries

Particulars of the Company's subsidiaries are set out in Note 6 to the consolidated financial statements.

Share capital and Shares issued

Details of the share capital of the Company for the year ended December 31, 2024 are set out in Note 33 to the consolidated financial statements.

Dividends

In order to retain resources for the Group's business development, the Board has resolved not to declare a final dividend for the year ended December 31, 2024 (2023: nil).

No shareholder has waived or agreed to waive any dividends for the year ended December 31, 2024.

Directors', Supervisors' and Chief Executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and any associated corporation

As at December 31, 2024, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code are as follows:

Interest in the Company

Name of Director	Class of Shares	Nature of interest	Number of Shares	Approximate percentage in Shares of the same class(1)	Approximate percentage of the Company's total issued share capital(1)
Yaping Ou(2)	H Shares	Interest of controlled corporation	81,000,000 (Long position)	5.70%	5.51%

Notes:

(1) The shareholding percentages are calculated on the basis of 50,000,000 Domestic Shares and 1,419,812,900 H Shares as at December 31, 2024.

(2) Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司) is a subsidiary of Timeway Holdings Limited (中宇集團有限公司). The entire interest of Timeway Holdings Limited (中宇集團有限公司) is held by Sinolink Worldwide which is listed on the Hong Kong Stock Exchange (stock code: 1168) and is owned by Asia Pacific Promotion Limited, a company wholly owned by Mr. Yaping Ou, and his associate as to approximately 51.54%. As such, Timeway Holdings Limited (中宇集團有限公司), Sinolink Worldwide, Asia Pacific Promotion Limited and Mr. Yaping Ou are deemed to be interested in the Shares held by Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司).

Save as disclosed above, as at December 31, 2024, so far as is known to any Director, Supervisor or the chief executive of the Company, none of the Directors, the 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 SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Hong Kong Stock Exchange.

Report of Directors

Substantial shareholders' and other persons' interests and short positions in the Shares and underlying Shares of the Company

As at December 31, 2024, within the knowledge of the Directors, the following persons (other than the Directors, the Supervisors and the chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Class of Shares	Nature of interest	Number of Shares[1]	Approximate percentage in Shares of the same class[2]	Approximate percentage of the Company's total issued share capital[2]
Ant Group	H Shares	Beneficial interest	152,462,937	10.74%	10.37%
Ping An Insurance[3]	H Shares	Beneficial interest	150,000,000	10.56%	10.21%
Shenzhen Jia De Xin Investment Limited[4]	H Shares	Beneficial interest	133,615,251	9.41%	9.09%
Shenzhen Huaxinlian Investment Limited[4]	H Shares	Interest of controlled corporation	133,615,251	9.41%	9.09%
Yafei Ou[4]	H Shares	Interest of controlled corporation	133,615,251	9.41%	9.09%
Tencent Computer System[5]	H Shares	Beneficial interest	114,921,812	8.09%	7.82%
Huateng Ma[5]	H Shares	Interest of controlled corporation	114,921,812	8.09%	7.82%
Tencent[5]	H Shares	Interest of controlled corporation	114,921,812	8.09%	7.82%
Unifront Holding Limited[6]	H Shares	Beneficial interest	90,000,000	6.33%	6.12%
Shanghai Songlu Investment Management Co., Ltd.[6]	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Shanghai Jianglu Investment Management Co., Ltd.[6]	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Shanghai Xinlu Investment Management Co., Ltd.[6]	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Shanghai Youlu Investment Management Co., Ltd.[6]	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%

Name of Shareholder	Class of Shares	Nature of interest	Number of Shares[1]	Approximate percentage in Shares of the same class[2]	Approximate percentage of the Company's total issued share capital[2]
Zhen Zhang[6]	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Cnhooray Internet Technology Co. Ltd. [7]	H Shares	Beneficial interest	81,000,000	5.70%	5.51%
Timeway Holdings Limited[7]	H Shares	Interest of controlled corporation	81,000,000	5.70%	5.51%
Sinolink Worldwide[7]	H Shares	Interest of controlled corporation	81,000,000	5.70%	5.51%
Asia Pacific Promotion Limited[7]	H Shares	Interest of controlled corporation	81,000,000	5.70%	5.51%
Shanghai Yuanqiang Investment Company Limited[8]	Domestic Shares	Beneficial interest	50,000,000	100%	3.40%
Song Zou[8]	Domestic Shares	Interest of controlled corporation	50,000,000	100%	3.40%

Notes:

(1) All the Shares are held in long position (as defined under Part XV of the SFO) unless otherwise specified.

(2) The shareholding percentages are calculated on the basis of 50,000,000 Domestic Shares and 1,419,812,900 H Shares as at December 31, 2024.

(3) Ping An Insurance is a joint-stock company incorporated in the PRC and listed on Main Board of the Hong Kong Stock Exchange (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318).

(4) Shenzhen Jia De Xin Investment Limited (深圳市加德信投資有限公司) is a subsidiary of Shenzhen Huaxinlian Investment Limited (深圳市華信聯投資有限公司). As such, Shenzhen Huaxinlian Investment Limited is deemed to be interested in the Shares held by Shenzhen Jia De Xin Investment Limited. Shenzhen Huaxinlian Investment Limited is controlled by Mr. Yafei Ou (歐亞非). As such, Mr. Yafei Ou (歐亞非) is deemed to be interested in the Shares held by Shenzhen Jia De Xin Investment Limited.

(5) Tencent Computer System is a consolidated affiliated entity (through contractual arrangements) of Tencent (a company listed on the Hong Kong Stock Exchange (stock code: 0700)), and is one of its principal PRC domestic operating entities. Tencent Computer System is a leading provider of Internet value-added services in the PRC and a clear holder of the Company's Shares. As such, Tencent is deemed to be interested in the Shares held by Tencent Computer System. As at the Latest Practicable Date, Mr. Huateng Ma (馬化騰) held 54.29% shares in Tencent Computer System.

(6) Unifront Holding Limited (優孚控股有限公司) is owned by Shanghai Songlu Investment Management Co., Ltd. (上海松鹿投資管理有限公司) as to 25.00%, Shanghai Jianglu Investment Management Co., Ltd. (上海江鹿投資管理有限公司) as to 16.88% and Shanghai Xinlu Investment Management Co., Ltd. (上海鑫鹿投資管理有限公司) as to 13.12%. The entire interest of Shanghai Songlu Investment Management Co., Ltd., Shanghai Jianglu Investment Management Co., Ltd. and Shanghai Xinlu Investment Management Co., Ltd. are held by Shanghai Youlu Investment Management Co., Ltd. (上海游鹿投資管理有限公司), which in turn is controlled by Zhen Zhang (張真). As such, Shanghai Youlu Investment Management Co., Ltd., Shanghai Songlu Investment Management Co., Ltd., Shanghai Jianglu Investment Management Co., Ltd. and Shanghai Xinlu Investment Management Co., Ltd. are deemed to be interested in the Shares held by Unifront Holding Limited. As such, Zhen Zhang (張真) is deemed to be interested in the Shares held by Unifront Holding Limited.

(7) Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司) is a subsidiary of Timeway Holdings Limited (中宇集團有限公司). The entire interest of Timeway Holdings Limited (中宇集團有限公司) is held by Sinolink Worldwide. Sinolink Worldwide is held by Asia Pacific Promotion Limited, a company wholly owned by Mr. Yaping Ou, and his associate as to approximately 51.54%. As such, Timeway Holdings Limited (中宇集團有限公司), Sinolink Worldwide, Asia Pacific Promotion Limited and Mr. Yaping Ou are deemed to be interested in the Shares held by Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司). The interest of Mr. Yaping Ou is disclosed in the section headed "Directors', Supervisors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and any associated corporations" in this annual report.

(8) Shanghai Yuanqiang Investment Company Limited (上海遠強投資有限公司) is owned by Mr. Song Zou (鄒松) as to 80.00%. As such, Mr. Song Zou (鄒松) is deemed to be interested in the Shares held by Shanghai Yuanqiang Investment Company Limited (上海遠強投資有限公司).

Save as disclosed above, according to the register kept by the Company under Section 336 of the SFO, there was no other person who had a substantial interest or short position in the Shares or underlying Shares as at December 31, 2024.

Report of Directors

Directors' rights to acquire shares or debentures

At no time during the Reporting Period was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

Emolument policy and Director's remuneration

In compliance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the Nomination and Remuneration Management Committee of the Company to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Nomination and Remuneration Management Committee. Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 14 and Note 15 to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

The overall status of related transactions for the year according to industry regulations

In 2024, the Company strictly complied with the laws, regulations and industry regulatory requirements, adhered to the management principles of penetrating identification and fair pricing, constantly improved the related party transaction management system and governance structure, and focused on the necessity, pricing fairness and compliance of related party transactions. The Risk Management and Related Transactions Control Committee and the Related Party Transaction Management Office operated effectively. The Company has continuously improved the management of related party transactions. During the Reporting Period, the related party transactions of the Company were mainly transactions between the Company and related parties for use of funds, services, insurance business and others.

Continuing connected transactions

During the year ended December 31, 2024, the Group engaged in certain transactions with the following persons that constituted continuing connected transactions under the Listing Rules.

- Ant Group is considered a "connected person" under the Listing Rules by virtue of it being a substantial Shareholder holding approximately 10.37% of the Shares. Pursuant to Rules 14A.07(1), 14A.07(4) and 14A.13 of the Listing Rules, any transaction between the Company and Ant Group and its subsidiaries is considered as a connected transaction.

- Ping An Insurance is considered a "connected person" under the Listing Rules by virtue of it being a substantial Shareholder holding approximately 10.21% of the Shares. Pursuant to Rules 14A.07(1), 14A.07(4) and 14A.13 of the Listing Rules, any transaction between the Company and Ping An Insurance and its subsidiaries is considered as a connected transaction.

Set out below is a summary of the non-exempt continuing connected transactions of the Group for the year ended December 31, 2024 (the "**Continuing Connected Transactions**"), which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Continuing connected transactions with Ping An Group

(a) *Provision of insurance services by us to Ping An Bank Co., Ltd. Credit Card Centre ("PABC")*

On January 12, 2023 (after trading hours), the Company entered into a personal credit guarantee insurance cooperation agreement (the "**Personal Credit Guarantee Cooperation Agreement**") with PABC, an associate of Ping An Insurance, pursuant to which the Company agreed to provide insurance services for PABC's personal credit card cash instalment products.

This Personal Credit Guarantee Cooperation Agreement has a term of two years which commenced from January 12, 2023, and is subject to renewal upon the mutual consent of the parties.

Reasons for and benefits of the transactions

The Company has long been committed to providing credit guarantee insurance products and solutions in the consumer finance ecosystem, and credit card related products, as an important part of the consumer finance ecosystem, represent a business area that the Company continues to expand. PABC is a well-known leading credit card issuer in the PRC with a large credit card customer base and provides customers with a series of bank credit products and services based on credit cards. In view of PABC's market position as a credit card issuer in the PRC market and its extensive experience in consumer finance, the Company believes that it will become an important ecosystem partner, and the cooperation with PABC is in line with the Company's business development strategy for the consumer finance ecosystem. Pursuant to the Personal Credit Guarantee Cooperation Agreement, the cooperation with PABC will benefit the Company and enable the Company to provide relevant insurance services for more customers through PABC, provide the Company with stable growth in revenue, enhance the Company's influence and brand awareness in the Internet insurance market, and is in the interests of the Company and the Shareholders as a whole.

Pricing policies

For each of PABC's personal credit card customers who applies for credit card cash instalment services, the Company will underwrite personal credit guarantee insurance for the relevant cash instalment services through the customer's insurance, the insurance premiums of which shall be payable by the customer and collected on behalf of the Company by PABC. The insurance premiums charged under the Personal Credit Guarantee Cooperation Agreement would be determined based on the Company's risk analysis and assessment of each customer in accordance with its internal rules and procedures. The Company would also ensure that the insurance premiums charged shall be in line with insurance premiums charged by independent third parties to PABC's customers for similar services and products.

For further details of the Personal Credit Guarantee Cooperation Agreement, please refer to the announcement of the Company dated January 12, 2023.

(b) *Provision of asset management services by Ping An Asset Management to us*

On December 31, 2021 (after trading hours), the Company entered into the asset management agreement with Ping An Asset Management, an associate of Ping An Insurance, pursuant to which Ping An Asset Management agreed to provide asset management services to the Company (the "**Previous Asset Management Agreement**").

The term of the Previous Asset Management Agreement is three years with effect from January 1, 2022.

On December 27, 2024 (after trading hours), the Company entered into the Supplemental Agreement with Ping An Asset Management to renew the Previous Asset Management Agreement (the "**New Asset Management Agreement**"). Pursuant to the New Asset Management Agreement (being the Previous Asset Management Agreement as amended by the Supplemental Agreement), Ping An Asset Management agreed to continue to provide asset management services to the Company for the three years ending December 31, 2027.

Report of Directors

Reasons for and benefits of the transaction

The Company has received asset management services from Ping An Asset Management since 2014 and recorded sustainable and stable performance in its investments thereunder. The scale of assets under the entrusted management provided by Ping An Asset Management ranks among the top in the industry, and the asset management services provided by Ping An Asset Management enjoy a high reputation and competitiveness in the market, and the continuous use of this service will be beneficial to the Group in light of Ping An Asset Management's experience, particularly in long-term investments.

Pricing policies

The pricing of the asset management services is determined after arm's length negotiations having regard to the amount of asset management services required by the Company, the investment guidelines as agreed by both parties and the prices for comparable services charged by other asset management service providers. Pursuant to the New Asset Management Agreement, Ping An Asset Management mainly charges investment management fees, which are agreed upon based on the income from the assets under entrusted management during the year, the investment amount, investment scope, and investment policy as specified in the investment guidelines and confirmed in writing by both parties. The benchmarks set out in the investment guidelines are determined and updated in accordance with the requirements of relevant regulatory authorities and the market standards. The relevant pricing shall be within the fee range of similar products in the market and be comparable to the rates of similar asset management contracts entered into by the Company with other third parties. The Company will only enter into these transactions if the management fees charged by Ping An Asset Management are in line with or lower than the rates offered by other competent and independent third party service providers and the agreement is in the best interests of the Shareholders as a whole.

The Company shall arrange for payment of the investment management fees to Ping An Asset Management on a quarterly basis. Ping An Asset Management shall provide the management fee list of each quarter after the end of the quarter and the Company shall settle the management fee with Ping An Asset Management after confirmation.

Further details of the Previous Asset Management Agreement and the New Asset Management Agreement are set out in the announcements of the Company dated December 31, 2021, January 13, 2022, and December 27, 2024.

(c) *Cooperation agreements for the provision of auto co-insurance between Ping An P&C and us*

On November 9, 2022, the Company and Ping An P&C, an associate of Ping An Insurance, entered into the auto co-insurance cooperation agreement (the "**Previous Auto Co-insurance Cooperation Agreement**"), pursuant to which the Company will enter into agreements for the provision of auto insurance products to the public, and Ping An P&C will be responsible for operating the duties (including co-insuring and making payments pursuant to claims) under such auto insurance agreements. Payments under such auto insurance agreements will be made to the Company which will then be settled with Ping An P&C. The term of the Previous Auto Co-insurance Cooperation Agreement is two years from January 1, 2023 to December 31, 2024. The transactions contemplated under the Previous Auto Co-insurance Cooperation Agreement were approved by the Shareholders at the extraordinary general meeting of the Company held on December 29, 2022.

On October 27, 2023, the Company and Ping An P&C entered into the auto co-insurance cooperation supplemental agreement (the "**Auto Co-insurance Cooperation Supplemental Agreement**") to revise the annual caps under the Previous Auto Co-insurance Cooperation Agreement. The Revised Annual Caps for Auto Co-insurance Cooperation Agreement were approved by the Shareholders at the extraordinary general meeting of the Company held on December 8, 2023.

On November 8, 2024, the Company entered into the Auto Co-insurance Cooperation Agreement (the "**New Auto Co-insurance Cooperation Agreement**") with Ping An P&C, pursuant to which the Company will enter into agreements for the provision of auto insurance products to the public, and Ping An P&C will be responsible for performing the duties (including co-insuring and making payments pursuant to claims) under such auto insurance agreements. Payments under such auto insurance agreements will be made to the Company which will then be settled with Ping An P&C. The term of the New Auto Co-insurance Cooperation Agreement is one year from January 1, 2025 to December 31, 2025. The transactions contemplated under the New Auto Co-insurance Cooperation Agreement were approved by the Shareholders at the extraordinary general meeting of the Company held on December 11, 2024.

Reasons for and benefits of the transactions

Ping An Group is one of the largest insurance providers in the PRC. Property and casualty insurance has been the foundation of its business with steady growth since its inception. The entering into of the New Auto Co-insurance Cooperation Agreement, which is a continuation of the existing cooperation between Ping An P&C and the Company in the provision of auto co-insurance to the public, represents an affirmation by both parties of the results of the existing cooperation, indicating the determination and confidence of both parties to further deepen the cooperation and marking a higher level of cooperation and business exploration between the parties in the area of auto insurance. In addition, the Company believes that its collaboration with Ping An P&C is mutually beneficial. The New Auto Co-insurance Cooperation Agreement allows the Company to not only share the risk of claims with Ping An P&C but also benefit from Ping An P&C's brand name in the PRC market and its expertise in the operation of the provision of auto insurance products, while Ping An P&C benefits from the Company's technological expertise such as using big data analytics in price determination, personalised product design based on the Company's proprietary technologies and its network of platforms from its ecosystem partners as well as its own proprietary platforms to provide the front-line sales channels to Ping An P&C. Moreover, the Directors believe that such online auto co-insurance network will provide the Company with a number of opportunities to conduct a variety of business explorations.

Pricing policies

Auto insurance premiums are heavily regulated in the PRC. The insurance regulatory institution issues uniform terms of service for auto insurance products and provides uniform guidance for product rates. The business department of the Company determines the rates of auto insurance products of the Company based on the analysis of current market conditions, guidance from regulatory institutions and various procedures. The rate is signed and confirmed by the chief actuary after being reviewed by the actuarial department of the Company, and filed with the NFRA. Pursuant to the New Auto Co-insurance Cooperation Agreement, the Company sells auto insurance products to the public at rates which are implemented and approved in strict accordance with the requirements of PRC insurance laws. The premium and claim payment sharing ratio between the Company and Ping An P&C is agreed by both parties after arm's length negotiations having regard to the fact that Ping An P&C will be responsible for the daily operations of the agreements, including receiving reports of claims, investigating the claims and maintaining customer records. Pursuant to the New Auto Co-insurance Cooperation Agreement, the premiums, claims and all fees and expenses incurred in the provision of auto co-insurance pursuant to the Auto Co-insurance Cooperation Agreement are to be shared by the Company and Ping An P&C at 50:50 ratio, respectively.

Further details of the Previous Auto Co-insurance Cooperation Agreement, the Auto Co-insurance Cooperation Supplemental Agreement and the New Auto Co-insurance Cooperation Agreement are set out in the announcements of the Company dated November 9, 2022, December 29, 2022, October 27, 2023, December 8, 2023, November 8, 2024 and December 11, 2024 and the circulars of the Company dated November 30, 2022, November 20, 2023 and November 25, 2024.

Report of Directors

The below table sets out the comparison between the annual cap and actual transaction amount of the continuing connected transactions with Ping An Group for the year ended December 31, 2024:

Name	Type of transaction	Annual cap for the year ended December 31, 2024 (RMB thousand)	Transaction amount for the year ended December 31, 2024 (RMB thousand)
Ping An Group	Provision of insurance services by us to PABC	142,000	—(Note)
	Provision of asset management services by Ping An Asset Management to us	160,000	8,002
	Cooperation agreement for the provision of auto co-insurance between Ping An P&C and us	2,150,000	2,050,773

Note: Based on the latest assessment on the market environments and business risks, the Company and PABC have made adjustments to their business model during the Reporting Period. For the year ended December 31, 2024, the Company did not provide insurance services to PABC.

2. Continuing connected transactions with Ant Group and its associates

(a) *Online platform cooperation agreement between Ant Group and its associates and us*

On November 9, 2022, the Company and Ant Group entered into the online platform cooperation framework agreement (the "**Online Platform Cooperation Framework Agreement")**, pursuant to which the Group shall use online platforms operated by Ant Group and/or its associates to sell various insurance products to end users of their online platforms.

The term of the Online Platform Cooperation Framework Agreement is three years from January 1, 2023 to December 31, 2025.

On October 27, 2023, the Company and Ant Group entered into the online platform cooperation framework supplemental agreement (the "**Online Platform Cooperation Framework Supplemental Agreement**") to revise the annual caps under the Online Platform Cooperation Framework Agreement. The Revised Annual Caps for Online Platform Cooperation Framework Agreement were approved by the Shareholders at the extraordinary general meeting of the Company held on December 8, 2023.

On April 3, 2024, the Board proposed to revise the existing annual caps to RMB3,185,470,000 and RMB3,728,750,000 for the years ending December 31, 2024 and 2025, respectively (the "**Further Revised Annual Caps for Online Platform Cooperation Framework Agreement**"). The Further Revised Annual Caps for Online Platform Cooperation Framework Agreement were approved by Shareholders at the annual general meeting of the Company held on June 20, 2024.

Reasons for and benefits of the transactions

The Company is one of the only four companies with an online insurance license in the PRC. It is necessary as part of the Group's online business development to utilize various online platforms to reach a wider customer base. The Company considers Ant Group to be an important ecosystem partner and the customer reach offered by Ant Group is incomparable to other online platform service providers.

The Online Platform Cooperation Framework Agreement will continue to be beneficial to the Group in light of Ant Group's market position among online platform service providers in the PRC market as well as its close cooperation with other well-known online platforms. The cooperation with Ant Group and its associates to promote and sell the Group's insurance products via Ant Group's and other online platforms will bring more revenue to the Group and allow the Group to secure important sales channels which offer steadily increasing revenue and in turn enhance the Group's influence in the online insurance market and brand awareness. In particular, Ant Group has extensive online and offline all-channel media resources, diversified distribution channels, stable customer sources and an excellent ability to produce popular digital distribution materials that can enable the Company to achieve more stable efficiency in its marketing business. In addition, through relying on the technical capabilities of Ant Group's online platforms, the Group can significantly enhance its brand awareness by reaching users multiple times online and offline through various platforms and converting users to insured customers for the Company through various dimensions of operations, thus realizing an increase in conversion rate as well as insurance premiums, which is conducive to the development of the Group's business in the future and in the interest of the Group and the Shareholders as a whole.

Pricing policies

The service fees payable to Ant Group and/or its associates by the Group will be determined based on arm's length negotiations between the Company and Ant Group and/or its associates and according to the following principles:

(i) if there exists comparable market rates paid by independent third parties, the service fees shall be based on such prevailing market rates;

(ii) if there exists no comparable rates, the service fees shall be based on arm's length negotiations and quotes obtained from multiple parties; and

(iii) if there exists no comparable rates and there are difficulties with regards to arm's length negotiations and obtaining quotes from multiple parties, the service fees shall be based on market rates of similar transaction.

The calculation of the service fees for the three main types of insurance products promoted or sold by the Group under the Online Platform Cooperation Framework Agreement, namely health insurance, travel insurance and e-commerce insurance, will be based on a fixed rate of the total premiums received by the Group through Ant Group and/or its associates, which is determined based on a number of factors specific to each insurance product, including the product's risk management level, the marketing promotion(s) offered by the online platform, prevailing market prices for similar insurance products and the scale of the product's business. The Service Fees are typically between 2.0% to 40.0% of the total premiums received.

As there are comparable market rates paid by independent third parties for the transactions conducted under the Online Platform Cooperation Framework Agreement, the Company would normally obtain quotations for similar services from two or three other third party service providers in addition to Ant Group, as well as enquire with Ant Group regarding rates offered by them to their other customers, and compare such quotations against the rates offered by Ant Group to the Group.

Further details of the Online Platform Cooperation Framework Agreement, the Online Platform Cooperation Framework Supplemental Agreement and the Further Revised Annual Caps for Online Platform Cooperation Framework Agreement are set out in the announcements of the Company dated November 9, 2022, October 27, 2023, December 8, 2023, April 3, 2024 and June 20, 2024 and the circulars of the Company dated November 20, 2023 and May 21, 2024.

(b) *Provision of employee insurance by us to Ant Group and its subsidiaries*

On July 1, 2024, the Company and Alipay (Hangzhou) Information Technology Co., Ltd.* ("**Alipay Hangzhou**"), an associate of Ant Group, entered into the employee insurance agreements (the "**Employee Insurance Agreements**"), pursuant to which Alipay Hangzhou will purchase protection related insurance and comprehensive medical insurance products from the Company to provide to employees of Ant Group and its subsidiaries, as well as their immediate family members (the "**Insured Persons**").

The term of the Employee Insurance Agreements is one year from July 1, 2024.

Report of Directors

Reasons for and benefits of the transactions

The Company is one of only four companies with an online insurance license in the PRC and it is in the ordinary course of the Company's business to provide different types of insurance products to a wide range of clients. This includes corporate clients that purchase insurance plans for their employees. It is beneficial to the Company to provide these insurance products to large corporations that have a large number of employees, such as Ant Group.

We provide a wide range of insurance products in the ordinary and usual course of our business to Ant Group and its subsidiaries. Specifically, Ant Group and its subsidiaries' employees and their immediate family members purchase protection related insurance and comprehensive medical insurance products from us, among others, for which we will enter into insurance product agreements with them at arm's length. The entering into of the Employee Insurance Agreements represents an affirmation by the contract party of the Company's range of insurance products, indicating the determination and confidence of the contract party to engage the Company for the provision of employee insurance products. The Company anticipates that the amount of insurance products provided to Ant Group and its subsidiaries will continue to increase and bring more revenue for the Group.

Pricing policies

The premiums received by the Company is based on the type of insurance products purchased by Alipay Hangzhou for the Insured Persons, the age, health, capacity and seniority of the Insured Persons and the total number of persons who have purchased the corresponding insurance policies. The premiums received by the Company shall be comparable to those paid by independent third parties for similar types of insurance products or to the prevailing market prices. For pricing of the premiums, the Company takes into account the risk portfolio of the product itself, the historical claim settlement data of the Insured Persons, the product expense ratio and market competitive prices. Members of the Company's business management department have conducted market analysis and various other procedures to determine the terms of the insurance products, including premium pricing and product terms. These premium prices must conform with the terms and regulations set by the Company and be approved by other relevant departments such as the Company's actuary department and the operation management centre. The policy terms and premium rates schedules are either approved by or filed with the National Financial Regulatory Administration.

Further details of the Employee Insurance Agreements are set out in the announcement of the Company dated July 1, 2024.

The below table sets out the comparison between the annual cap and actual transaction amount of the continuing connected transactions with Ant Group for the year ended December 31, 2024:

Name	Type of transaction	Annual cap for the year ended December 31, 2024 (RMB thousand)	Transaction amount for the year ended December 31, 2024 (RMB thousand)
Ant Group	Online Platform Cooperation Agreement between Ant Group and its associates and us	3,185,470	2,745,751
	Provision of employee insurance to Ant Group and its subsidiaries	57,500	54,804

Confirmation from Independent Non-executive Directors

The Company's independent non-executive Directors have reviewed the Continuing Connected Transactions and confirmed that such transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmations from the Company's Independent Auditor

PricewaterhouseCoopers, the auditor of the Company, has confirmed in a letter to the Board that, with respect to the Continuing Connected Transactions:

(a) nothing has come to their attention that causes PricewaterhouseCoopers to believe that the disclosed Continuing Connected Transactions have not been approved by the Board;

(b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes PricewaterhouseCoopers to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(c) nothing has come to their attention that causes PricewaterhouseCoopers to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(d) with respect to the aggregate amount of each of the Continuing Connected Transactions, nothing has come to their attention that causes PricewaterhouseCoopers to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

During the year ended December 31, 2024, save as disclosed in the section headed "Continuing Connected Transactions" of this annual report, no related party transactions disclosed in Note 40 to the financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules, and the requirements of Chapter 14A of the Listing Rules have been complied with..

Continuing connected transactions pursuant to Rule 14A.60(1) of the Listing Rules

Following the year ended December 31, 2024 and as at the date of this annual report, following completion of an acquisition of all the equity interest of Rockefeller Group Asia Pacific, Inc., by Sinolink Worldwide, Shanghai Bund de Rockefeller Group Master Development Co., Limited ("**RGMD**") has become an associate of Mr. Yaping Ou, a non-executive Director of the Company, and hence a connected person of the Company under Chapter 14A of the Listing Rules. As such, certain property agreements entered into between the Group and RGMD group (the "**Property Agreements**") prior to the above-mentioned restructuring became continuing connected transactions of the Company under Chapter 14A of the Listing Rules since January 2025. For further details of the Property Agreements, please refer to the announcement of the Company dated January 17, 2025.

Litigation

As of December 31, 2024, the Company was not involved in any material litigation or arbitration and the Directors were not aware of any material litigation or claims that were pending or threatened against the Company.

Distributable reserves

Details of the movements in the reserves of the Company during the year ended December 31, 2024 are set out in Note 34 to the financial statements. There are no reserves available for distribution to Shareholders as at December 31, 2024.

Debentures

The Company did not issue any debenture during the Reporting Period and up to the date of this annual report.

Use of proceeds

1. Use of proceeds from Listing

On September 28, 2017, the Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange. The gross proceeds from the above Global Offering were approximately HK$13,682.5 million, which has been and/or will be used for the purposes as set out in the Prospectus.

Report of Directors

2. Use of proceeds from the 2025 Notes, the 2026 Notes and the Additional Notes

On July 9, 2020, the Company entered into a subscription agreement with various financial institutions in connection with the issue of the USD600,000,000 3.125% Notes due 2025 (the "**2025 Notes**"). On August 31, 2020, the Company entered into a subscription agreement with various financial institutions in connection with the issue of the USD300,000,000 3.50% Notes due 2026 (the "**2026 Notes**"). On October 12, 2020, the Company issued USD100,000,000 3.50% Notes due 2026 (the "**Additional Notes**"), consolidated and forming a single series with the 2026 Notes.

As at December 31, 2024, the Group had used approximately RMB6,790.63 million (equivalent to approximately USD989 million) of the proceeds from the 2025 Notes, the 2026 Notes and the Additional Notes for working capital and general corporate purposes and a principal amount of bonds payable of USD950.1 million remained outstanding. There was no change in the intended use of net proceeds as previously disclosed in the announcements of the Company dated July 10, 2020, July 16, 2020, September 1, 2020, September 8, 2020 and October 9, 2020 (the "**Notes Announcements**"). The Company will gradually utilise the remaining net proceeds in the manner set out in the Notes Announcements. The Company may adjust its plans in response to changing market conditions and, thus, reallocate the use of the proceeds. For further details of the 2025 Notes, the 2026 Notes and the Additional Notes, please refer to the Notes Announcements.

Charitable and other donations

We undertake our due social responsibilities to continuously create value for the surrounding communities and make contribution to society and livelihood. Our public welfare footprints cover ecological protection, popular science education, social assistance voluntary actions, disaster relief and damage reduction, contributing to the sustainable development of the local communities with our actions. In 2024, the Company's total charitable donations amounted to RMB0.5 million.

Share options

During the Reporting Period, the Shareholders did not have share options under relevant PRC laws and the Articles of Association.

Property, plant and equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year ended December 31, 2024 are set out in Note 28 to the consolidated financial statements.

Pre-emptive rights

There are no provisions regarding pre-emptive rights under the Company Law of the PRC or the Articles of Association, which would oblige the Company to issue new shares to its existing shareholders in proportion to their existing shareholdings.

Tax relief

The Company is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities.

Purchase, sale or redemption of listed securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at December 31, 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

Management contracts

No contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended December 31, 2024.

Service contracts of Directors and Supervisors

Each of the Directors and Supervisors has entered into a service contract with the Company for an initial term of three years with effect, subject to the approval of the NFRA, from the date of their respective appointment or until the expiration of the term of the fourth session of the Board of the Company.

None of the Directors (including the Directors proposed for re-election at the annual general meeting) or Supervisors have a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company entered into service contracts with newly appointed Directors of the fourth session of the Board on November 28, 2022. Terms, duties, renumeration packages, confidentiality duties of Directors and commencement and termination of contracts were detailed in the respective service contracts.

Interests of Directors and Supervisors in transactions, arrangements or contracts of significance

Save as disclosed in the section headed "Continuing connected transactions", none of the Directors and Supervisors nor any entity connected with the Directors and/or Supervisors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2024.

Directors' and Supervisors' interests in competing business

As far as the Directors are aware, none of the Directors or Supervisors of the Company has any interest in a business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

Permitted indemnity

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

Environmental policies and performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth.

Compliance with the relevant laws and regulations

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2024, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

Auditor

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers. A resolution for its re-appointment as auditor for the coming year will be proposed at the forthcoming annual general meeting of the Company.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, at all times during the Reporting Period, not less than 25% of the issued share capital of the Company (being the public float applicable to the shares of the Company) were held in public hands.

By the order of the Board
Hai Yin
Chairman

March 19, 2025

Report of Supervisory Committee

Supervisors

The Supervisors who held office during the year ended December 31, 2024 and up to the date of this annual report are:

Shareholder Representative Supervisor:
Yuping Wen

External Supervisor:
Limin Guo

Employee Representative Supervisor:
Yao Wang

Biographical details of the Supervisors of the Group are set out in the section headed "Directors, Supervisors and Senior Management" on page 38 of this annual report.

The work of the Supervisory Committee

During the Reporting Period, the Supervisory Committee held nine meetings. All such meetings were convened in accordance with the Articles of Association by way of physical meeting or electronic means of communication, and were attended by all Supervisors entitled to be present. No proxy had been authorized to attend such meetings on their behalf. Meetings were held to consider and approve proposals on development strategy, business operation, financial activities, risk management, internal audit, anti-money laundering, assessment on the performance of duties by Directors, Supervisors and Senior Management, etc., and hear or review reports on the management's annual work, reserves evaluation, operation and management, related transactions, regulatory evaluation of consumer rights protection, comprehensive risk rating, etc. Details of Supervisors' attendance at meetings of the Supervisory Committee are set out as follows:

No.	Class of Supervisors	Date of appointment	Name	Meetings required to attend	Meetings attended	Meetings attended by proxies	% of attendance
1	Shareholder Representative Supervisor	November 29, 2013	Yuping Wen	9	9	0	100%
2	Employee Representative Supervisor	September 13, 2023	Yao Wang	9	9	0	100%
3	External Supervisor	January 28, 2022	Limin Guo	9	9	0	100%

In 2024, the Group held a total of three general meetings and three on-site Board meetings. Members of the Supervisory Committee had attended the general meetings and were present at all the on-site Board meetings, and supervised the convening of the meetings were in compliance with the relevant laws and regulations, voting procedures, the Directors' attendance of, opinions expressed at and voting results of the general meetings and Board meetings, respectively.

During the Reporting Period, the Supervisory Committee of the Company had no objection to various supervisory matters.

Independent opinion on relevant issues from the Supervisory Committee

(1) Lawful operation

The Supervisors of the Company conduct in-depth studies on regulatory policies in the industry, closely track the business updates and compliance risk control of the Company, effectively perform their supervisory duties to ensure the Company's lawful and compliant operations, and strictly review the legality and compliance of the Company's major decision-making procedures. According to the assessment of the Supervisory Committee:

During the Reporting Period, the Company adhered to the philosophy of operating in accordance with the laws, with standardized and orderly management and true and reliable operating results. There was substantial progress and improvement in the depth and breadth of internal control management. The Company's operational decision-making processes were legitimate. The Directors and other senior management personnel were royal, diligent and dedicated in the business operations and management processes, and they were not found to have breached any laws or regulations, or harmed the interests of the Shareholders.

(2) Authenticity of the financial statements

PricewaterhouseCoopers has issued the stagndard unqualified auditor's reports in accordance with Hong Kong Standards on Auditing on the Company's financial statements for 2024. The financial reports truly, objectively and accurately reflect the financial position and operating results of the Company. In PricewaterhouseCoopers's opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2024 in accordance with Hong Kong Financial Reporting Standard ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

(3) Use of proceeds

The Company successfully completed the initial public offering of its overseas listed foreign shares (H Shares) on September 28, 2017. An aggregate of 229 million shares (upon exercise of the over-allotment option) were issued, and the gross proceeds raised were approximately HK$13,683 million. All of the proceeds raised from the offering, net of relevant offering expenses, will be used to strengthen the capital base of the Company to support its business development. The Supervisory Committee monitored the use of proceeds and did not find improper use of proceeds.

(4) Connected-party transactions

During the Reporting Period, the Supervisory Committee reviewed the connected-party transactions during the Reporting Period and believed that: connected-party transactions of the Company were conducted for normal production and operations, the decision-making procedures complied with relevant laws, regulations and the Articles of Association, the prices of connected-party transactions were fair without violating the principles of openness, fairness and impartiality, without prejudice to the interests of the Company and minority Shareholders.

(5) Internal control system

During the Reporting Period, the management of the Company paid great attention to the establishment and improvement of its internal control system. The Company has set up a relatively complete, rational and efficient internal control system, and continued to improve its management level. In 2024, the Supervisory Committee has carefully heard and reviewed a number of resolutions, such as the Resolution on Management Letter of the Company for 2023 (《公司2023年度管理建議書議案》) and the Resolution on Internal Control Audit Report and Management Letter on Insurance Fund Application of the Company for 2023 (《關於公司2023年度保險資金運用內控審計報告及管理建議書議案》). After rigorous review, the Supervisory Committee confirms that the internal control self-assessment report of the Company for 2023 truly, objectively and completely reflects the actual situation of its internal control, an internal control mechanism for the businesses and matters included in the scope of the assessment has been established and effectively implemented, and thus the Company's internal control objectives have been achieved.

Report of Supervisory Committee

(6) Assessment on internal audit

During the Reporting Period, the Supervisory Committee monitored internal audit, considered and approved the Resolution on "the Internal Audit Report for 2023 and the Internal Audit Plan and Budget for 2024" (《關於<2023年度內部審計工作報告暨2024年度內部審計工作計劃及預算>的議案》) and the Resolution on "the Internal Audit Quality Assessment Report for 2023" (《關於<2023年內部審計質量評估報告>的議案》), considered and approved internal and external audit reports covering areas such as management of connected-party transactions, use and management of insurance funds, assessment on solvency risk management, assessment on anti-fraud management system, anti-money laundering management, and termination of employment of senior executives during terms of office, and believed that all internal audit work has been completed on time and with high quality.

(7) Assessment on the performance of duties by Directors and Supervisors

During the Reporting Period, all the Supervisors reviewed and unanimously approved the relevant resolutions including the Evaluation Report on the Performance of Duties by the Directors of the Company for 2023 (《公司2023年度董事履職及評價報告》) and the Due Diligence Report of the Independent Directors of the Company for 2023 (《公司2023年度獨立董事盡職報告》). These resolutions made a comprehensive assessment on the composition of the Board of the Company and its professional committees, and Directors' attendance at meetings, voting behaviors, opinions and participation in training, etc., then issued detailed performance evaluation results accordingly. In addition, the Supervisory Committee of the Company made a specialized assessment on the performance of duties by Supervisors, and delivered evaluation results accordingly. All members of the Supervisory Committee reached a consensus that all the Directors of the Company in 2024 demonstrated a high level of enthusiasm. They not only participated in various meetings of the Board and the professional committees, but also proactively put forward constructive suggestions. Meanwhile, members of the professional committees of the Board also took full advantage of their professional strengths and provided their viewpoints and opinions for the decision-making process of the Board from the professional perspective.

(8) Implementation of the Company's information disclosure management system

During the Reporting Period, the Supervisory Committee monitored the Company's information disclosure, reviewed regular reports of the Company, and provided written review opinions. No violation of laws or regulation were found in the Company's information disclosure throughout the year.

(9) Risk management

During the Reporting Period, the Supervisory Committee carefully reviewed the Company's Risk Assessment Report for 2023 (《2023年度風險評估報告》), Overall Risk Management Plan for 2024 (《2024年度風險管理總體規劃》) and Solvency Review and Analysis Report for 2023 (《2023年度償付能力回顧分析報告》), actively received the quarterly reports on Comprehensive Risk Rating Results (《風險綜合評級結果通報》) and other resolutions, thereby gaining a comprehensive understanding of the operations of the Company. The Supervisory Committee was particularly concerned about major solvency risks that may arise from business operation. In addition, through detailed review of the Company's Inspection and Assessment of the Solvency Risk Management System for 2023 (《公司2023年度償付能力風險管理體系檢查與評估》), the Supervisory Committee effectively supervised the performance of duties by the Board and senior management in the field of reputation risk management.

(10) Implementation of the resolutions approved by the general meetings

During the Reporting Period, the members of the Supervisory Committee actively participated in and attended the Board meetings and the general meetings. The Supervisory Committee had no objection to the resolutions submitted by the Board for approval by the Shareholders at the general meetings. Meanwhile, the Supervisory Committee has strictly supervised the implementation of the resolutions approved by the general meetings, and was of the opinion that the Board was able to implement the resolutions approved by the general meetings rigorously. In addition, the Supervisory Committee has monitored the actual implementation of resolutions and proposals of the Board, and confirmed that the operation management was able to effectively implement the relevant resolutions, and paid full attention to and adopted such proposals.

Independent Auditor's Report

To the Shareholders of ZhongAn Online P & C Insurance Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

Opinion

What we have audited

The consolidated financial statements of ZhongAn Online P & C Insurance Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which are set out on pages 79 to 183, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of liability for incurred claims ("LIC") of insurance contracts measured under the premium allocation approach ("PAA") Refer to note 2.13 Summary of material accounting policies - Insurance contracts, note 3.2 Significant judgements and estimates - Valuation of insurance contract liabilities, and note 36 Insurance and reinsurance contracts. As at 31 December 2024, the Group's LIC of insurance contracts measured under the PAA was RMB3,969,490 thousand, representing 16% of the Group's total liabilities. We focused on this area because the valuation of LIC of insurance contracts measured under the PAA involved a high degree of judgement by management in selecting models and setting assumptions including expected loss ratios and future claim development pattern, and the inherent risk in relation to the valuation of LIC of insurance contracts measured under the PAA was considered significant.	We (including our actuarial experts) performed the following audit procedures over the valuation of LIC of insurance contracts measured under the PAA: We obtained an understanding of the management's assessment processes and internal controls of the valuation of LIC of insurance contracts measured under the PAA and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity and susceptibility to management bias or fraud. We evaluated and tested the key controls over the valuation of LIC of insurance contracts measured under the PAA including data collection and analysis, and approval process for management's assumption setting, etc. We performed independent modelling analysis for the valuation of LIC of insurance contracts measured under the PAA by performing below procedures: • For the underlying data used in actuarial models, we compared the data to source systems, such as earned premiums and reported claims to the business data. • We set up independent actuarial assumptions including expected loss ratios, future claim development pattern, etc., by considering both the Group's historical data and applicable industry experiences. • We evaluated the overall reasonableness of the Group's valuation of LIC of insurance contracts measured under the PAA by comparing management's results to the results from our independent modelling analysis and calculation. Based on our audit work, we found management judgements in the valuation of LIC of insurance contracts measured under the PAA supportable by the evidence we gathered.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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 Directors and Those Charged with Governance 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible 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. We report our opinion 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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 Yuen Kwok Sun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

	Notes	2024	2023
Insurance revenue	7	**31,744,343**	27,535,275
Insurance service expenses	7	**(30,690,035)**	(26,089,368)
Net expenses from reinsurance contracts held	7	**(14,095)**	(109,144)
Insurance service result		**1,040,213**	1,336,763
Net investment income	8	**461,488**	408,709
Gain on disposal of ZhongAn Technologies International Group Limited ("ZhongAn International")		**—**	3,784,211
Net fair value changes through profit or loss	9	**1,023,690**	768,416
Net impairment losses on financial assets		**(24,826)**	(56,843)
Finance expenses from insurance contracts issued		**(52,369)**	(51,932)
Finance income from reinsurance contracts held		**2,413**	7,844
Other income	10	**1,031,730**	1,135,466
Foreign exchange losses		**(98,971)**	(94,508)
Other finance costs		**(446,681)**	(464,858)
Other operating expenses	11	**(1,079,929)**	(1,541,706)
Other expenses	12	**(872,561)**	(1,128,362)
Share of net loss of associates and joint ventures accounted for using the equity method	25	**(129,990)**	(93,239)
Profit before income tax		**854,207**	4,009,961
Income tax	16	**(250,751)**	(164,683)
Net profit for the year		**603,456**	3,845,278
Attributable to:			
– Owners of the parent		**603,456**	4,077,855
– Non-controlling interests		**—**	(232,577)
Earnings per share:			
– Basic earnings per share (RMB yuan)	17	**0.41**	2.77
– Diluted earnings per share (RMB yuan)	17	**0.41**	2.77

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

These consolidated financial statements and the accompanying notes starting from page 79 to page 183 are signed by:

Xing Jiang
(On behalf of Board of the Directors)

Gaofeng Li
(On behalf of Board of the Directors)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

(All amounts expressed in RMB'000 unless otherwise stated)

	Notes	2024	2023
Net profit for the year		**603,456**	3,845,278
Other comprehensive income			
Items that may be reclassified to profit or loss			
– Changes in the fair value of debt instruments at fair value through other comprehensive income	18	**167,046**	279,861
– Credit risks provision of debt instruments at fair value through other comprehensive income	18	**(603)**	(18,102)
– Exchange differences on translation of foreign operations	18	**386**	43,046
– Share of other comprehensive income of associates and joint ventures accounted for using the equity method	18	**74,584**	23,644
Items that will not be reclassified to profit or loss			
– Changes in the fair value of equity instruments at fair value through other comprehensive income	18	**(7,224)**	(32,620)
Other comprehensive income for the year, net of tax	18	**234,189**	295,829
Total comprehensive income for the year		**837,645**	4,141,107
Attributable to:			
– Owners of the parent		**837,645**	4,297,176
– Non-controlling interests		**—**	(156,069)

Consolidated Balance Sheet

As at 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and amounts due from banks and other financial institutions	19	1,466,741	1,576,424
Securities purchased under agreements to resell	20	540,883	99,971
Financial assets at fair value through profit or loss	21	20,706,284	22,251,949
Financial assets at amortized cost	22	1,051,049	1,452,127
Debt financial assets at fair value through other comprehensive income	23	10,528,854	8,075,473
Equity financial assets at fair value through other comprehensive income	24	789,783	92,351
Insurance contract assets	36	386,108	497,114
Reinsurance contract assets	36	323,887	264,430
Investments in associates and joint ventures	25	5,591,416	5,296,740
Term deposits	26	30,827	30,184
Restricted statutory deposits	27	301,313	317,836
Property and equipment	28	653,777	55,160
Right-of-use assets	29	143,774	322,277
Intangible assets	30	618,719	527,381
Deferred income tax assets	31	—	32,532
Other assets	32	2,151,164	1,971,657
Total assets		45,284,579	42,863,606
EQUITY AND LIABILITIES			
Equity			
Share capital	33	1,469,813	1,469,813
Reserves	34	16,995,862	16,732,129
Retained earnings		2,460,726	1,871,481
Total equity		20,926,401	20,073,423
Liabilities			
Borrowings		80,377	98,869
Securities sold under agreements to repurchase	35	7,931,332	8,491,131
Income tax payable		17,509	27,404
Contract liabilities		53,541	34,469
Insurance contract liabilities	36	4,999,717	3,334,642
Reinsurance contract liabilities	36	256	256
Bonds payable	37	6,912,317	6,801,280
Lease liabilities	29	122,896	286,505
Deferred income tax liabilities	31	270,136	—
Other liabilities	38	3,970,097	3,715,627
Total liabilities		24,358,178	22,790,183
Total equity and liabilities		45,284,579	42,863,606

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

(All amounts expressed in RMB'000 unless otherwise stated)

	For the year ended 31 December 2024							
			Reserves					
	Share capital	Capital reserves	Other reserves due to share-based payments	Financial assets at fair value through other comprehensive income revaluation reserves	Foreign currency translation reserves and other reserves	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Retained earnings	Total equity
31 December 2023	1,469,813	16,607,618	100,241	26,327	(25,731)	23,674	1,871,481	20,073,423
Total comprehensive income	—	—	—	159,219	386	74,584	603,456	837,645
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings (note 24)	—	—	—	14,211	—	—	(14,211)	—
Other equity changes in associates and joint ventures	—	—	—	—	15,333	—	—	15,333
31 December 2024	1,469,813	16,607,618	100,241	199,757	(10,012)	98,258	2,460,726	20,926,401

For the year ended 31 December 2023

	Attributable to owners of the parent									
			Reserves							
	Share capital	Capital reserves	Other reserves due to share-based payments	Financial assets at fair value through other comprehensive income revaluation reserves	Foreign currency translation reserves and other reserves	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Retained earnings/ (Accumulated losses)	Sub-total	Non-controlling interests	Total equity
31 December 2022 (restated)	1,469,813	16,607,618	74,123	(196,581)	(12,621)	—	(2,176,262)	15,766,090	1,849,030	17,615,120
Total comprehensive income	—	—	—	183,414	12,233	23,674	4,077,855	4,297,176	(156,069)	4,141,107
Transactions with non-controlling interests	—	—	—	—	—	—	9,382	9,382	18,394	27,776
Share-based payments	—	—	26,118	—	—	—	—	26,118	43,554	69,672
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings (note 24)	—	—	—	39,494	—	—	(39,494)	—	—	—
Other equity changes in associates and joint ventures	—	—	—	—	(25,343)	—	—	(25,343)	—	(25,343)
Disposal of subsidiary	—	—	—	—	—	—	—	—	(1,754,909)	(1,754,909)
31 December 2023	1,469,813	16,607,618	100,241	26,327	(25,731)	23,674	1,871,481	20,073,423	—	20,073,423

Consolidated Statement of Cash Flows

For the year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

	Notes	2024	2023
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	39(a)	**1,979,432**	2,208,218
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment, intangible assets and other assets		**(896,189)**	(290,980)
Proceeds from sale of property and equipment, intangible assets and other assets		**14,067**	18,355
Payments for purchase of investments, net		**(535,676)**	(3,915,621)
Payments for investment in associates and joint ventures		**(137,853)**	(408,811)
Disposal of subsidiaries and other business entities, net		**8,832**	(1,639,296)
Dividends and other returns received from investments		**990,518**	909,048
Net cash flows used in investing activities		**(556,301)**	(5,327,305)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**80,533**	98,869
Repayment of borrowings		**(99,025)**	(124,442)
Transactions with non-controlling interests		**—**	27,776
(Decrease)/Increase in securities sold under agreements to repurchase, net		**(553,224)**	1,640,291
Interest paid		**(394,367)**	(304,884)
Principal elements of lease payments		**(126,335)**	(198,848)
Net cash flows (used in)/generated from financing activities		**(1,092,418)**	1,138,762
Effects of exchange rate changes on cash and cash equivalents		**491**	38,991
Net increase/(decrease) in cash and cash equivalents		**331,204**	(1,941,334)
Cash and cash equivalents at the beginning of year		**1,676,330**	3,617,664
Cash and cash equivalents at the end of year	39(b)	**2,007,534**	1,676,330

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

1. GENERAL INFORMATION

Approved by the former China Insurance Regulatory Commission (the "CIRC") of the People's Republic of China (the "PRC"), ZhongAn Online P & C Insurance Co., Ltd. (the "Company") is a joint stock company established on 9 October 2013.

The Company and its subsidiary (collectively, the "Group") are principally engaged in Fintech business, which mainly provides internet insurance services and insurance information technology services to customers.

The Company became listed on the Main Board of the Stock Exchange of Hong Kong Limited on 28 September 2017, and its stock code is 6060.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the all the years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), 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. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments measured at fair value, insurance contracts issued and reinsurance contracts held measured on a current value basis as explained in note 2.13 and note 3.2. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

(a) Changes in accounting policies

The Group has applied the following amendments and interpretation for the first time for the current year's consolidated financial statements.

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to HKAS 1
Lease Liability in Sale and Leaseback – Amendments to HKFRS 16
Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7
Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – HK Interpretation 5 (Revised)

The application of the revised HKFRSs have no material impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) New and revised standards not yet adopted

The Group has not applied the following new standards and amendments that have been issued but are not yet effective for the consolidated financial statements:

	Effective for annual periods beginning on or after
Lack of Exchangeability – Amendments to HKAS 21	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Presentation and Disclosure in Financial Statements – HKFRS 18	1 January 2027
Subsidiaries without Public Accountability: Disclosures – HKFRS 19	1 January 2027

The Group has not early adopted any new standards or amendments that have been issued but are not yet effective. The Group is in the process of assessing the impact of adoption of HKFRS 18 and the amendments to HKFRS 9 and HKFRS 7. There are no other revised HKFRSs that are not yet effective that would be expected to have a material impact on the Group.

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2.2.2 Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.2 Business combinations (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2.4 Associates

An associate is an entity over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see note 2.2.6 below).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.5 Joint ventures

The Group has assessed the nature of its jointly controlled entities and determined them to be joint ventures. The Group has rights to the net assets of these jointly controlled entities. The Group's investments in its jointly controlled entities are accounted for using the equity method of accounting (see note 2.2.6 below), less any impairment losses.

2.2.6 Equity method of accounting

Under the equity method of accounting, the investment is initially recognised at cost. The Group's investments in the associates and joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate or joint venture, any difference between the cost of the associate or joint venture and the Group's share of the net fair value of the associate's or joint venture's identifiable assets and liabilities is accounted for as goodwill.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

When the Group's share of losses in an associate or a 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 incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates and joint ventures. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.7.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The Group has determined the management team represented by the Chief Executive Officer as its chief operating decision maker.

The measurement of segment assets and liabilities, as well as segment revenue, expense and results is based on the Group's accounting policies. There is no difference between the accounting policies used in the preparation of the Group's financial statements and those used in preparing the operating segment information.

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Group entities

The results and financial position of all the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

2.5 Property and equipment

Property and equipment can be recognised only when future economic benefits expected to be obtained from the use of the item will flow into the Group and its cost can be measured reliably. Expenditure incurred after items of property and equipment have been put into operation is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has met the recognition criteria, the expenditure is capitalized as an additional cost of that asset and the confirmation of the book value of the replaced part should be stopped.

Property and equipment are initially measured at cost after considering the impact of the expected disposal expenses. The cost of an item of property and equipment comprises its purchase price, related taxes and fees and any directly attributable costs of bringing the asset to its intended use.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.5 Property and equipment (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The expected useful life, estimated residual value rate and annual depreciation rate used for this purpose are as follows:

Category	Expected useful life	Estimated residual value rate	Annual depreciation rate
Buildings	31 years	10%	3%
Motor vehicles	5 years	5%	19%
Electrical equipment	5-8 years	5%	12%-19%
Office furniture and equipment	5 years	5%	19%
Leasehold improvements	1.25-6 years	0%	17%-80%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit or loss.

2.6 Intangible assets

The Group's intangible assets include trademark, computer software and Chinese domain name registration.

Intangible assets can be recognised only when future economic benefits expected to be obtained from the use of the item will flow into the Group and its cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.6 Intangible assets (continued)

The useful lives of intangible assets are assessed by the period of bringing economic benefits for the Group. If the period of bringing economic benefits cannot be determined, intangible assets will be classified as indefinite intangible assets.

The expected useful lives of intangible assets are as follows:

	Expected useful life
Trademark	10 years
Software	3-10 years
Chinese domain name registration	10 years

Intangible assets with finite lives are subsequently amortized on the straight-line basis over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed, and adjusted if appropriate, at least at each year end.

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial instruments

(a) Financial assets

Recognition and derecognition

A financial asset is recognised when the Group becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortized cost ("AC");
- those to be measured at fair value through other comprehensive income ("FVOCI");
- those to be measured at fair value through profit or loss ("FVPL").

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For the year ended 31 December 2024
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(a) *Financial assets* (continued)

Classification (continued)

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The debt investments shall be classified as FVPL if the cash flows characteristics cannot pass the test on solely payments of principal and interest on the principal amount ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Otherwise, the classification of debt investments will depend on the business model provided the fair value option is not elected. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For assets measured at fair value, gains and losses will be recorded in either profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net investment income together with foreign exchange gains and losses. Impairment losses are presented as net impairment losses on financial assets in the statement of profit or loss. Such assets held by the Group mainly include cash and amounts due from banks and other financial institutions, securities purchased under agreements to resell, financial assets at amortized cost, term deposits and restricted statutory deposits.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortized cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in net investment income. Interest income from these financial assets is included in net investment income using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange gains/(losses) and impairment expenses are presented as net impairment losses on financial assets in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. The gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within net fair value changes through profit or loss in the period in which it arises.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(a) Financial assets (continued)

Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as net investment income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in net fair value changes through profit or loss in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses the ECL associated with its debt instruments carried at amortized cost and FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable arising from the sales of goods and rendering of services in the ordinary course of operating activities, the Group recognises the lifetime ECL regardless of whether a significant financing component exists.

Other than accounts receivable, the Group uses ECL model and a "three-stage" model for impairment assessment which classifies financial instruments into 3 stages and defines each stage to calculate their corresponding impairment.

Stage 1: A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group. The impairment provisions is measured at an amount equal to the 12-month ECL for the financial assets which are not considered to have significantly increased in credit risk since initial recognition.

Stage 2: If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. The impairment provisions is measured based on ECL on a lifetime basis.

Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. The impairment provisions is measured based on ECL on lifetime basis.

For the financial instruments in Stage 1 and Stage 2, the Group calculates the interest income based on its gross carrying amount (i.e., amortized cost) before adjusting for impairment provisions using the effective interest method. For the financial instruments in Stage 3, the interest income is calculated based on the carrying amount of the asset, net of the impairment provision, using the effective interest method.

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For the year ended 31 December 2024
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(b) Financial liabilities

Financial liabilities at amortized cost

At initial recognition, the Group measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial liability.

The Group measures financial liabilities subsequently at amortized cost, using the effective interest method. Financial liabilities of the Group mainly include borrowings, securities sold under agreements to repurchase and bonds payable.

When a financial liability (or part of it) is extinguished, the Group derecognises the financial liability (or part of it). The difference between the carrying amount of the derecognised liability and the consideration is recognised in profit or loss.

(c) Offsetting financial instruments

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

2.9 Securities purchased under agreements to resell

The Group enters into purchases of securities under agreements to resell substantially identical securities. The amount advanced under these agreements are reflected as assets in the balance sheet. The Group does not take physical possession of securities purchased under agreements to resell. In the event of default by the counterparty to repay the loan, the Group has the right to the underlying securities.

2.10 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

2.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

2.13 Insurance contracts

(a) Definition and classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. The requirements for the assessment of significant insurance risk in a reinsurance contract are the same as for an insurance contract. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued and reinsurance contracts held, unless specifically stated otherwise.

(b) Unit of account

All insurance contracts subject to similar risks are managed together and represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are generally not subsequently reconsidered.

For insurance contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(c) Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Groups of reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
  - i. the beginning of the coverage period of the group; and
  - ii. the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held;

Unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the group of reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(d) Measurement

Fulfilment cash flows

Fulfilment cash flows within contract boundary

The fulfilment cash flows ("FCF") are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

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

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

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the group level of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

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

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- both of the following criteria are satisfied:
  - i. the Group has the practical ability to reprice the portfolio of contracts that contains the contract so that the price fully reflects the reassessed risk of that portfolio; and
  - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(d) Measurement (continued)

Fulfilment cash flows (continued)

Contract boundary (continued)

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, 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 compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The excess of loss reinsurance contracts held mainly provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts might include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

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

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- to that group; and
- to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Before a group of insurance contracts is recognised, the Group could pay (or recognise a liability, applying a standard other than HKFRS 17) for directly attributable acquisition costs to originate them. Such balances, are recognised as insurance acquisition cash flows assets within the carrying amount of insurance contracts issued and are subsequently derecognised (in full or to the extent that insurance contracts expected to be in the group have been recognised at that date) when respective groups of insurance contracts are recognised and the insurance acquisition cash flows are included in the group's measurement. The amounts allocated to groups of insurance contracts yet to be recognised are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(d) Measurement (continued)

Fulfilment cash flows (continued)

Insurance acquisition costs (continued)

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

- an impairment loss is recognised to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the FCF as at initial recognition for the related group of insurance contracts;
- in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the FCF as at initial recognition for the expected renewals; an impairment loss is recognised for the excess to the extent not recognised above.

Risk adjustment for non-financial risk

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For the contracts that are onerous, the risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts. Otherwise, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims ("LIC").

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Initial and subsequent measurement – Groups of contracts measured under the PAA

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

- The coverage period of each contract in the group is one year or less; or
- The Group reasonably expects the resulting measurement of the liability for remaining coverage ("LRC") would not differ materially from the result of applying the accounting policies measured under the GMM.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group. On initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows on that date and any amounts arising from the derecognition of the insurance acquisition cash flows asset.

For reinsurance contracts held, on initial recognition, the Group measures the asset for remaining coverage ("ARC") at the amount of ceding premiums paid.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(d) Measurement (continued)

Initial and subsequent measurement – Groups of contracts measured under the PAA (continued)

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- the LRC; and
- the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- the ARC; and
- the asset for incurred claims ("AIC"), comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- increased for any adjustment to a financing component;
- decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- increased for the amortization of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the ARC is:

- increased for ceding premiums paid in the period;
- increased for any adjustment to a financing component;
- decreased for the amount recognised as an allocation of reinsurance premiums for the services received in the period; and
- decreased for any investment component received or transferred to the AIC.

The Group recognises the LIC of a group of insurance contracts at the amount of the FCF relating to incurred claims after applying risk adjustment for non-financial risk. The Group has chosen to discount all future cash flows including those expected to be paid in one year or less from the date the claims are incurred.

If facts and circumstances indicate that a group of insurance contracts is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF relating to the future service with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF relating to the future service and the carrying amount of the LRC without the loss component. Changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(d) Measurement (continued)

Initial and subsequent measurement – Groups of contracts measured under the PAA (continued)

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the ARC for reinsurance contracts held is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Changes in the loss-recovery component are disaggregated between net income/(expenses) from reinsurance contracts held and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein in proportion to the disaggregation applied to the changes in the underlying loss component.

The Group does not have any reinsurance contracts held measured under the PAA with underlying contracts measured under the GMM.

(e) Derecognition and contract modification

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flow, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
  - i. is not within the scope of HKFRS 17;
  - ii. results in different separable components;
  - iii. results in a different contract boundary; or
  - iv. belongs to a different group of contracts;
- the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(f) Presentation

Portfolios of insurance contracts issued and reinsurance contracts held in an asset position are presented separately from those in a liability position. Portfolios of insurance contracts issued are presented separately from portfolios of reinsurance contracts held. Any assets recognised for insurance acquisition cash flows arising before the recognition of the related group of insurance contracts are included in the carrying amount of the related portfolios of insurance contracts. Any assets or liabilities for cash flows arising before the recognition of the related group of reinsurance contracts held are included in the carrying amount of the related portfolios of reinsurance contracts held.

The Group disaggregates amounts recognised in the statement of profit or loss and the statement of comprehensive income into (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as "net expenses from reinsurance contracts held" in the insurance service result.

Changes in the risk adjustment for non-financial risk is disaggregated and presented as insurance service result and insurance finance income or expenses.

Insurance service result and insurance finance income or expenses are recognised as follows.

Insurance service result from insurance contracts issued

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue.

Insurance revenue is an allocation of total expected premium receipts (excluding any investment component, refund of premiums, cash shortfalls due to policyholder's credit risk and adjusted to reflect the time value of money and the effect of financial risk) over the coverage period of a group of contracts on the basis of the passage of time, but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, the Group recognises insurance revenue based on the expected timing of incurred insurance service expenses.

Insurance service expenses

Insurance service expenses mainly include the following:

- incurred claims and benefits, excluding investment components;
- other incurred directly attributable expenses;
- insurance acquisition cash flows amortization;
- changes that relate to past service – changes in the FCF relating to the LIC; and
- changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

Insurance acquisition cash flows are amortized over the coverage period on the same basis as the insurance revenue earning pattern for the contracts to which the cash flows relate.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Insurance contracts (continued)

(f) ***Presentation*** (continued)

Insurance service result from reinsurance contracts held

Net income/(expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, mainly including the following amounts:

- allocation of reinsurance premiums;
- incurred claims recovery, excluding investment components;
- other incurred directly attributable expenses;
- changes that relate to past service – changes in the FCF relating to incurred claims recovery;
- effect of changes in the risk of reinsurers' non-performance; and
- amounts relating to the recognition and reversal of the loss-recovery component.

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

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of allocation of reinsurance premiums. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

The main amounts within insurance finance income or expenses are:

- interest accreted on the FCF; and
- the effect of changes in interest rates and other financial assumptions.

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

The Group includes all insurance finance income or expenses for the period in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.14 Securities sold under agreements to repurchase

Securities sold under agreements to repurchase are financial liabilities and are recorded at amortized cost. The Group may be required to provide additional collateral based on the fair value of the underlying securities and such collateral assets continue to be carried on the balance sheet.

2.15 Current and deferred income tax

The income tax expense or credit for the period comprises current and deferred income tax. Income tax relating to items recognised outside profit or loss is recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

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. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

Deferred income tax related to fair value re-measurement of debt financial assets at fair value through other comprehensive income and equity financial assets at fair value through other comprehensive income, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated statement of comprehensive income together with the deferred gain or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date 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 income tax asset to be utilized. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recovered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.16 Employee benefits

(a) Pension schemes

The employees of the Group participate in various defined contribution pension plans principally organised by municipal and provincial governments. The Group makes and accrues contributions to the pension schemes based on certain percentages of the salaries of the employees on a monthly basis. The Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions, which are expensed as incurred.

The Group pays early retirement benefits to those employees who accept early retirement arrangements approved by management. Early retirement benefits are paid to those employees who voluntarily retire before the normal retirement date. The related benefit payments are made from the date of early retirement through the normal retirement date. The Group records a liability for the present value of its early retirement obligation when employees retire early.

(b) Housing benefits

The employees of the Group are entitled to participate in various government sponsored housing funds. The Company and its subsidiaries contribute 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 period.

(c) Medical benefits

The Group makes contributions for medical benefits to the local authorities in accordance with the relevant local regulations.

2.17 Revenue recognition

Revenue is recognised on the following bases:

(a) Insurance revenue

The detailed accounting policies adopted by the Group are set out in note 2.13 (f).

(b) Investment income

Investment income mainly includes interest income from term deposits, fixed maturity securities, securities purchased under agreements to resell and dividends from investment funds and securities.

Interest income is recognised on an accrual basis using the effective interest rate method.

Dividends are recognised when the shareholders' right to receive payment is established.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17 Revenue recognition (continued)

(c) Revenue from services

The Group provides services mainly including IT system solution, design, implementation and support services under fixed-price contracts and insurance brokerage services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. If the customer receives and uses the benefits simultaneously, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours. Otherwise, the Group recognises revenue when control of the promised services is transferred to the customer in the amount that best reflects the consideration to which the Group expects to be entitled in exchange for those services.

For IT related services, some contracts include multiple deliverables, such as the sale of software and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. If contracts include the installation of software, revenue for the software is recognised at a point in time when the software is delivered, the legal title has passed and the customer has accepted the software.

For insurance brokerage services, payment of the price is due immediately from insurance companies at the completion of the insurance policy placement process once coverage is effective. Insurance companies may issue the insurance policy to the policyholder with a right of surrender, and the Group charges insurance brokerage services fee based on the actual premium income (net of surrender) recognised by insurance companies. Therefore, an estimated liability (included in other liabilities) is recognised for the insurance policies expected for surrender. Accumulated experience is used to estimate such surrender at the time of providing insurance brokerage services. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the statement of profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18 Leases

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases.

Leases are recognised as a right-of-use asset and a corresponding liability at the date when the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- lease payments to be made under an extension option if the Group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing, and
- makes adjustments specific to the lease (e.g., term, country, currency and security).

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to assets are included in the liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires the directors of the Company to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities affected in the future. Judgements and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

3.1 Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include analysis on business models and contractual cash flow characteristics.

The Group determines the business model for financial asset management at the level of different groups of financial assets, and factors to be considered mainly include the methods of evaluation on financial asset performance and reporting of financial asset performance to key management personnel, risks affecting financial asset performance and the way in which those risks are managed, and how managers of the business are compensated.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, the key judgements made by the Group include: the possibility of any changes on the timing or amount of the principal over the life of the financial assets may be resulted from such reasons like early repayment, and whether interests solely comprise of time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the repayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, as well as the reasonable compensation for the early termination of the contract.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

3.2 Valuation of insurance contract liabilities

Estimates of future cash flows

The Group's objective in estimating future cash flows is to determine the expected value or probability-weighted mean of the full range of possible outcomes. The Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date and the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows are within the boundary of a contract if they arise from substantive right and obligations that exist during the reporting period. They relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Expense assumptions

The Group develops its expense assumption on its expense analysis and future expectation for policy acquisition costs, maintenance expenses and claim expenses.

The Group's expense assumption is determined based on the Group's historical expense experience and economic environment. The Group's expense assumption is affected by certain factors, such as inflation, market competition and other factors. The Group uses information currently available at the balance sheet date to determine expense assumption and a risk adjustment is considered.

Lapse rates

Lapse rates depend on policy year, product type and sales channel. The assumptions of lapse rates are affected by factors such as future economic environment and market competition, and hence subject to uncertainty.

Expected loss ratios and future claim development pattern

The major assumptions applied in measuring LIC include the expected loss ratios and future claim development pattern. The expected loss ratios and future claim development pattern of each measurement unit are based on the Group's historical claims development experience and loss ratios, with consideration of adjustments to company policies such as underwriting policies, level of premium rates, claims handling processes, and the changing trends in external environment such as macroeconomic, regulations, and legislation.

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3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

3.2 Valuation of insurance contract liabilities (continued)

Estimates of future cash flows (continued)

Discount rate

A bottom-up approach is applied in the determination of the discount rate for different products.

The expected cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Group generally determines the risk-free rates using the China's treasury bond yield.

Discount rates applied for discounting of future cash flows are listed below:

	2024	2023
Discount rates	0.54%-1.70%	1.34% - 2.75%

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are generally determined by considering the expected cash flows arising from insurance contracts in each segment for each of the geographical markets in which the Group operates, consistent with the way that non-financial risk is managed. Risk adjustments are determined separately from estimates from the present value of future cash flows, using the confidence level technique.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75% (the target confidence level) over the expected present value of the future cash flows.

3.3 Current and deferred income taxes

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

3.4 Impairment assessment on ZhongAn International

The Group assesses at the end of each reporting period to consider whether there is any indication for impairment on the investment accounted for using the equity method - ZhongAn International and further assesses if ZhongAn International has suffered any impairment. The Group determines the recoverable amount of ZhongAn International at the higher of its value in use and its fair value less costs of disposal with the assistance from an independent professional valuer engaged by the Group. Value in use calculation is undertaken and the Group estimates the present values of cash flows expected to arise from continuing to hold ZhongAn International with a suitable discount rate.

4. SEGMENT REPORTING

The Group's operating segments are listed as follows:

- The insurance segment offers a wide range of online P&C insurance business;
- The technology segment provides IT related business and international IT consulting to its customers;
- The banking segment provides banking services to its customers;
- The others segment includes entities other than the insurance segment, the technology segment and the banking segment, which mainly provides online life insurance services, insurance brokerage and medical services.

The measurement of segment assets and liabilities, as well as segment revenue, expense and results is based on the Group's accounting policies. There is no difference between the accounting policies used in the preparation of the Group's financial statements and those used in preparing the operating segment information.

100.0% (2023: 98.2%) of the Group's revenue is derived from its operations in the PRC. 97.2% (2023: 97.0%) of the Group's assets are located in PRC. In 2024, the income from transactions with the top five external customers amounted to 3.5% (2023: 2.2%) of the Group's total segment income.

Segment statement of profit or loss for the year ended 31 December 2024

	Insurance	Technology	Banking	Others	Eliminations	Reconciliations*	Total
Insurance revenue	31,746,109	–	–	8,334	(1,766)	(8,334)	31,744,343
Insurance service expenses	(30,783,092)	–	–	(13,229)	93,057	13,229	(30,690,035)
Net expenses from reinsurance contracts held	(14,095)	–	–	(1,351)	–	1,351	(14,095)
Insurance service result	948,922	–	–	(6,246)	91,291	6,246	1,040,213
Net investment income	348,881	108,189	204,782	33,234	(2,647)	(230,951)	461,488
Net fair value changes through profit or loss	989,622	(9,293)	–	40,247	–	3,114	1,023,690
Net impairment losses on financial assets	(24,106)	(1,781)	(71,691)	(1,149)	–	73,901	(24,826)
Finance expenses from insurance contracts issued	(52,369)	–	–	(6,321)	–	6,321	(52,369)
Finance income from reinsurance contracts held	2,413	–	–	93	–	(93)	2,413
Other income	101,219	882,919	243,217	768,523	(591,482)	(372,666)	1,031,730
Foreign exchange (losses)/gains	(104,506)	(988)	(11,883)	8,628	7	9,771	(98,971)
Other finance costs	(439,493)	(9,508)	(11)	(4,374)	350	6,355	(446,681)
Other operating expenses	(888,185)	(241,790)	(431,632)	(214,148)	174,172	521,654	(1,079,929)
Other expenses	(29,980)	(702,569)	(24,794)	(564,759)	299,625	149,916	(872,561)
Share of net gain/(loss) of associates and joint ventures accounted for using the equity method	–	52,426	–	7,427	(16,275)	(173,568)	(129,990)
Profit/(Loss) before income tax	852,418	77,605	(92,012)	61,155	(44,959)	–	854,207
Income tax	(263,933)	–	–	13,182	–	–	(250,751)
Net profit/(loss)	588,485	77,605	(92,012)	74,337	(44,959)	–	603,456

* Reconciliations represented the elimination of the amounts disclosed for the joint venture - ZhongAn International in excess of those amounts reflected in the consolidated financial statements.

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4. SEGMENT REPORTING (continued)

Segment balance sheet at 31 December 2024

	Insurance	Technology	Banking	Others	Eliminations	Reconciliations*	Total
Cash and amounts due from banks and other financial institutions	1,064,111	94,669	1,032,687	618,315	(201,583)	(1,141,458)	1,466,741
Financial assets (a)	32,925,597	139,369	7,867,576	1,365,409	(80)	(8,348,878)	33,948,993
Investments in associates, joint ventures and subsidiaries	5,785,951	753,322	—	2,280,102	(4,363,176)	1,135,217	5,591,416
Other assets	3,950,878	834,683	81,780	391,422	(769,148)	(212,186)	4,277,429
Segment assets	43,726,537	1,822,043	8,982,043	4,655,248	(5,333,987)	(8,567,305)	45,284,579
Securities sold under agreements to repurchase	7,931,332	—	—	—	—	—	7,931,332
Customer deposits	—	—	7,801,079	—	(201,583)	(7,599,496)	—
Insurance contract liabilities	4,906,517	—	—	157,992	93,200	(157,992)	4,999,717
Bonds payable	6,912,317	—	—	—	—	—	6,912,317
Other liabilities	4,010,304	910,796	359,489	922,905	(878,865)	(809,817)	4,514,812
Segment liabilities	23,760,470	910,796	8,160,568	1,080,897	(987,248)	(8,567,305)	24,358,178

(a) Financial assets comprise securities purchased under agreements to resell, financial assets at fair value through profit or loss, financial assets at amortized cost, debt financial assets at fair value through other comprehensive income, equity financial assets at fair value through other comprehensive income, term deposits and restricted statutory deposits.

Other segment information for the year ended 31 December 2024

	Insurance	Technology	Banking	Others	Eliminations	Reconciliations*	Total
Depreciation and amortization	270,897	49,028	4,610	13,864	(2)	(9,525)	328,872
Capital expenditure	893,668	3,186	845	1,368	(268)	(2,610)	896,189
Impairment loss charges	32,281	9,836	60,937	1,095	—	(71,148)	33,001
Interest income	(676,644)	(2,522)	(208,741)	(30,972)	2,195	235,455	(681,229)

* Reconciliations represented the elimination of the amounts disclosed for the joint venture - ZhongAn International in excess of those amounts reflected in the consolidated financial statements.

4. SEGMENT REPORTING (continued)

Segment statement of profit or loss for the year ended 31 December 2023

	Insurance	Technology	Banking	Others	Eliminations	Reconciliations*	Total
Insurance revenue	27,524,755	–	–	16,844	(3,408)	(2,916)	27,535,275
Insurance service expenses	(26,196,217)	–	–	(22,175)	123,448	5,576	(26,089,368)
Net expenses from reinsurance contracts held	(104,392)	–	–	(5,756)	–	1,004	(109,144)
Insurance service result	1,224,146	–	–	(11,087)	120,040	3,664	1,336,763
Net investment income	247,304	31,308	104,973	53,765	3,749,784	5,786	4,192,920
Net fair value changes through profit or loss	473,083	98,246	–	215,987	(1,763)	(17,137)	768,416
Net impairment losses on financial assets	(19,212)	(5,000)	(60,096)	(27,434)	–	54,899	(56,843)
Finance expenses from insurance contracts issued	(42,126)	–	–	(11,635)	–	1,829	(51,932)
Finance income from reinsurance contracts held	7,849	–	–	326	–	(331)	7,844
Other income	119,839	610,926	357,880	632,517	(427,557)	(158,139)	1,135,466
Foreign exchange (losses)/gains	(109,406)	(2,279)	5,869	18,420	–	(7,112)	(94,508)
Other finance costs	(451,973)	(10,575)	(70)	(3,101)	–	861	(464,858)
Other operating expenses	(785,840)	(267,313)	(460,004)	(178,915)	19,112	131,254	(1,541,706)
Other expenses	(12,404)	(803,772)	(232,893)	(513,157)	357,644	76,220	(1,128,362)
Share of net loss of associates and joint ventures accounted for using the equity method	–	(119,644)	–	(10,535)	128,734	(91,794)	(93,239)
Profit/(Loss) before income tax	651,260	(468,103)	(284,341)	165,151	3,945,994	–	4,009,961
Income tax	(97,279)	–	–	(67,404)	–	–	(164,683)
Net profit/(loss)	553,981	(468,103)	(284,341)	97,747	3,945,994	–	3,845,278

* Reconciliations represented the elimination of the amounts disclosed for the joint venture - ZhongAn International in excess of those amounts reflected in the consolidated financial statements.

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4. SEGMENT REPORTING (continued)

Segment balance sheet at 31 December 2023

	Insurance	Technology	Banking	Others	Eliminations	Reconciliations*	Total
Cash and amounts due from banks and other financial institutions	1,037,888	163,621	385,923	611,463	(2,883)	(619,588)	1,576,424
Financial assets (a)	31,380,451	187,480	5,160,909	1,157,276	(82)	(5,566,143)	32,319,891
Investments in associates, joint ventures and subsidiaries	5,785,951	577,563	—	1,788,311	(4,092,133)	1,237,048	5,296,740
Other assets	3,220,625	943,207	77,772	407,144	(611,293)	(366,904)	3,670,551
Segment assets	41,424,915	1,871,871	5,624,604	3,964,194	(4,706,391)	(5,315,587)	42,863,606
Securities sold under agreements to repurchase	8,491,131	—	—	—	—	—	8,491,131
Customer deposits	—	—	4,718,420	—	(2,881)	(4,715,539)	—
Insurance contract liabilities	3,203,997	—	—	145,107	130,645	(145,107)	3,334,642
Bonds payable	6,801,280	—	—	—	—	—	6,801,280
Other liabilities	3,710,146	722,498	90,079	880,702	(785,354)	(454,941)	4,163,130
Segment liabilities	22,206,554	722,498	4,808,499	1,025,809	(657,590)	(5,315,587)	22,790,183

(a) Financial assets comprise securities purchased under agreements to resell, financial assets at fair value through profit or loss, financial assets at amortized cost, debt financial assets at fair value through other comprehensive income, equity financial assets at fair value through other comprehensive income, term deposits and restricted statutory deposits.

Other segment information for the year ended 31 December 2023

	Insurance	Technology	Banking	Others	Eliminations	Reconciliations*	Total
Depreciation and amortization	209,581	112,080	12,331	36,182	(60)	(12,755)	357,359
Capital expenditure	257,994	11,144	4,864	22,507	(1,955)	(3,574)	290,980
Impairment loss charges	26,770	80,289	60,096	27,400	—	(54,864)	139,691
Interest income	(579,867)	(2,479)	(104,813)	(41,133)	5,944	9,665	(712,683)

* Reconciliations represented the elimination of the amounts disclosed for the joint venture - ZhongAn International in excess of those amounts reflected in the consolidated financial statements.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

(a) Insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. Insurance risk could occur due to any of the following factors:

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

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

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

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance contract liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Group's concentration of insurance risk reflected by its major lines of business as analysed by gross written premiums is shown below:

	Year ended 31 December 2024	Year ended 31 December 2023
Health insurance	**11,104,978**	10,426,610
Bond insurance	**3,954,244**	4,720,519
Accident insurance	**2,146,816**	2,376,096
Motor insurance	**2,050,773**	1,580,343
Household property insurance	**1,304,085**	622,537
Credit insurance	**1,212,324**	1,105,024
Liability insurance	**1,182,089**	460,242
Cargo insurance	**135,762**	81,954
Long-term life insurance	**—**	183,503
Others (i)	**10,326,346**	8,127,811
	33,417,417	29,684,639

(i) Others primarily consist of shipping return insurance, which generated gross written premiums of RMB8,690,022 thousand and RMB6,445,143 thousand for the years ended 31 December 2024 and 2023, respectively.

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(a) Insurance risk (continued)

Sensitivities

Liabilities for incurred claims are mainly based on assumptions of expected loss ratio which is determined after considering industry benchmark, experience data, discount and margin factors. Liabilities for incurred claims are sensitive to the above key assumptions. The sensitivity of certain variables like legislative changes, uncertainty in the estimation process, is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the liabilities for incurred claims are not known with certainty at the balance sheet date.

Expected loss ratio change results in changes in liabilities for incurred claims. The following table reflects sensitive analysis of key assumptions relevant to liabilities for incurred claims. Under the condition when other variables remain constant, changes in profit before income tax and total equity before income tax due to expected loss ratio change and average claim costs change are as follows:

Changes in expected loss ratio	31 December 2024	
	Impact on profit before income tax	Impact on total equity before income tax
+1%	(349,528)	(349,528)
–1%	349,528	349,528

Changes in expected loss ratio	31 December 2023	
	Impact on profit before income tax	Impact on total equity before income tax
+1%	(296,339)	(296,339)
–1%	296,339	296,339

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(a) Insurance risk (continued)

Claim development tables

The following tables reflect the estimates of cumulative incurred claims for each successive accident year at each balance sheet date, together with cumulative payments to date.

Gross liabilities for incurred claims:

	Accident year					
	2020	2021	2022	2023	2024	Total
Gross estimates of the undiscounted amount of the claims:						
End of current year	9,181,662	12,091,770	13,289,189	15,616,536	**17,963,454**	
One year later	8,529,919	11,362,847	12,909,582	15,269,825		
Two years later	8,202,978	11,273,070	12,779,579			
Three years later	8,019,248	11,156,528				
Four years later	7,980,411					
Current estimate of cumulative claims	7,980,411	11,156,528	12,779,579	15,269,825	**17,963,454**	65,149,797
Cumulative payments to date						(61,606,850)
Liability in respect of prior years, unallocated loss adjustment expenses, discount and risk adjustment margin						426,543
Total gross liabilities for incurred claims						3,969,490

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(a) Insurance risk (continued)

Claim development tables (continued)

Net liabilities for incurred claims:

	Accident year					
	2020	**2021**	**2022**	**2023**	**2024**	**Total**
Net estimates of the undiscounted amount of the claims:						
End of current year	8,865,990	11,420,106	12,875,004	15,417,225	**17,499,200**	
One year later	8,223,866	10,746,843	12,483,607	15,021,395		
Two years later	7,902,121	10,650,368	12,352,272			
Three years later	7,724,343	10,535,722				
Four years later	7,687,044					
Current estimate of cumulative claims	7,687,044	10,535,722	12,352,272	15,021,395	**17,499,200**	63,095,633
Cumulative payments to date						(60,493,188)
Liability in respect of prior years, unallocated loss adjustment expenses, discount and risk adjustment margin						425,817
Total net liabilities for incurred claims						3,028,262

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk

Market risk

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

(i) Currency risk

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

The Group operates principally in the PRC with only limited exposure to foreign exchange rate risk arising primarily from certain foreign currency bank deposit in United States dollar ("USD") and Hong Kong dollar ("HKD").

The following tables summarize the Group's exposure to foreign currency exchange rate risk at the balance sheet date by major foreign currency.

	31 December 2024		
	HKD'000	USD'000	Equivalent to RMB'000
Cash and amounts due from bank and other financial institutions	**731**	**6,565**	**47,870**

	31 December 2024		
	HKD'000	USD'000	Equivalent to RMB'000
Bonds payable	**—**	**961,593**	**6,912,317**

	31 December 2023		
	HKD'000	USD'000	Equivalent to RMB'000
Cash and amounts due from bank and other financial institutions	731	12,505	89,228

	31 December 2023		
	HKD'000	USD'000	Equivalent to RMB'000
Bonds payable	—	960,267	6,801,280

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Market risk (continued)

(i) ***Currency risk*** (continued)

Sensitivities

The analysis below is performed to show the reasonably possible movements in foreign currency exchange rates with all other assumptions held constant, showing the pre-tax impact on profit before income tax of the Group (due to changes in the fair value of currency sensitive monetary assets and liabilities) and total equity of the Group when the foreign exchange rates vary. The correlation of variables will have a significant effect in determining the ultimate impact on currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

Changes in exchange rate	31 December 2024	
	Impact on profit before income tax	Impact on total equity before income tax
+5%	**(343,222)**	**(343,222)**
–5%	**343,222**	**343,222**

Changes in exchange rate	31 December 2023	
	Impact on profit before income tax	Impact on total equity before income tax
+5%	(335,603)	(335,603)
–5%	335,603	335,603

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Market risk (continued)

(ii) Interest rate risk

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

The Group's interest risk policy requires it to manage interest rate risk by maintaining an appropriate match of fixed and variable rate instruments. The policy also requires it to manage the maturity of interest-bearing financial assets and interest-bearing financial liabilities.

Sensitivities

The analysis below is performed for reasonably possible movements in interest rate with all other variables held constant, for the following financial instruments, showing the pre-tax impact on profit before income tax and total equity. Since almost all financial instruments of the Group that bear interest rate risks are financial instruments denominated in RMB, the sensitivity analysis below only shows the pre-tax impact of RMB financial instruments on the Group's profit before income tax and total equity when RMB interest rate changes.

Changes in RMB interest rate	31 December 2024	
	Impact on profit before income tax	Impact on total equity before income tax
+50 basis points	**(162,180)**	**(419,543)**
–50 basis points	**167,045**	**442,348**

Changes in RMB interest rate	31 December 2023	
	Impact on profit before income tax	Impact on total equity before income tax
+50 basis points	(328,501)	(464,108)
–50 basis points	346,413	486,609

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Market risk (continued)

(iii) Price risk

Equity price risk is the risk that the fair value of a financial instrument (mainly include fund investments and listed equity investments) will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Sensitivities

The analysis below is performed to show the reasonably possible movements in price with all other assumptions held constant, showing the pre-tax impact on profit before income tax and total equity of the Group when the price of relevant financial instruments vary.

Changes in price	31 December 2024	
	Impact on profit before income tax	Impact on total equity before income tax
+5%	373,599	411,304
–5%	(373,599)	(411,304)

Changes in price	31 December 2023	
	Impact on profit before income tax	Impact on total equity before income tax
+5%	453,727	456,322
–5%	(453,727)	(456,322)

Credit risk

Credit risks refer to the risk of losses incurred by the inabilities of debtors or counterparties to fulfill their contractual obligations or by the adverse changes in their credit conditions. The Group is exposed to credit risks primarily associated with its cash and amounts due from banks and other financial institutions, securities purchased under agreements to resell, financial assets at amortized cost, debt financial assets at fair value through other comprehensive income, term deposits, restricted statutory deposits and other assets. The Group uses a variety of controls to identify, measure, monitor and report credit risk.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(i) Credit risk management

The Group's bank deposits are mainly deposited in state-owned commercial banks and financial institutions which are generally considered to be relatively stable. The Group considers that there is no significant credit risk and does not generate any material losses due to the default of the other parties.

As the Group's investment types are limited by the National Financial Regulatory Administration (the "NFRA"), the Group's debt-based investments mainly include government bonds and corporate bonds. At 31 December 2024 and 2023, the majority of corporate bonds and short-term corporate financing bonds held by the Group had domestic credit rating AA+ or above. The credit rating of the bond is provided by a qualified assessment agency.

The credit risk associated with insurance contracts mainly come from customers. The Group mitigates credit risk by setting a shorter credit period or arranging the installment payment method. The Group regularly evaluates the credit status of reinsurance companies and selects reinsurance companies with higher credit qualifications to carry out reinsurance business.

The Group reduces credit risk by utilizing credit control policies, undertaking credit analysis on potential investments, and imposing aggregate counterparty exposure limits. The Group determines the amount and type of collateral required according to the credit risk assessment of the counterparty.

(ii) Expected credit loss

The Group formulates the credit losses of debt instruments carried at amortized cost and FVOCI using ECL models according to HKFRS 9 requirements.

Parameters of ECL model

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 ECL are provided respectively. The ECL 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"): PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime 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.

The Lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the Lifetime. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grading band. This is supported by historical analysis.

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) Expected credit loss (continued)

Judgement of significant increase in credit risk ("SICR")

When considering the impairment stages for financial assets, the Group evaluates the credit risk at initial recognition and also 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, when determining the ECL staging for financial assets. Major factors being considered include regulatory and operating environment, internal and external credit ratings, solvency, and operational capabilities. The Group could base on individual financial instruments or portfolios of financial instruments with similar credit risk characteristics to determine ECL staging by comparing the credit risks of the financial instruments at the reporting date with initial recognition.

The Group set quantitative and qualitative criteria to judge whether the credit risk has SICR after initial recognition. The judgement criteria mainly includes the significant fluctuations in evaluation of bonds, significant changes in the financial business performance of the issuers, obvious changes in the issuers' ablility and willingness of the solvency, incidents that affect the security of the bonds and other indicators of SICR, etc.

The definition of credit-impaired assets

In order to determine whether credit impairment occurs, the defined standards adopted by the Group are consistent with the internal credit risk management objectives for relevant financial assets, while considering quantitative and qualitative indicators. When the Group assesses whether the debtor has credit impairment, the following factors are mainly considered:

- Inability of obtaining full repayment of principal on due date;
- Bankruptcy of borrowers;
- Other reliable market information indicates that the principal or interest of the bond will not be fully repaid on time;

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.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) ***Expected credit loss*** (continued)

Forward-looking information

The determinations of 12 months and the lifetime EAD, PD and LGD also incorporates forward-looking information. The Group has performed historical data analysis and identified the key macroeconomic variables associated with credit risk and ECL for each portfolio. The Group has developed macroeconomic forward-looking adjustment model by establishing a basket of factors, preparing data, filtering model factors and adjusting forward-looking elements. The basket of macroeconomic factors mainly includes Gross Domestic Products ("GDP"). Through regression analysis, the relationship among these economic indicators in history with EAD, PD and LGD is determined, and the EAD, PD, LGD are determined through forecasting economic indicator. The forecasting methods and critical assumptions applied have no material change during the years ended 31 December 2024 and 2023.

During the reporting period, the Group adjusted the predicted values of forward-looking economic indicators by statistical analysis and also considered the range of possible outcomes represented by 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, expert forecasts and statistical analysis to determine the relationship between these economic indicators with PD and LGD.

The specific values of the key macroeconomic assumptions used in different scenarios to evaluate ECL on 31 December 2024 and 2023 are as follows:

	2024	2023
GDP – year on year percentage change	2.04% - 6.22%	5.18% - 7.76%

Similar to other economic forecasts, the estimates of economic indicators forecasting 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.

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) Expected credit loss (continued)

Credit risk exposure

Without considering the impact of collateral and other credit enhancements, for on-balance sheet assets, the maximum exposures are based on net carrying amounts as reported in the consolidated financial statements.

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Policies are established regarding to the selection of types of collateral and valuation parameters.

The main type of collateral obtained is quoted securities from securities purchased under agreement to resell.

Management monitors the market value of the collateral, and requires additional collateral when needed according to contracts, when assessing the adequacy of impairment.

It is the Group's policy to dispose collateral orderly. The proceeds are used to repay all or part of the outstanding balance. Generally, the Group would not use the collateralised assets for business purpose.

The following table presents the credit risk exposure of the financial assets under the scope of ECL. Without considering guarantee or any other credit enhancement measures, for on-balance sheet assets, the maximum credit risk exposure is presented as the amortized cost of the financial assets:

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash and amounts due from banks and other financial institutions	1,466,741	—	—	1,466,741
Securities purchased under agreements to resell	540,883	—	—	540,883
Financial assets at amortized cost	1,051,049	—	—	1,051,049
Debt financial assets at fair value through other comprehensive income	10,257,936	—	—	10,257,936
Term deposits	30,827	—	—	30,827
Restricted statutory deposits	301,313	—	—	301,313
Others	1,474,826	—	—	1,474,826
Total	15,123,575	—	—	15,123,575

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) Expected credit loss (continued)

Credit risk exposure (continued)

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash and amounts due from banks and other financial institutions	1,576,424	—	—	1,576,424
Securities purchased under agreements to resell	99,971	—	—	99,971
Financial assets at amortized cost	1,452,127	—	—	1,452,127
Debt financial assets at fair value through other comprehensive income	7,994,762	32,521	—	8,027,283
Term deposits	30,184	—	—	30,184
Restricted statutory deposits	317,836	—	—	317,836
Others	1,523,370	—	—	1,523,370
Total	12,994,674	32,521	—	13,027,195

The Group closely monitors collateral of credit-impaired financial assets.

At 31 December 2024 and 31 December 2023, all the impaired financial assets at amortized cost and debt financial assets at fair value through other comprehensive income are not covered by collateral.

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) Expected credit loss (continued)

Credit risk exposure (continued)

The following tables explain the changes in the gross amortized cost and loss allowance of the main financial assets between the beginning and the end of the annual period due to these factors:

				Stages transfers				
Gross amortized cost	Stage	1 January 2024	Net increase/ (decrease)*	Transfer between Stage 1 a nd Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December 2024
Financial assets at amortized cost	stage 1	1,452,610	(401,180)	—	—	—	—	1,051,430
	stage 2	—	—	—	—	—	—	—
	stage 3	—	—	—	—	—	—	—
	Subtotal	1,452,610	(401,180)	—	—	—	—	1,051,430
Debt financial assets at fair value through other comprehensive income	stage 1	7,994,762	2,263,174	—	—	—	—	10,257,936
	stage 2	32,521	(32,521)	—	—	—	—	—
	stage 3	—	—	—	—	—	—	—
	Subtotal	8,027,283	2,230,653	—	—	—	—	10,257,936

* Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

				Stages transfers				
Impairment provision	Stage	1 January 2024	Net increase/ (decrease)*	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December 2024
Financial assets at amortized cost	stage 1	483	(102)	—	—	—	—	381
	stage 2	—	—	—	—	—	—	—
	stage 3	—	—	—	—	—	—	—
	Subtotal	483	(102)	—	—	—	—	381
Debt financial assets at fair value through other comprehensive income	stage 1	5,674	1,880	—	—	—	—	7,554
	stage 2	2,684	(2,684)	—	—	—	—	—
	stage 3	—	—	—	—	—	—	—
	Subtotal	8,358	(804)	—	—	—	—	7,554

* Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) ***Expected credit loss*** (continued)

Credit risk exposure (continued)

The following tables explain the changes in the gross amortized cost and loss allowance of the main financial assets between the beginning and the end of the annual period due to these factors: (continued)

Gross amortized cost	Stage	1 January 2023	Net increase/ (decrease)*	Stages transfers: Transfer between Stage 1 and Stage 2	Stages transfers: Transfer between Stage 1 and Stage 3	Stages transfers: Transfer between Stage 2 and Stage 3	Write-offs	Disposal of subsidiaries	31 December 2023
Loans and advances to customers	stage 1	4,275,659	173,923	(67,633)	(42,607)	—	—	(4,339,342)	—
	stage 2	128,116	(7,554)	67,633	—	(459)	—	(187,736)	—
	stage 3	5,888	(4,729)	—	42,607	459	(17,134)	(27,091)	—
	Subtotal	4,409,663	161,640	—	—	—	(17,134)	(4,554,169)	—
Financial assets at amortized cost	stage 1	1,414,931	179,462	(18,168)	—	—	—	(123,615)	1,452,610
	stage 2	18,216	609	18,168	—	—	—	(36,993)	—
	stage 3	19,050	867	—	—	—	—	(19,917)	—
	Subtotal	1,452,197	180,938	—	—	—	—	(180,525)	1,452,610
Debt financial assets at fair value through other comprehensive income	stage 1	11,721,199	3,421,017	(57,912)	—	—	—	(7,089,542)	7,994,762
	stage 2	267,914	(219,379)	57,912	—	—	—	(73,926)	32,521
	stage 3	34,841	813	—	—	—	—	(35,654)	—
	Subtotal	12,023,954	3,202,451	—	—	—	—	(7,199,122)	8,027,283

* Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

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(All amounts expressed in RMB'000 unless otherwise stated)

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) Expected credit loss (continued)

Credit risk exposure (continued)

The following tables explain the changes in the gross amortized cost and loss allowance of the main financial assets between the beginning and the end of the annual period due to these factors: (continued)

				Stages transfers					
Impairment provision	**Stage**	**1 January 2023**	**Net increase/ (decrease)***	**Transfer between Stage 1 and Stage 2**	**Transfer between Stage 1 and Stage 3**	**Transfer between Stage 2 and Stage 3**	**Write-offs**	**Disposal of subsidiaries**	**31 December 2023**
Loans and advances to customers	stage 1	31,975	24,454	(737)	(17,714)	—	—	(37,978)	—
	stage 2	4,538	1,529	737	—	(58)	—	(6,746)	—
	stage 3	5,888	6,086	—	17,714	58	(17,134)	(12,612)	—
	Subtotal	42,401	32,069	—	—	—	(17,134)	(57,336)	—
Financial assets at amortized cost	stage 1	346	231	(47)	—	—	—	(47)	483
	stage 2	6,967	1,610	47	—	—	—	(8,624)	—
	stage 3	13,481	1,309	—	—	—	—	(14,790)	—
	Subtotal	20,794	3,150	—	—	—	—	(23,461)	483
Debt financial assets at fair value through other comprehensive income	stage 1	8,592	4,906	(2,729)	—	—	—	(5,095)	5,674
	stage 2	9,760	(9,025)	2,729	—	—	—	(780)	2,684
	stage 3	27,873	650	—	—	—	—	(28,523)	—
	Subtotal	46,225	(3,469)	—	—	—	—	(34,398)	8,358

* Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) Expected credit loss (continued)

Credit risk exposure (continued)

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 as "low risk", "medium risk", "high risk" and "default" according to the internal rating scale. "Low risk" means that the asset quality is good, there is sufficient evidence to show that the asset is not expected to have default, or there is no reason to suspect that the asset had incurred default. "Medium risk" means that the asset quality is acceptable or there are factors revealing potential negative impact on the asset quality, but there is no sufficient reason to suspect that the asset had incurred default. "High risk" means that there are factors revealing significant adverse impact on the asset quality, but there is no event indicating incurred default. The criteria of "default" are consistent with those of "credit-impaired".

The following table contains an analysis of the credit risk grading of financial assets at amortized cost and debt financial assets at fair value through other comprehensive income. The amortized cost of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

Financial assets at amortized cost

	31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit Grade				
Low Risk	**1,051,430**	—	—	**1,051,430**
Medium Risk	—	—	—	—
High Risk	—	—	—	—
Default	—	—	—	—
Gross amortized cost	**1,051,430**	—	—	**1,051,430**
Loss allowance	**(381)**	—	—	**(381)**
Net amortized cost	**1,051,049**	—	—	**1,051,049**

	31 December 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Credit Grade				
Low Risk	1,452,610	—	—	1,452,610
Medium Risk	—	—	—	—
High Risk	—	—	—	—
Default	—	—	—	—
Gross amortized cost	1,452,610	—	—	1,452,610
Loss allowance	(483)	—	—	(483)
Net amortized cost	1,452,127	—	—	1,452,127

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Credit risk (continued)

(ii) ***Expected credit loss*** (continued)

Credit risk exposure (continued)

Debt financial assets at fair value through other comprehensive income

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Credit Grade				
Low Risk	10,257,936	—	—	10,257,936
Medium Risk	—	—	—	—
High Risk	—	—	—	—
Default	—	—	—	—
Gross amortized cost	10,257,936	—	—	10,257,936

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Credit Grade				
Low Risk	7,994,762	—	—	7,994,762
Medium Risk	—	32,521	—	32,521
High Risk	—	—	—	—
Default	—	—	—	—
Gross amortized cost	7,994,762	32,521	—	8,027,283

At 31 December 2024 and 2023, the total provision for impairment losses recognised for debt financial assets at fair value through other comprehensive income were RMB7,554 thousand and RMB8,358 thousand, respectively.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Liquidity risk

The Group is exposed to liquidity risk on insurance products that permit surrenders, withdrawals or other forms of early termination, benefits or claims of the insurance and other daily expenses. The Group seeks to manage its liquidity risk by matching, to the extent possible, the duration of its investment assets with the duration of its insurance products and ensuring that the Group is able to meet its payment obligations and fund its lending and investment operations on a timely basis.

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

- Implementing liquidity risk policy by setting out the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's risk management committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Setting out guidelines on asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure that sufficient funding is available to meet insurance contract obligations.
- Setting up contingency funding plans which specify the minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

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For the year ended 31 December 2024
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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Liquidity risk (continued)

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

	31 December 2024					
	On demand	Within 1 year	1 to 5 years	Over 5 years	Undated	Total
Assets:						
Cash and amounts due from banks and other financial institutions	1,425,212	41,529	—	—	—	1,466,741
Securities purchased under agreements to resell	—	540,885	—	—	—	540,885
Financial assets at fair value through profit or loss	—	477,136	2,715,748	9,595,984	10,145,673	22,934,541
Financial assets at amortized cost	—	472,165	615,406	54,423	—	1,141,994
Debt financial assets at fair value through other comprehensive income	—	599,026	5,897,315	5,979,406	—	12,475,747
Equity financial assets at fair value through other comprehensive income	—	—	—	—	789,783	789,783
Term deposits	—	31,380	—	—	—	31,380
Restricted statutory deposits	—	49,725	275,450	—	—	325,175
Others	—	1,331,962	142,864	—	—	1,474,826
Total	1,425,212	3,543,808	9,646,783	15,629,813	10,935,456	41,181,072
Liabilities:						
Borrowings	—	83,275	—	—	—	83,275
Securities sold under agreements to repurchase	—	7,933,160	—	—	—	7,933,160
Bonds payable	—	4,464,291	2,633,842	—	—	7,098,133
Lease liabilities	—	115,659	50,777	—	—	166,436
Others	—	3,255,472	258,467	—	—	3,513,939
Total	—	15,851,857	2,943,086	—	—	18,794,943

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Liquidity risk (continued)

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

	31 December 2023					
	On demand	Within 1 year	1 to 5 years	Over 5 years	Undated	Total
Assets:						
Cash and amounts due from banks and other financial institutions	1,576,424	—	—	—	—	1,576,424
Securities purchased under agreements to resell	—	99,987	—	—	—	99,987
Financial assets at fair value through profit or loss	—	381,145	2,490,237	9,446,934	12,372,255	24,690,571
Financial assets at amortized cost	—	450,884	1,004,234	170,027	—	1,625,145
Debt financial assets at fair value through other comprehensive income	—	769,323	6,034,259	2,376,492	—	9,180,074
Equity financial assets at fair value through other comprehensive income	—	—	—	—	92,351	92,351
Term deposits	—	—	31,380	—	—	31,380
Restricted statutory deposits	—	276,775	49,725	—	—	326,500
Other assets	—	1,427,032	96,338	—	—	1,523,370
Total	1,576,424	3,405,146	9,706,173	11,993,453	12,464,606	39,145,802
Liabilities:						
Borrowings	—	103,158	—	—	—	103,158
Securities sold under agreements to repurchase	—	8,495,445	—	—	—	8,495,445
Bonds payable	—	219,854	6,993,761	—	—	7,213,615
Lease liabilities	—	131,148	181,672	—	—	312,820
Other liabilities	—	2,930,071	323,596	—	—	3,253,667
Total	—	11,879,676	7,499,029	—	—	19,378,705

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Liquidity risk (continued)

The following tables provide a maturity analysis of the Group's insurance and reinsurance contracts, which reflects the dates on which the undiscounted contractual cash flows are expected to occur (the LRC for insurance contracts issued and the ARC for reinsurance contracts held measured under the PAA are not included in the tables):

	31 December 2024						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Insurance contracts							
Insurance contract liabilities	3,658,218	301,662	39,709	2,590	—	—	4,002,179
Reinsurance contracts							
Reinsurance contract assets	925,858	17,626	2,495	408	—	—	946,387

	31 December 2023						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Insurance contracts							
Insurance contract liabilities	3,235,494	230,086	27,401	2,482	1,165	—	3,496,628
Reinsurance contracts							
Reinsurance contract assets	559,207	6,070	650	70	17	—	566,014

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(b) Financial risk (continued)

Maximum exposure of structured entities

The Group uses structured entities in the normal course of business for a number of purposes, for example, structured transactions for institutions, to provide finance to public and private section infrastructure projects, and to generate fees from managing assets on behalf of third-party investors. These structured entities are financed through the contracts.

The following table shows the total assets of the various types of unconsolidated structured entities. The table also shows the Group's maximum exposure to the unconsolidated structured entities representing the Group's maximum possible risk exposure that could occur as a result of the Group's arrangements with structured entities. The maximum exposure is contingent in nature and approximates the sum of the total assets of unconsolidated structured entities.

The Group's maximum exposure are shown below:

	31 December 2024			
	Initial investment	Carrying amount	Maximum exposure	Interest held by the Group
Funds investments managed by third parties*	**6,413,136**	**6,512,880**	**6,512,880**	**Investment income**
Wealth management products managed by third parties*	**2,067,516**	**2,111,237**	**2,111,237**	**Investment income**
Trust investment schemes managed by third parties*	**522,932**	**524,310**	**524,310**	**Investment income**
	9,003,584	**9,148,427**	**9,148,427**	

	31 December 2023			
	Initial investment	Carrying amount	Maximum exposure	Interest held by the Group
Funds investments managed by third parties*	8,853,906	8,202,841	8,202,841	Investment income
Wealth management products managed by third parties*	2,641,479	2,817,604	2,817,604	Investment income
Trust investment schemes managed by third parties*	964,500	966,008	966,008	Investment income
	12,459,885	11,986,453	11,986,453	

* The structured entities are sponsored by third party financial institutions and the information related to size of these structured entities were not publicly available.

The Group's interests in unconsolidated structured entities are included in funds investments and wealth management products under financial assets at fair value through profit or loss, trust investment schemes under financial assets at amortized cost.

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(c) Operational risk

Operational risk is the risk of loss arising from inadequacy or failure on business processes, human error, information system failure, and etc. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial losses.

The Group is exposed to many types of operational risks in the conduct of its business, from inadequate or failure to obtain proper authorizations or supporting documentation to comply with operational and informational security procedures that prevent frauds or errors by employees, payment security, system attack and Trojan virus such information risks based on the Internet.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of compliance check and internal audit.

(d) Capital management risks

The capital demands of the Company is mainly based on the Company size, types of debt business, industry and geographic location. Further objectives are set by the Company to maintain a strong credit rating and healthy solvency margin capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. The Company will adjust the capital level when the economic condition and risk characteristics of the operating activities changes.

At 31 December 2024, the Company was fully in compliance with externally required capital requirement. The Company has fully implemented China Risk Oriented Solvency System phase II since 1 January 2022.

The table below summarizes the core capital, actual capital and minimum required capital of the Company according to the solvency rules.

	31 December 2024	31 December 2023
Core capital	**18,926,766**	17,616,816
Actual capital	**19,467,556**	18,413,570
Minimum required capital	**8,559,150**	7,679,397
Core solvency margin ratio	**221%**	229%
Comprehensive solvency margin ratio	**227%**	240%

According to the relevant regulations, if the actual solvency margin of an insurance company falls below the minimum solvency margin, the NFRA may take additional necessary measures depending on the circumstances, until the minimum solvency margin requirement is satisfied.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(e) Fair value measurement

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

The Group's financial assets mainly include cash and amounts due from banks and other financial institutions, securities purchased under agreements to resell, financial assets at fair value through profit or loss, financial assets at amortized cost, financial assets at fair value through other comprehensive income, term deposits and restricted statutory deposits.

Determination of fair value and fair value hierarchy

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

The levels of the fair value hierarchy are as follows:

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

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

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

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

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(e) Fair value measurement (continued)

Determination of fair value and fair value hierarchy (continued)

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

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

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

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(e) Fair value measurement (continued)

Determination of fair value and fair value hierarchy (continued)

The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through profit or loss				
– Debt investments	1,031,316	9,509,010	—	10,540,326
– Fund investments	1,018,258	5,494,622	—	6,512,880
– Wealth management products	1,535,751	575,486	—	2,111,237
– Equity investments	959,102	—	562,454	1,521,556
– Asset-backed securities	—	20,285	—	20,285
Financial assets at fair value through other comprehensive income				
– Debt investments	776,211	9,722,043	—	10,498,254
– Equity investments	754,097	—	35,686	789,783
– Asset-backed securities	30,600	—	—	30,600
	6,105,335	25,321,446	598,140	32,024,921
Assets for which fair values are disclosed				
Financial assets at amortized cost	—	536,321	541,782	1,078,103
Liabilities for which fair values are disclosed				
Bonds payable	—	—	6,780,237	6,780,237

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5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(e) Fair value measurement (continued)

Determination of fair value and fair value hierarchy (continued)

	31 December 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value				
Financial assets at fair value through profit or loss				
– Debt investments	1,097,927	8,761,520	—	9,859,447
– Fund investments	8,202,841	—	—	8,202,841
– Wealth management products	2,269,455	518,080	30,069	2,817,604
– Equity investments	871,700	—	480,110	1,351,810
– Asset-backed securities	—	20,247	—	20,247
Financial assets at fair value through other comprehensive income				
– Debt investments	804,320	7,260,120	—	8,064,440
– Equity investments	51,895	—	40,456	92,351
– Asset-backed securities	11,033	—	—	11,033
	13,309,171	16,559,967	550,635	30,419,773
Assets for which fair values are disclosed				
Financial assets at amortized cost	—	495,675	973,756	1,469,431
Liabilities for which fair values are disclosed				
Bonds payable	—	—	6,318,853	6,318,853

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

(e) Fair value measurement (continued)

Determination of fair value and fair value hierarchy (continued)

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
1 January 2024	510,179	40,456
Addition	97,887	—
Disposal	(75,778)	—
Net unrealized gain/(loss) recognised in total comprehensive income	30,166	(4,770)
31 December 2024	562,454	35,686

Valuation techniques

The fair value of the unquoted equity investments has been determined using valuation techniques such as comparable company valuation multiples, recent transaction prices of the same or similar instruments, with appropriate adjustments have been made where applicable, for example, for lack of liquidity using option pricing models. The valuation requires management to make certain assumptions about unobservable inputs to the model, which mainly include historical volatility and estimated time period prior to the listing of the unquoted equity instruments. The fair value of the unquoted equity investments is not significantly sensitive to a reasonable change in these unobservable inputs.

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6. SUBSIDIARIES

(a) The Company's subsidiaries at 31 December 2024 are as follows:

Name	Place of operations	Place of incorporation/ registration	Nature of business	Registered capital (thousand)	Percentage of equity	Acquisition mode
ZhongAn Information Technology Services Limited Company ("ZhongAn Technology")	Shanghai, The PRC	Shenzhen, The PRC	Technology Development/ Technology Consulting	RMB5,000,000	100.00%	Set-up
ZhongAn Online Insurance Broker Limited Company ("ZhongAn Insurance Broker")	Guangzhou, The PRC	Guangzhou, The PRC	Insurance Broker	RMB300,000	100.00%	Set-up
Shanghai Lianmo Information Technology Co., Ltd. ("Shanghai Lianmo")	Shanghai, The PRC	Shanghai, The PRC	Technology Development/ Technology Consulting	RMB7,010	100.00%	Equity purchase
ZhongAn (Hainan) Medical Technology Co., Ltd. ("ZhongAn Medical Technology")	Hainan, The PRC	Hainan, The PRC	Medical Service	RMB50,000	100.00%	Set-up
ZhongAn (Hainan) Telemedicine Centre Ltd. ("ZA Telemedicine Centre")	Hainan, The PRC	Hainan, The PRC	Medical Service	RMB50,000	100.00%	Set-up
ZhongAn (Hainan) Internet Hospital Ltd. ("ZA Internet Hospital")	Hainan, The PRC	Hainan, The PRC	Internet Hospital	RMB50,000	100.00%	Set-up
Shanghai Haoyaoshi ZhongAn Pharmacy Co., Ltd. ("ZhongAn Pharmacy")	Shanghai, The PRC	Shanghai, The PRC	Pharmacy	RMB1,000	100.00%	Set-up
Hebei Xiongan ZhongAn Financial Service Information Technology Limited Company ("Hebei Xiongan Information")	Hebei, The PRC	Hebei, The PRC	Technology Development/ Technology Consulting	RMB3,000	100.00%	Set-up
ZA Technology Services Ltd. ("ZA Technology")	British Virgin Islands	British Virgin Islands	Technology Development/ Technology Consulting	USD 0.001	100.00%	Set-up
ZhongAn (Wuxi) Information Technology Services Ltd. ("ZhongAn (Wuxi) Technology")	Jiangsu, The PRC	Jiangsu, The PRC	Technology Development/ Technology Consulting	RMB50,000	100.00%	Set-up
Zhongyanshe (Jiaxing) Software Training Ltd. ("Zhongyanshe")	Zhejiang, The PRC	Zhejiang, The PRC	Technology Training	RMB5,000	100.00%	Set-up
Chongqing Zhongxiananxing Technologies Ltd. ("Zhongxiananxing")	Chongqing, The PRC	Chongqing, The PRC	Technology Development/ Technology Consulting	RMB50,000	100.00%	Set-up
Chongqing Zongrun Business Information Consulting Partnership (Limited Partnership) ("Zongrun")	Chongqing, The PRC	Chongqing, The PRC	Technology Development/ Technology Consulting	RMB10,000	100.00%	Equity purchase

(i) On 4 September 2024, Shanghai Zhongyue Network Technology Co., Ltd. has completed the cancellation of business registration.

6. SUBSIDIARIES (continued)

(b) At 31 December 2024, consolidated structured entities are as followings:

Name	Held by the Company (%)	Total Subscription	Principal activities
ZhongAn TaiKang Asset Management Plan	100.00%	3,188,473	Asset Management Product
ZhongAn LeXiang No.1 Asset Management Plan	100.00%	2,314,013	Asset Management Product
ICBC Credit Suisse Asset Management ZhongAn Insurance No.1 Asset Management Plan	100.00%	800,000	Asset Management Product
Shanghai Dexu Investment Center (Limited Partnership)	98.77%	400,000	Equity Investment
ZhongZai FOF No.2 Asset Management Plan	100.00%	72,000	Asset Management Product

7. INSURANCE SERVICE RESULT

	Year ended 31 December 2024	Year ended 31 December 2023
Insurance revenue		
Insurance revenue from contracts measured under the PAA	**31,744,343**	27,521,347
Insurance revenue from contracts measured under the GMM	**—**	13,928
Total insurance revenue	**31,744,343**	27,535,275
Insurance service expenses		
Incurred claims and other directly attributable expenses	**(22,559,746)**	(19,958,541)
Insurance acquisition cash flows amortization	**(8,702,344)**	(7,023,833)
Losses on onerous contracts and reversal of those losses	**(213,188)**	(177,343)
Adjustments to liabilities for incurred claims	**785,243**	1,070,349
Total insurance service expenses	**(30,690,035)**	(26,089,368)
Net expenses from reinsurance contracts held		
Allocation of reinsurance premiums from reinsurance contracts measured under the PAA	**(355,883)**	(298,689)
Allocation of reinsurance premiums from reinsurance contracts measured under the GMM	**—**	(3,629)
Recoveries on incurred claims and other incurred reinsurance service expenses	**306,402**	204,764
Changes in the loss recovery component	**(369)**	6,820
Changes in expected recoveries on past claims	**35,830**	(16,177)
Effect of changes in the risk of reinsurers' non-performance	**(75)**	(2,233)
Total net expenses from reinsurance contracts held	**(14,095)**	(109,144)
Insurance service result	**1,040,213**	1,336,763

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8. NET INVESTMENT INCOME

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income (a)		
– Debt investments	**615,404**	630,645
– Trust investment schemes	**33,789**	40,516
– Bank deposits	**23,164**	39,208
– Securities purchased under agreements to resell	**7,573**	1,904
– Asset-backed securities	**1,299**	410
	681,229	712,683
Dividend income (b)		
– Fund investments	**92,830**	165,999
– Equity investments	**80,114**	15,465
– Wealth management products	**66,550**	87,602
	239,494	269,066
Realized losses, net (c)	**(459,235)**	(573,040)
	461,488	408,709

(a) Interest income

	Year ended 31 December 2024	Year ended 31 December 2023
Financial assets not measured at fair value through profit or loss		
– Debt financial assets at fair value through other comprehensive income	**284,141**	221,824
– Financial assets at amortized cost	**82,372**	227,884
	366,513	449,708
Financial assets at fair value through profit or loss	**314,716**	262,975
	681,229	712,683

8. NET INVESTMENT INCOME (continued)

(b) Dividend income

	Year ended 31 December 2024	Year ended 31 December 2023
Financial assets at fair value through profit or loss	175,174	267,028
Equity financial assets at fair value through other comprehensive income	64,320	2,038
	239,494	269,066

(c) Realized losses, net

	Year ended 31 December 2024	Year ended 31 December 2023
Investments in subsidiaries, joint ventures and associates	103,986	48,222
Debt financial assets at fair value through other comprehensive income	96,682	17,485
Financial assets at amortized cost	—	2
Financial assets at fair value through profit or loss	(659,903)	(638,749)
	(459,235)	(573,040)

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9. NET FAIR VALUE CHANGES THROUGH PROFIT OR LOSS

	Year ended 31 December 2024	Year ended 31 December 2023
Financial assets at fair value through profit or loss		
– Fund investments	**571,190**	346,425
– Debt investments	**202,273**	173,052
– Equity investments	**169,300**	125,461
– Wealth management products	**80,927**	60,484
Derivative financial liabilities		
– Warrants	**—**	62,994
	1,023,690	768,416

10. OTHER INCOME

	Year ended 31 December 2024	Year ended 31 December 2023
Revenue from services (a)	**793,930**	754,901
Government grants (b)	**104,217**	126,788
Revenue from banking business	**—**	221,231
Other	**133,583**	32,546
	1,031,730	1,135,466

(a) Revenue from services includes information technology services, insurance brokerage services and other services provided by the Group.

(b) Government grants mainly include development support funds and government subsidies related to intangible assets.

11. OTHER OPERATING EXPENSES

	Year ended 31 December 2024	Year ended 31 December 2023
Advertising and marketing expense	**4,138,085**	4,566,401
Handling charges and commissions	**3,684,265**	2,670,469
Consulting and technical fee	**2,970,919**	3,018,924
Employee benefit expense	**1,243,660**	1,628,020
Depreciation and amortization	**306,468**	275,969
Others	**878,535**	981,324
– Auditors' remuneration	**16,464**	19,654
Less: Expenses attributed to insurance acquisition cash flows and other directly attributable expenses	**(12,142,003)**	(11,599,401)
	1,079,929	1,541,706

12. OTHER EXPENSES

	Year ended 31 December 2024	Year ended 31 December 2023
Cost of providing services	**724,095**	619,983
Expense of providing services	**117,742**	308,446
Cost of banking business	**—**	173,559
Others	**30,724**	26,374
	872,561	1,128,362

13. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' AND SUPERVISORS' REMUNERATION)

	Year ended 31 December 2024	Year ended 31 December 2023
Salaries, allowances and other short-term benefits	**1,006,980**	1,262,473
Contributions to defined contribution plans (a)	**236,680**	295,875
Share-based payments	**—**	69,672
	1,243,660	1,628,020

(a) Contributions to defined contribution plans mainly include contributions made to the state pension schemes.

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14. DIRECTORS' AND SUPERVISORS' REMUNERATION

	Year ended 31 December 2024	Year ended 31 December 2023
Fees	2,931	2,106
Wages and salaries	4,287	5,069
Bonuses	5,132	5,661
Pension costs - defined contribution plans	219	286
Other social security costs, housing benefits and other employee benefits	216	298
	12,785	13,420

(a) Independent non-executive directors

	Year ended 31 December 2024					
	Fees	Wages and salaries	Bonuses	Pension costs - defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
Wei Ou (歐偉)	250	—	—	—	—	250
Vena Wei Yan Cheng (鄭慧恩)	250	—	—	—	—	250
Gigi Wing Chee Chan (陳詠芝)	250	—	—	—	—	250
Stanley Chiu Fai Choi (蔡朝暉)[1]	145	—	—	—	—	145
	895	—	—	—	—	895

1. Appointed as independent non-executive director in June 2024

14. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

(a) Independent non-executive directors (continued)

	Year ended 31 December 2023					
	Fees	Wages and salaries	Bonuses	Pension costs - defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
Wei Ou (歐偉)	250	—	—	—	—	250
Vena Wei Yan Cheng (鄭慧恩)	250	—	—	—	—	250
Gigi Wing Chee Chan (陳詠芝)	250	—	—	—	—	250
Hai Yin (尹海)[1]	250	—	—	—	—	250
	1,000	—	—	—	—	1,000

1. Re-designated from an independent non-executive director to a non-executive director in December 2023

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14. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

(b) Executive directors and non-executive directors

	Year ended 31 December 2024					
	Fees	Wages and salaries	Bonuses	Pension costs - defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
Executive directors						
Xing Jiang (姜興)	30	1,995	2,496	73	72	4,666
Gaofeng Li (李高峰)	—	1,500	2,280	73	72	3,925
Non-executive directors						
Hai Yin (尹海)	1,056	—	—	—	—	1,056
Yaping Ou (歐亞平)	250	—	—	—	—	250
Liangxun Shi (史良洵)	—	—	—	—	—	—
Hugo Jin Yi Ou (歐晉羿)	250	—	265	—	—	515
Shuang Zhang (張爽)	250	—	—	—	—	250
	1,836	3,495	5,041	146	144	10,662

	Year ended 31 December 2023					
	Fees	Wages and salaries	Bonuses	Pension costs - defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
Executive directors						
Xing Jiang (姜興)	30	1,500	2,062	70	73	3,735
Gaofeng Li (李高峰)	—	1,500	1,889	70	73	3,532
Non-executive directors						
Hai Yin (尹海)[1]	56	—	—	—	—	56
Yaping Ou (歐亞平)	250	—	—	—	—	250
Liangxun Shi (史良洵)	—	—	—	—	—	—
Gang Ji (紀綱)[2]	—	—	—	—	—	—
Hugo Jin Yi Ou (歐晉羿)	250	92	565	6	6	919
Shuang Zhang (張爽)	250	—	—	—	—	250
	836	3,092	4,516	146	152	8,742

1. Appointed as non-executive director in December 2023

2. Resigned from non-executive director in December 2023

14. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

(c) Supervisors

	Year ended 31 December 2024					
	Fees	Wages and salaries	Bonuses	Pension costs - defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
Limin Guo (郭立民)	150	—	—	—	—	150
Yuping Wen (溫玉萍)	25	—	—	—	—	25
Yao Wang (王瑤)	25	792	91	73	72	1,053
	200	792	91	73	72	1,228

	Year ended 31 December 2023					
	Fees	Wages and salaries	Bonuses	Pension costs - defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
Limin Guo (郭立民)	150	—	—	—	—	150
Yuping Wen (溫玉萍)	25	—	—	—	—	25
Haijiao Liu (劉海姣)[1]	39	1,200	950	70	73	2,332
Yao Wang (王瑤)[2]	56	777	195	70	73	1,171
	270	1,977	1,145	140	146	3,678

1. Resigned from supervisor in September 2023

2. Appointed as supervisor in September 2023

For the years ended 31 December 2024 and 2023, JIANG Xing and LI Gaofeng are key management personnel of the Company and their remuneration disclosed above include these services rendered as key management personnel.

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For the year ended 31 December 2024
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15. FIVE HIGHEST PAID INDIVIDUALS

The number of highest paid non-director individuals whose remuneration fell within the following bands is set out below:

	Year ended 31 December 2024	Year ended 31 December 2023
Nil to RMB1,000,000	—	—
RMB1,000,001 to RMB2,000,000	—	—
RMB2,000,001 to RMB3,000,000	—	5
RMB3,000,001 to RMB4,000,000	5	—
RMB4,000,001 to RMB5,000,000	—	—
Total	5	5

Details of the remuneration of the highest paid non-director individuals are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Wages and salaries	7,137	7,533
Bonuses	9,865	6,094
Pension costs — defined contribution plans	309	278
Other social security costs, housing benefits and other employee benefits	348	352
	17,659	14,257

16. INCOME TAX

(a) Income tax

	Year ended 31 December 2024	Year ended 31 December 2023
Current income tax	1,156	27,436
Deferred income tax (Note 31)	249,595	137,247
	250,751	164,683

16. INCOME TAX (continued)

(b) Reconciliation of income tax

A reconciliation of income tax applicable to profit before income tax using the applicable income tax rate to the income tax at the Group's effective tax rate is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Profit before income tax	**854,207**	4,009,961
Tax computed at the applicable tax rate	**204,468**	110,812
Income not subject to tax	**(13,869)**	(37,096)
Expenses not deductible for tax	**5,216**	16,935
Extra tax deductions for research and development costs	**(53,113)**	(61,701)
Deductible temporary differences and tax losses for which no deferred income tax assets were recognised	**135,392**	155,617
Utilization of previously unrecognised tax losses	**(3,809)**	(8,203)
Adjustments to income tax in respect of previous periods	**(23,534)**	(11,681)
Income tax at the Group's effective rate	**250,751**	164,683

17. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year attributable to owners of the parent by the weighted average number of shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

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

	Year ended 31 December 2024	Year ended 31 December 2023
Net profit for the year attributable to owners of the parent	**603,456**	4,077,855
Weighted average number of shares in issue (in thousand)	**1,469,813**	1,469,813
Basic earnings per share (RMB yuan)	**0.41**	2.77
Diluted earnings per share (RMB yuan)	**0.41**	2.77

The Company had no dilutive potential shares at 31 December 2024 and 2023, respectively.

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18. OTHER COMPREHENSIVE INCOME

	Year ended 31 December 2024	Year ended 31 December 2023
Debt financial assets at fair value through other comprehensive income		
Gains from changes in the fair value of debt instruments at fair value through other comprehensive income	**325,026**	277,708
Reclassification adjustments for amounts transferred to profit or loss	**(102,298)**	26,032
Change in credit risks provision of debt instruments at fair value through other comprehensive income	**(804)**	(19,037)
Income tax relating to debt financial assets at fair value through other comprehensive income	**(55,481)**	(22,944)
Equity financial assets at fair value through other comprehensive income		
Losses from changes in the fair value of equity instruments at fair value through other comprehensive income	**(9,632)**	(43,180)
Income tax relating to equity financial assets at fair value through other comprehensive income	**2,408**	10,560
Exchange differences on translation of foreign operations	**386**	43,046
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	**74,584**	23,644
	234,189	295,829

19. CASH AND AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2024	31 December 2023
Deposits with original maturity of no more than three months	**760,365**	1,214,613
Other monetary assets (i)	**706,337**	361,752
Add: Interest receivables	**39**	59
Less: Impairment provisions	**—**	—
	1,466,741	1,576,424

(i) Other monetary assets refer to funds deposited by the Group for daily business operations and investment activities.

20. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

	31 December 2024	31 December 2023
Securities – bonds		
– Inter-bank market	288,250	15,000
– Stock exchange	252,582	84,965
Add: Interest receivables	53	8
Less: Impairment provisions	(2)	(2)
	540,883	99,971

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2024	31 December 2023
Debt investments	10,540,326	9,859,447
Fund investments	6,512,880	8,202,841
Wealth management products	2,111,237	2,817,604
Equity investments	1,521,556	1,351,810
Asset-backed securities	20,285	20,247
	20,706,284	22,251,949
Comprising:		
– Listed	3,008,676	2,520,637
– Unlisted	17,697,608	19,731,312

22. FINANCIAL ASSETS AT AMORTIZED COST

	31 December 2024	31 December 2023
Trust investment schemes	524,310	966,008
Debt investments		
– Government bonds	485,880	486,602
– Corporate bonds	41,240	—
Less: Impairment provisions	(381)	(483)
	1,051,049	1,452,127
Comprising:		
– Listed	—	—
– Unlisted	1,051,049	1,452,127

The Group's maximum exposure to loss in the trust investment schemes is limited to their carrying amounts.

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23. DEBT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024	31 December 2023
Debt investments		
– Corporate bonds	**6,326,093**	5,153,605
– Finance bonds	**2,823,182**	1,677,634
– Government bonds	**1,348,979**	1,233,201
– Asset-backed securities	**30,600**	11,033
	10,528,854	8,075,473
Comprising:		
– Listed	**806,811**	815,353
– Unlisted	**9,722,043**	7,260,120
Comprising:		
– Amortized cost	**10,257,936**	8,027,283
– Cumulative fair value changes	**270,918**	48,190

At 31 December 2024 and 2023, the total provision for impairment losses recognised for debt financial assets at fair value through other comprehensive income were RMB7,554 thousand and RMB8,358 thousand, respectively.

24. EQUITY FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024	31 December 2023
Equity investments	**789,783**	92,351
Comprising:		
– Listed	**754,097**	51,895
– Unlisted	**35,686**	40,456
Comprising:		
– Cost	**802,426**	114,311
– Cumulative fair value changes	**(12,643)**	(21,960)

The Group designated the portion of equity investments, which are held not for short-term price fluctuation gains, but for the dividends income arising from long-term possession, as equity financial assets at fair value through other comprehensive income.

For the years ended 31 December 2024 and 2023, dividend income recognised for such equity investments were RMB64,320 thousand and RMB2,038 thousand. As a result of the change of investment strategies, the Group disposed certain equity investments. The cumulative losses net of tax transferred into retained earnings from other comprehensive income upon disposal were RMB14,211 thousand and RMB39,494 thousand for the years ended 31 December 2024 and 2023.

25. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

(a) The Group's associates and joint ventures at 31 December 2024 are as follows:

	31 December 2023	Addition	Share of net profit/(loss)	Share of other comprehensive income	Other equity changes	Others	Cash dividends	Decrease	31 December 2024
Shanghai Nuanwa Technology Co., Ltd. ("Shanghai Nuanwa") (i)	23,622	—	22,432	—	—	—	—	(46,054)	—
Chongqing ZhongAn Microloan Limited Company ("ZhongAn Microloan")	465,740	—	16,845	—	—	—	(42,000)	—	440,585
Shanghai Zhongzhirong Digital Technology Ltd. ("Zhongzhirong")	3,500	—	—	—	—	—	—	(3,500)	—
Shanghai Ju'A Technology Ltd. ("Shanghai Ju'A")	—	—	—	—	—	—	—	—	—
Baibao (Shanghai) Technology Co., Ltd. ("Shanghai Baibao")	—	—	—	—	—	—	—	—	—
Nova Technology Ltd. ("Nova Technology")	—	46,054	15,278	—	—	—	—	—	61,332
Yiyuan Technology Ltd. ("Yiyuan")	—	—	—	—	—	—	—	—	—
Bosheng Haimi Technology (Beijing) Ltd. ("Haimi Tech")	—	—	—	—	—	—	—	—	—
ZhongAn Information Technology (Shenzhen) Co., Ltd. (Formerly known as Shanghai ZhongAn Information Technology Service Co., Ltd. "ZhongAn Xinke") (ii)	9,117	139,584	14,182	—	—	55,941	—	—	218,824
ZhongAn Technologies International Group Limited ("ZhongAn International") (iii)	4,794,761	137,853	(199,901)	74,584	15,333	48,045	—	—	4,870,675
	5,296,740	323,491	(131,164)	74,584	15,333	103,986	(42,000)	(49,554)	5,591,416

(i) On 6 November 2024, ZhongAn Technology, Nuanwa (Shanghai) Business Information Consulting Co., Ltd. and Shanghai Nuanwa entered into a share transfer agreement, pursuant to which ZhongAn Technology transferred all its shareholder rights in Shanghai Nuanwa to ZhongAn Technology's subsidiary, ZA Technology, an offshore company, in exchange for the direct investment by the offshore company in Nova Technology.

(ii) In October 2024, ZhongAn Technology contributed non-cash assets to ZhongAn Xinke for an investment in this associate. The excess of the ZhongAn Technology's share of the fair value of the net identifiable assets over the cost of this investment was recognised in other income.

In December 2024, Wuxi Zhenwei New Industry Venture Capital Fund Partnership (Limited Partnership) and other external investors made capital contributions to ZhongAn Xinke. After this transaction, ZhongAn Technology holds approximately 41.97% of the voting rights in ZhongAn Xinke.

(iii) On 5 February 2024, ZhongAn Technology injected USD19.1 million, equivalent to RMB137.9 million, into ZhongAn International for an aggregate of 28,952,677 new ZhongAn International ordinary shares at a subscription price of approximately USD19.1 million pursuant to the terms and conditions of the Share Purchase Agreement. After this transaction, the voting interest in ZhongAn International shall be held as to approximately 45.04% by ZhongAn Technology, approximately 45.08% by Sinolink Worldwide Holdings Limited ("Sinolink Worldwide"), approximately 7.36% by Warrior Treasure Limited ("Warrior"), and approximately 2.52% by AIA VCC for a/c of AIA Opportunities Fund Venture Capital 2021 ("AIA Opportunities Fund"), respectively.

On 5 August 2024, Cosmos Alpha L.P., OKG Ventures Limited, and Illuminating Alpha Segregated Portfolio Company-SP1 made capital contributions to ZhongAn International. After this transaction, the voting interest in ZhongAn International shall be held as to approximately 43.43% by ZhongAn Technology, approximately 43.50% by Sinolink Worldwide, approximately 7.08% by Warrior, approximately 2.46% by AIA Opportunities Fund, 1.88% by Cosmos Alpha L.P., 1.10% by OKG Ventures Limited, and 0.55% by Illuminating Alpha Segregated Portfolio Company-SP1, respectively.

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25. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (continued)

(a) The Group's associates and joint ventures at 31 December 2024 are as follows: (continued)

Nature of investment in associates and joint ventures at 31 December 2024

Name	Place of incorporation	Percentage of ownership interest	Percentage of voting power	Registered capital (thousand)	Paid-in capital (thousand)	Principal activity
ZhongAn Microloan	Chongqing, The PRC	41.18%	41.18%	RMB1,020,000	RMB1,020,000	Micro Finance
Shanghai Ju'A	Shanghai, The PRC	34.17%	34.17%	RMB14,630.70	RMB14,630.70	Technology Consulting
Shanghai Baibao	Shanghai, The PRC	24.68%	24.68%	RMB12,155.70	RMB6,920.70	Technology Consulting
Nova Technology	Cayman Islands	44.00%	44.00%	USD 50	USD 21.16	Investment Holding
Yiyuan	Cayman Islands	42.27%	50.00%	USD 50	USD 13.66	Investment Holding
Haimi Tech	Beijing, The PRC	40.00%	40.00%	RMB10,000	—	Technology Consulting
ZhongAn International	Hong Kong, The PRC	43.43%	43.43%	RMB5,778,335	RMB5,778,335	Technology Development/ Technology Consulting
ZhongAn Xinke	Shanghai, The PRC	41.97%	41.97%	RMB21,723	RMB21,723	Technology Development

The Group has no significant contingent liabilities relating to the associates and joint ventures listed above.

(b) Particulars of the principal joint ventures

Summarised consolidated financial information in respect of ZhongAn International is set out below. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments.

	31 December 2024	31 December 2023
Current assets	16,891,167	9,259,749
Non-current assets	5,753,478	5,737,084
Total assets	22,644,645	14,996,833
Current liabilities	19,746,112	11,955,177
Non-current liabilities	50,748	48,402
Total liabilities	19,796,860	12,003,579
Net assets	2,847,785	2,993,254

25. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Particulars of the principal joint ventures (continued)

	Year ended 31 December 2024	From 14 August 2023 to 31 December 2023
Revenue	**1,392,745**	518,117
Interest income	**552,093**	273,420
Depreciation and amortization	**(26,804)**	(42,967)
Interest expense	**(442,361)**	(131,880)
Income tax	**—**	—
Net loss	**(419,378)**	(185,979)
Other comprehensive income	**162,996**	54,202
Total comprehensive income	**(256,382)**	(131,777)

Reconciliation of the above summarised financial information to the carrying amount of interest in ZhongAn International recognised in the consolidated financial statements:

	31 December 2024	31 December 2023
Net assets attributable to owners of ZhongAn International	**2,752,377**	2,893,458
Proportion of the Group's interests in ZhongAn International	**43.43%**	44.50%
The Group's interests in net assets of ZhongAn International	**1,195,357**	1,287,588
Goodwill	**3,675,318**	3,507,173
Carrying amount of the Group's interests in ZhongAn International	**4,870,675**	4,794,761

26. TERM DEPOSITS

	31 December 2024	31 December 2023
Maturity Period		
3 months to 1 year (including 1 year)	**30,000**	—
1 to 2 years (including 2 years)	**—**	30,000
Add: Interest receivables	**875**	184
Less: Impairment provisions	**(48)**	—
	30,827	30,184

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27. RESTRICTED STATUTORY DEPOSITS

	31 December 2024	31 December 2023
Restricted statutory deposits	295,000	295,000
Add: Interest receivables	6,404	22,882
Less: Impairment provisions	(91)	(46)
	301,313	317,836

	31 December 2024		
	Amount	Storage	Period
China Guangfa Bank	105,500	Term deposit	3 years
China Guangfa Bank	94,500	Negotiable deposit	5 years and 1 month
Bank of China	50,000	Term deposit	3 years
Bank of Ningbo	45,000	Term deposit	3 years
Total	295,000		

	31 December 2023		
	Amount	Storage	Period
China Minsheng Bank	200,000	Term deposit	3 years
Industrial and Commercial Bank of China	50,000	Term deposit	3 years
Bank of Ningbo	45,000	Term deposit	3 years
Total	295,000		

In accordance with relevant provision of Insurance Law of the PRC, the Company should place 20% of its share capital as restricted statutory deposits.

28. PROPERTY AND EQUIPMENT

	Buildings	Motor vehicles	Electrical equipment	Office furniture and equipment	Leasehold improvements	Total
Cost						
1 January 2023	—	3,864	78,176	12,019	165,926	259,985
Addition	—	1,250	21,240	801	36,154	59,445
Disposal	—	(460)	(36,040)	(319)	(206)	(37,025)
Disposal of subsidiaries	—	(676)	(15,790)	(1,653)	(33,845)	(51,964)
31 December 2023	—	3,978	47,586	10,848	168,029	230,441
Addition	580,104	—	20,804	1,893	54,822	657,623
Disposal	—	—	(17,161)	(364)	—	(17,525)
31 December 2024	**580,104**	**3,978**	**51,229**	**12,377**	**222,851**	**870,539**
Accumulated depreciation and impairment						
1 January 2023	—	(1,957)	(42,660)	(10,477)	(145,266)	(200,360)
Depreciation	—	(629)	(12,766)	(496)	(19,035)	(32,926)
Disposal	—	219	20,004	179	93	20,495
Disposal of subsidiaries	—	676	8,972	1,589	26,273	37,510
31 December 2023	—	(1,691)	(26,450)	(9,205)	(137,935)	(175,281)
Depreciation	—	(601)	(5,459)	(610)	(36,939)	(43,609)
Disposal	—	—	1,789	339	—	2,128
31 December 2024	**—**	**(2,292)**	**(30,120)**	**(9,476)**	**(174,874)**	**(216,762)**
Net book value						
31 December 2024	**580,104**	**1,686**	**21,109**	**2,901**	**47,977**	**653,777**
31 December 2023	—	2,287	21,136	1,643	30,094	55,160

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29. LEASE

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	31 December 2024	31 December 2023
Right-of-use assets		
Buildings	143,774	322,243
Equipment	—	34
	143,774	322,277
Lease liabilities	122,896	286,505

Additions to the right-of-use assets during the years ended 31 December 2024 and 2023 were RMB27,689 thousand and RMB214,693 thousand, respectively.

(b) Amounts recognised in the consolidated statement of profit of loss

The consolidated statement of profit of loss shows the following amounts relating to leases:

	Year ended 31 December 2024	Year ended 31 December 2023
Depreciation charge of right-of-use assets		
Buildings	153,024	137,449
Equipment	34	529
	153,058	137,978
Expense relating to short-term leases	3,848	41,401
Interest expense	12,055	16,430

The total cash outflow relating to leases during the years ended 31 December 2024 and 2023 was RMB130,183 thousand and RMB198,848 thousand, respectively.

(c) The Group's leasing activities and how these are accounted for

The Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 1 month to 4 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

30. INTANGIBLE ASSETS

	Software	Other	Total
Cost			
1 January 2023	1,620,895	3,414	1,624,309
Addition	231,535	—	231,535
Disposal of subsidiaries	(125,884)	(1,588)	(127,472)
31 December 2023	1,726,546	1,826	1,728,372
Addition	238,566	—	238,566
Disposal	(10,718)	—	(10,718)
31 December 2024	**1,954,394**	**1,826**	**1,956,220**
Accumulated amortization and impairment			
1 January 2023	(961,599)	(922)	(962,521)
Amortization	(186,272)	(183)	(186,455)
Disposal of subsidiaries	30,833	—	30,833
Impairment	(82,848)	—	(82,848)
31 December 2023	(1,199,886)	(1,105)	(1,200,991)
Amortization	(132,023)	(182)	(132,205)
Disposal	3,870	—	3,870
Impairment	(8,175)	—	(8,175)
31 December 2024	**(1,336,214)**	**(1,287)**	**(1,337,501)**
Net book value			
31 December 2024	**618,180**	**539**	**618,719**
31 December 2023	526,660	721	527,381

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31. DEFERRED INCOME TAX ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Net deferred income tax assets, at the beginning of year	**32,532**	182,163
Recognised in profit or loss	**(249,595)**	(137,247)
Recognised in other comprehensive income	**(53,073)**	(12,384)
Net deferred income tax (liabilities)/assets at the end of year	**(270,136)**	32,532

The breakdown of deferred income tax assets and liabilities at the end of the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	31 December 2024	31 December 2023
Deferred income tax assets/(liabilities):		
Insurance contract liabilities	**197,045**	96,044
Accumulated taxable losses	**174,917**	224,134
Impairment loss provisions	**44,949**	43,398
Amortization of intangible assets	**44,268**	46,821
Lease liabilities	**27,288**	64,644
Estimated liabilities for sales return	**21,434**	1,181
Employee stock ownership plan	**9,600**	9,600
Net fair value adjustment on equity financial assets at fair value through other comprehensive income	**3,161**	5,490
Employee benefits	**2,786**	2,339
Share of net profit of associates and joint ventures accounted for using the equity method	**(9,465)**	(9,465)
Rights-of-use assets	**(32,523)**	(73,494)
Net fair value adjustment and credit risks provision on debt financial assets at fair value through other comprehensive income	**(69,618)**	(14,137)
Net fair value adjustment on financial assets at fair value through profit or loss	**(163,919)**	92,323
Unrealized gains of structured entities	**(522,510)**	(457,511)
Others	**2,451**	1,165
Net deferred income tax (liabilities)/assets	**(270,136)**	32,532
Represented by		
Deferred income tax assets	**527,899**	587,139
Deferred income tax liabilities	**(798,035)**	(554,607)

31. DEFERRED INCOME TAX ASSETS AND LIABILITIES (continued)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. At 31 December 2024, the Group did not recognise deferred income tax assets of RMB448,607 thousand in respect of losses amounting to RMB3,036,448 thousand that can be carried forward against future taxable income. At 31 December 2023, the Group did not recognise deferred income tax assets of RMB408,691 thousand in respect of losses amounting to RMB2,694,691 thousand that can be carried forward against future taxable income.

The expiry dates of unused taxable losses are as follows:

	31 December 2024	31 December 2023
31 December 2024	—	344,577
31 December 2025	245	2,551
31 December 2026	25,625	37,947
31 December 2027	531,761	519,954
31 December 2028	706,905	706,905
31 December 2029 and beyond	2,490,006	1,979,293
	3,754,542	3,591,227

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has not been enacted in mainland China, the jurisdiction in which the Company is incorporated. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

The Group is in the progress of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculation GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate about 15%, there may still be Pillar Two tax implications.

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32. OTHER ASSETS

	31 December 2024	31 December 2023
Recharge expense receivable	**439,005**	484,714
Coinsurance receivable	**386,418**	367,376
Advanced payment	**319,271**	410,886
Receivable from securities clearing	**281,612**	331
Output tax of premium receivable	**237,747**	255,227
Service fee receivable	**152,117**	213,917
Deposits	**142,864**	96,338
Assets recognised from costs to fulfil a contract	**40,534**	16,129
Estimate of input tax	**11,003**	17,826
Others	**147,382**	116,496
Less: Provision for other assets	**(6,789)**	(7,583)
	2,151,164	1,971,657

33. SHARE CAPITAL

	31 December 2024	31 December 2023
Number of shares issued and fully paid at RMB1 yuan each	**1,469,813**	1,469,813

34. RESERVES

The amounts of the Group's reserves and the movements therein during the year are presented in the consolidated statement of changes in equity.

(a) Capital reserves

Capital reserves mainly represent share premiums from issuance of shares.

(b) Surplus reserves

Surplus reserves consist of the statutory surplus reserves and the discretionary surplus reserves.

Statutory surplus reserves (the "SSR")

According to the PRC Company Law and the articles of association of the Company, the Company is required to set aside 10% of their net profit (after offsetting the accumulated losses incurred in previous years) determined under the Accounting Standard for Business Enterprises - Basic Standard, the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods ("PRC GAAP"), to the SSR until the balance reaches 50% of the respective registered capital.

Subject to the approval of shareholders, the SSR may be used to offset the accumulated losses, if any, and may also be converted into capital, provided that the balance of the SSR after such capitalisation is not less than 25% of the registered capital of the Company's retained profits. Since the Company has accumulated losses at its company level, no reserve has been retained.

Discretionary surplus reserves (the "DSR")

After making necessary appropriations to the SSR, the Company may also appropriate a portion of their net profit to the DSR upon the approval of the shareholders in general meetings.

Subject to the approval of the shareholders, the DSR may be used to offset accumulated losses, if any, and may be converted into capital.

(c) Other reserves

Other reserves mainly include other reserves due to share-based payments, investment revaluation reserves and the share of other comprehensive income of associates and joint ventures accounted for using the equity method.

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35. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

	31 December 2024	31 December 2023
Securities – bonds		
– Inter-bank market	**7,479,447**	8,098,243
– Stock exchange	**447,772**	382,200
Add: Interest payables	**4,113**	10,688
	7,931,332	8,491,131

At 31 December 2024 and 2023, debt investments of approximately RMB8,220,361 thousand and RMB8,603,717 thousand were respectively pledged as securities sold under agreements to repurchase. Securities sold under agreements to repurchase are generally repurchased within 12 months from the date the securities are sold.

36. INSURANCE AND REINSURANCE CONTRACTS

(a) Analysis by measurement component

	31 December 2024	31 December 2023
Insurance contracts		
Insurance contract assets measured under the PAA	**386,108**	497,114
Insurance contract liabilities measured under the PAA	**(4,999,717)**	(3,334,642)
	(4,613,609)	(2,837,528)
Reinsurance contracts		
Reinsurance contract assets measured under the PAA	**323,887**	264,430
Reinsurance contract liabilities measured under the PAA	**(256)**	(256)
	323,631	264,174

36. INSURANCE AND REINSURANCE CONTRACTS (continued)

(b) Movement of insurance contract assets and liabilities of contracts issued measured under the PAA:

	Year ended 31 December 2024				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non – financial risk	Total
Insurance contract assets as at 1 January 2024	817,838	(227,113)	(88,728)	(4,883)	497,114
Insurance contract liabilities as at 1 January 2024	456,521	(442,284)	(3,193,971)	(154,908)	(3,334,642)
Net insurance contract liabilities as at 1 January 2024	1,274,359	(669,397)	(3,282,699)	(159,791)	(2,837,528)
Insurance revenue	31,744,343	—	—	—	31,744,343
Insurance service expenses					
– Incurred claims and other directly attributable expenses	—	—	(22,505,019)	(54,727)	(22,559,746)
– Insurance acquisition cash flows amortization	(8,702,344)	—	—	—	(8,702,344)
– Losses on onerous contracts and reversals of those losses	—	(213,188)	—	—	(213,188)
– Adjustments to liabilities for incurred claims	—	—	663,457	121,786	785,243
Insurance service result	23,041,999	(213,188)	(21,841,562)	67,059	1,054,308
Finance expenses from insurance contracts issued	2,987	(22,575)	(31,456)	(1,325)	(52,369)
Total changes recognised in total comprehensive income	23,044,986	(235,763)	(21,873,018)	65,734	1,001,939
Premiums received	(32,724,314)	—	—	—	(32,724,314)
Insurance acquisition cash flows	8,666,010	—	—	—	8,666,010
Claims and other directly attributable expenses paid	—	—	21,280,284	—	21,280,284
Total cash flows	(24,058,304)	—	21,280,284	—	(2,778,020)
Net insurance contract liabilities as at 31 December 2024	261,041	(905,160)	(3,875,433)	(94,057)	(4,613,609)
Insurance contract assets as at 31 December 2024	608,278	(208,939)	(12,701)	(530)	386,108
Insurance contract liabilities as at 31 December 2024	(347,237)	(696,221)	(3,862,732)	(93,527)	(4,999,717)

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36. INSURANCE AND REINSURANCE CONTRACTS (continued)

(b) Movement of insurance contract assets and liabilities of contracts issued measured under the PAA: (continued)

	Year ended 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non – financial risk	Total
Insurance contract assets as at 1 January 2023	523,545	(131,659)	(55,704)	(862)	335,320
Insurance contract liabilities as at 1 January 2023	(156,016)	(347,758)	(3,129,294)	(158,961)	(3,792,029)
Net insurance contract liabilities as at 1 January 2023	367,529	(479,417)	(3,184,998)	(159,823)	(3,456,709)
Insurance revenue	27,521,347	—	—	—	27,521,347
Insurance service expenses					
– Incurred claims and other directly attributable expenses	—	—	(19,835,001)	(94,947)	(19,929,948)
– Insurance acquisition cash flows amortization	(7,018,169)	—	—	—	(7,018,169)
– Losses on onerous contracts and reversals of those losses	—	(172,799)	—	—	(172,799)
– Adjustments to liabilities for incurred claims	—	—	951,958	96,190	1,048,148
Insurance service result	20,503,178	(172,799)	(18,883,043)	1,243	1,448,579
Finance expenses from insurance contracts issued	467	(17,181)	(24,201)	(1,211)	(42,126)
Total changes in the statement of comprehensive income	20,503,645	(189,980)	(18,907,244)	32	1,406,453
Premiums received	(27,594,498)	—	—	—	(27,594,498)
Insurance acquisition cash flows	7,997,683	—	—	—	7,997,683
Claims and other directly attributable expenses paid	—	—	18,809,543	—	18,809,543
Total cash flows	(19,596,815)	—	18,809,543	—	(787,272)
Net insurance contract liabilities as at 31 December 2023	1,274,359	(669,397)	(3,282,699)	(159,791)	(2,837,528)
Insurance contract assets as at 31 December 2023	817,838	(227,113)	(88,728)	(4,883)	497,114
Insurance contract liabilities as at 31 December 2023	456,521	(442,284)	(3,193,971)	(154,908)	(3,334,642)

36. INSURANCE AND REINSURANCE CONTRACTS (continued)

(c) Movement of reinsurance contract assets and liabilities of contracts held measured under the PAA:

	Year ended 31 December 2024				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non – financial risk	Total
Reinsurance contract assets as at 1 January 2024	(307,686)	8,023	559,784	4,309	264,430
Reinsurance contract liabilities as at 1 January 2024	(256)	—	—	—	(256)
Net reinsurance contract assets as at 1 January 2024	**(307,942)**	**8,023**	**559,784**	**4,309**	**264,174**
Allocation of reinsurance premiums	(355,883)	—	—	—	(355,883)
Amounts recovered from reinsurers					
– Incurred claims recovery and other incurred reinsurance service expenses	—	—	303,798	2,496	306,294
– Recognition and reversal of loss-recovery component	—	(369)	—	—	(369)
– Changes in expected recoveries on past claims	—	—	39,407	(3,577)	35,830
– Effect of changes in the risk of reinsurers' non-performance	—	—	(75)	—	(75)
– Others	108	—	—	—	108
Net expenses from reinsurance contracts held	**(355,775)**	**(369)**	**343,130**	**(1,081)**	**(14,095)**
Finance income from reinsurance contracts held	988	475	912	38	2,413
Total changes recognised in total comprehensive income	**(354,787)**	**106**	**344,042**	**(1,043)**	**(11,682)**
Investment components	(191,910)	—	191,910	—	—
Premiums ceded net of ceding commissions and other directly attributable expenses paid	229,052	—	—	—	229,052
Recoveries from reinsurers	—	—	(157,774)	—	(157,774)
Other cash flows	(139)	—	—	—	(139)
Total cash flows	**228,913**	**—**	**(157,774)**	**—**	**71,139**
Net reinsurance contract assets as at 31 December 2024	**(625,726)**	**8,129**	**937,962**	**3,266**	**323,631**
Reinsurance contract assets as at 31 December 2024	(625,470)	8,129	937,962	3,266	323,887
Reinsurance contract liabilities as at 31 December 2024	(256)	—	—	—	(256)

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36. INSURANCE AND REINSURANCE CONTRACTS (continued)

(c) Movement of reinsurance contract assets and liabilities of contracts held measured under the PAA: (continued)

	Year ended 31 December 2023				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non – financial risk	Total
Reinsurance contract assets as at 1 January 2023	(410,082)	956	642,736	3,999	237,609
Reinsurance contract liabilities as at 1 January 2023	(89,715)	33	75,327	1,743	(12,612)
Net reinsurance contract assets as at 1 January 2023	(499,797)	989	718,063	5,742	224,997
Allocation of reinsurance premiums	(298,689)	—	—	—	(298,689)
Amounts recovered from reinsurers					
– Incurred claims recovery and other incurred reinsurance service expenses	—	—	199,322	2,242	201,564
– Recognition and reversal of loss-recovery component	—	6,818	—	—	6,818
– Changes in expected recoveries on past claims	—	—	(8,196)	(3,713)	(11,909)
– Effect of changes in the risk of reinsurers' non-performance	—	—	(2,231)	—	(2,231)
– Others	56	—	—	—	56
Net expenses from reinsurance contracts held	(298,633)	6,818	188,895	(1,471)	(104,391)
Finance income from reinsurance contracts held	6,849	216	747	38	7,850
Total changes recognised in total comprehensive income	(291,784)	7,034	189,642	(1,433)	(96,541)
Investment components	(37,211)	—	37,211	—	—
Premiums ceded net of ceding commissions and other directly attributable expenses paid	520,916	—	—	—	520,916
Recoveries from reinsurers	—	—	(385,132)	—	(385,132)
Other cash flows	(66)	—	—	—	(66)
Total cash flows	520,850	—	(385,132)	—	135,718
Net reinsurance contract assets as at 31 December 2023	(307,942)	8,023	559,784	4,309	264,174
Reinsurance contract assets as at 31 December 2023	(307,686)	8,023	559,784	4,309	264,430
Reinsurance contract liabilities as at 31 December 2023	(256)	—	—	—	(256)

36. INSURANCE AND REINSURANCE CONTRACTS (continued)

(d) Insurance acquisition cash flows asset

	31 December 2024	31 December 2023
Opening asset	342,323	196,129
Cash flows recognised as an asset during the year	455,619	342,323
Amounts derecognised on initial recognition of groups of insurance contracts	(342,323)	(196,129)
Closing asset	455,619	342,323
Number of years until expected derecognition	1 year	1 year

At 31 December 2024 and 2023, the cumulative impairment, net of reversals, recognised for insurance acquisition cash flows assets is nil.

37. BONDS PAYABLE

1 January 2024	Premium amortization	Foreign exchange translation adjustment	31 December 2024
6,801,280	7,279	103,758	6,912,317

On 16 July 2020, the Company issued 5-year notes in the aggregate principal amount of USD600,000 thousand at the rate of 3.125 per cent on the Hong Kong Stock Exchange.

On 8 September 2020, the Company issued 5.5 years notes in the aggregate principal amount of USD300,000 thousand at the rate of 3.50 per cent on the Hong Kong Stock Exchange.

On 12 October 2020, the Company issued an additional notes in the aggregate principal amount of USD100,000 thousand at the rate of 3.50 per cent on the Hong Kong Stock Exchange, which was consolidated and formed a single series with the USD300,000 thousand notes issued on 8 September 2020.

As of 31 December 2024 and 2023, the Company repurchase the notes in the aggregate principal amount of USD49,900 thousand on the Hong Kong Stock Exchange.

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38. OTHER LIABILITIES

	31 December 2024	31 December 2023
Payables to service suppliers	**1,764,829**	1,672,915
Commission and brokerage payable	**882,845**	667,432
Salary and staff welfare payable	**309,964**	303,789
Deposit payable	**258,467**	323,596
Tax payable other than income tax	**139,520**	142,030
Estimated liabilities	**82,597**	62,951
Insurance guarantee fund	**63,378**	51,961
Coinsurance payable	**25,457**	31,266
Payables for asset management fee	**20,424**	10,223
Others	**422,616**	449,464
	3,970,097	3,715,627

39. NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation from profit before income tax to cash generated from operating activities:

	Year ended 31 December 2024	Year ended 31 December 2023
Profit before income tax	**854,207**	4,009,961
Provision for impairment losses	**8,175**	82,848
Net impairment losses on financial assets	**24,826**	56,843
Net investment income	**(461,488)**	(4,192,920)
Net fair value changes through profit or loss	**(1,023,690)**	(768,416)
Depreciation of property and equipment	**43,609**	32,926
Amortization of intangible assets	**132,205**	186,455
Depreciation of right-of-use assets	**153,058**	137,978
Gains on disposal of property and equipment, intangible assets and other long-term assets	**(2,454)**	(5,924)
Foreign exchange losses	**98,971**	94,508
Other finance costs	**446,681**	464,858
Expense recognised for share-based payments	**—**	69,672
Increase in net reinsurance contract assets	**(59,457)**	(28,527)
Increase/(Decrease) in net insurance contract liabilities	**1,776,081**	(846,006)
Decrease in placements with banks with original maturity of more than three months	**—**	45,310
Amortization of deferred income	**(4,661)**	(4,831)
Share of net loss of associates and joint ventures	**129,990**	93,239
Change in loans and advances to customers	**—**	(70,827)
Increase in customer deposits	**—**	1,535,322
Increase in other operating assets	**(275,043)**	(641,928)
Increase in other operating liabilities	**138,422**	1,957,677
Cash generated from operating activities	**1,979,432**	2,208,218

39. NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Cash and cash equivalents

	31 December 2024	31 December 2023
Deposits with original maturity of no more than three months	**760,365**	1,214,613
Securities purchased under agreements to resell	**540,832**	99,965
Other monetary assets	**706,337**	361,752
	2,007,534	1,676,330

40. RELATED PARTY TRANSACTIONS

The Company's directors were of the view that Ant Group Co. Ltd. ("Ant Group"), Ping An Insurance (Group) Co. of China Ltd. ("Ping An Insurance"), Tencent Holdings Limited ("Tencent"), Shanghai Ju'A, Sinolink Worldwide, ZhongAn International, Nova Technology, Yiyuan, ZhongAn Xinke and their subsidiaries were considered as related parties of the Group. Key management personnel and the entity controlled or jointly controlled by a person was identified as key management personnel ("key management personnel") are considered as related parties of the Group as well. The Group's transactions with related parties were conducted under the ordinary course of business.

The Group had the following major transactions with related parties:

(a) Sale of insurance contracts

	Year ended 31 December 2024	Year ended 31 December 2023
Tencent and its subsidiaries	**55,892**	30,694
Ant Group and its subsidiaries	**54,804**	44,345
Nova Technology and its subsidiaries	**13,102**	542
ZhongAn International and its subsidiaries	**1,757**	—
	125,555	75,581

(b) Sale of technology service

	Year ended 31 December 2024	Year ended 31 December 2023
Nova Technology and its subsidiaries	**43,313**	3,369
ZhongAn Xinke and its subsidiaries	**39,972**	—
	83,285	3,369

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

40. RELATED PARTY TRANSACTIONS (continued)

(c) Claim from insurance contracts

	Year ended 31 December 2024	Year ended 31 December 2023
Tencent and its subsidiaries	58,077	54,852
Ant Group and its subsidiaries	49,072	14,836
Nova Technology and its subsidiaries	9,827	931
	116,976	70,619

(d) Premiums ceded to reinsurer

	Year ended 31 December 2024	Year ended 31 December 2023
Tencent and its subsidiaries	546,294	212,583

(e) Reinsurance commission income

	Year ended 31 December 2024	Year ended 31 December 2023
Tencent and its subsidiaries	253,224	108,926

(f) Claims recovery from reinsurers

	Year ended 31 December 2024	Year ended 31 December 2023
Tencent and its subsidiaries	215,879	39,072

40. RELATED PARTY TRANSACTIONS (continued)

(g) Handling charges and commissions

	Year ended 31 December 2024	Year ended 31 December 2023
Ant Group and its subsidiaries	**1,810,437**	971,223
Tencent and its subsidiaries	**123,677**	14,479
Nova Technology and its subsidiaries	**51,894**	36,480
	1,986,008	1,022,182

(h) Asset management fees

	Year ended 31 December 2024	Year ended 31 December 2023
PingAn Insurance and its subsidiaries	**8,002**	7,956

(i) Fees for purchasing goods and other services

	Year ended 31 December 2024	Year ended 31 December 2023
Ant Group and its subsidiaries	**988,901**	271,221
Nova Technology and its subsidiaries	**364,937**	381,510
ZhongAn Xinke and its subsidiaries	**193,973**	36,203
Yiyuan and its subsidiaries	**110,460**	67,807
Tencent and its subsidiaries	**31,251**	22,652
PingAn Insurance and its subsidiaries	**26,072**	19,844
Shanghai Ju'A and its subsidiaries	**2,324**	—
	1,717,918	799,237

Fees for purchasing goods and other services mainly include guarantee fees, advertising and technical fees and other IT service fees.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

40. RELATED PARTY TRANSACTIONS (continued)

(j) Capital transactions with related parties

Capital transactions with associates and joint ventures are described in note 25.

(k) Receivables from related parties

	31 December 2024	31 December 2023
Tencent and its subsidiaries	**476,452**	97,623
ZhongAn International and its subsidiaries	**421,111**	437,489
PingAn Insurance and its subsidiaries (i)	**358,197**	260,533
Ant Group and its subsidiaries	**49,743**	21,574
ZhongAn Xinke and its subsidiaries	**43,692**	11,749
Nova Technology and its subsidiaries	**2,569**	54,466
	1,351,764	883,434

(i) Due to the motor co-insurance business with Ping An Property and Casualty Insurance Company of China Ltd.

(l) Prepayments to related parties

	31 December 2024	31 December 2023
Ant Group and its subsidiaries	**164,122**	35,209

40. RELATED PARTY TRANSACTIONS (continued)

(m) Payables to related parties

	31 December 2024	31 December 2023
Tencent and its subsidiaries	**599,783**	130,673
Ant Group and its subsidiaries	**377,155**	187,691
ZhongAn Xinke and its subsidiaries	**140,651**	16,763
Nova Technology and its subsidiaries	**93,405**	46,159
PingAn Insurance and its subsidiaries	**2,644**	3,778
	1,213,638	385,064

(n) Compensations of Key Management Personnel

The compensations paid or payable to key management personnel are shown below:

	Year ended 31 December 2024	Year ended 31 December 2023
Wages, salaries and bonuses	**33,861**	32,599
Pension costs – defined contribution plans	**869**	911
Other social security costs, housing benefits and other employee benefits	**884**	967
	35,614	34,477

41. CONTINGENT LIABILITIES

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

In addition to the above contingencies and legal proceedings relating to the claims on the Group's insurance contract, at 31 December 2024 and 2023, the Group has no major pending litigation that may have a material adverse effect on the financial position or operating results of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise stated)

42. BALANCE SHEET AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	31 December 2024	31 December 2023
ASSETS		
Cash and cash equivalents	**1,006,247**	935,642
Securities purchased under agreements to resell	**176,713**	84,969
Financial assets at fair value through profit or loss	**11,609,927**	12,268,317
Financial assets at amortized cost	**526,995**	486,507
Debt financial assets at fair value through other comprehensive income	**8,721,039**	6,841,696
Equity financial assets at fair value through other comprehensive income	**789,783**	92,351
Insurance contract assets	**386,108**	497,114
Reinsurance contract assets	**323,887**	264,430
Investments in subsidiaries	**12,088,437**	12,088,437
Restricted statutory deposits	**301,313**	317,836
Property and equipment	**650,628**	37,146
Right-of-use assets	**93,926**	224,529
Intangible assets	**613,636**	509,566
Deferred income tax assets	**383,934**	561,639
Other assets	**1,824,528**	1,815,330
Total assets	**39,497,101**	37,025,509
EQUITY AND LIABILITIES		
Equity		
Share capital	**1,469,813**	1,469,813
Reserves	**16,776,762**	16,640,676
Accumulated losses	**(147,883)**	(341,601)
Total equity	**18,098,692**	17,768,888
Liabilities		
Securities sold under agreements to repurchase	**5,812,631**	5,553,918
Insurance contract liabilities	**4,906,517**	3,203,997
Reinsurance contract liabilities	**256**	256
Bonds payables	**6,912,317**	6,801,280
Lease liabilities	**80,242**	194,385
Deferred income tax liabilities	**—**	—
Other liabilities	**3,686,446**	3,502,785
Total liabilities	**21,398,409**	19,256,621
Total equity and liabilities	**39,497,101**	37,025,509

42. BALANCE SHEET AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (continued)

The movements in reserves and accumulated losses of the Company are set out below:

		Reserves				
	Share capital	Capital reserves	Other reserves due to share-based payments	Financial assets at fair value through other comprehensive income revaluation reserves	Accumulated losses	Total equity
1 January 2023	1,469,813	16,585,468	38,400	(51,001)	(651,217)	17,391,463
Total comprehensive income	—	—	—	28,315	349,110	377,425
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to accumulated losses	—	—	—	39,494	(39,494)	—
31 December 2023	1,469,813	16,585,468	38,400	16,808	(341,601)	17,768,888
Total comprehensive income	—	—	—	121,875	207,929	329,804
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to accumulated losses	—	—	—	14,211	(14,211)	—
31 December 2024	**1,469,813**	**16,585,468**	**38,400**	**152,894**	**(147,883)**	**18,098,692**

43. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved and authorized for issue by the Company's board of the directors on 19 March 2025.

Definitions

"Ant Group"	Ant Group Co., Ltd. (螞蟻科技集團股份有限公司), a limited liability company incorporated in the PRC (established on October 19, 2000, its former name being Zhejiang Alibaba E-Commerce Co., Ltd. (浙江阿里巴巴電子商務有限公司)) and one of our substantial shareholders
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Bestpay"	China Telecom Bestpay E-commerce Ltd. (天翼電子商務有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of China Telecom
"Board"	the board of directors of our Company
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"chief executive(s)"	has the meaning ascribed to it under the Listing Rules
"Company", "Our Company", "ZhongAn" or "ZhongAn Insurance"	ZhongAn Online P & C Insurance Co., Ltd. (眾安在綫財產保險股份有限公司), a joint stock limited company with limited liability incorporated in the PRC on October 9, 2013
"Director(s)"	the director(s) of our Company
"Domestic Shares"	ordinary shares issued by the Company, with a nominal value of RMB1, which are subscribed for or credited as paid in RMB
"Global Offering"	has the meaning ascribed to it in the Prospectus
"Group", "we", "our" or "us"	the Company and its subsidiaries, or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries could be viewed as if they were the subsidiaries of the Company at the time
"H Shares"	the ordinary shares in the ordinary share capital of the Company, with a nominal value of RMB1 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange, and a "H Share" means any of them
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars", "HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Latest Practicable Date"	March 19, 2025, being the latest practicable date for ascertaining certain information in this annual report before its publication
"JPY"	Japanese yen, the lawful currency of Japan
"Listing"	the listing of the H shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	September 28, 2017, the date on which the H Shares are listed and from which dealings in the H Shares take place on the Main Board of the Hong Kong Stock Exchange

"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended or supplemented from time to time)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NFRA"	the National Financial Regulatory Administration (國家金融監督管理總局) (formerly known as China Banking and Insurance Regulatory Commission ("**CBIRC**") (中國銀行保險監督管理委員會))
"Peak3"	Peak3 (Hong Kong) Limited, formerly known as ZA Tech Global Limited, our joint venture whose results are not consolidated into those of the Group
"Ping An Asset Management"	Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司), a company established in May 2005 in the PRC with a registered capital of RMB1,500 million and a subsidiary of Ping An Insurance
"Ping An Bank"	Ping An Bank Co., Ltd. (平安銀行股份有限公司), a joint stock limited company incorporated in the PRC listed on the Shenzhen Stock Exchange (stock code: 000001)
"Ping An Group"	Ping An Insurance and its subsidiaries
"Ping An Insurance"	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a joint stock limited company incorporated in the PRC on March 21, 1988 listed on the Main Board of the Hong Kong Stock Exchange (stock code: 02318) and the Shanghai Stock Exchange (SSE: 601318), and one of our substantial shareholders
"Ping An P&C"	Ping An Property and Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), a subsidiary of Ping An Insurance
"PRC" or "China"	the People's Republic of China, but for the purposes of this annual report only, except where the context requires, references in this annual report to the PRC or China exclude Hong Kong, Macau and Taiwan
"Prospectus"	the prospectus of the Company dated September 18, 2017
"RMB" or "Renminbi"	the lawful currency of PRC
"Reporting Period"	the year ended December 31, 2024
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	the shares in the share capital of our Company with a nominal value of RMB1 each
"Shareholder(s)"	the holders of the Shares
"Sinolink Worldwide"	Sinolink Worldwide Holdings Limited (百仕達控股有限公司), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1168), and our connected person
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	member(s) of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company established pursuant to the Company Law of the PRC (中華人民共和國公司法)

Definitions

"Tencent"	Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 700)
"Tencent Computer System"	Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司), a limited liability company incorporated in the PRC on November 11, 1998, one of our substantial shareholders and a subsidiary of Tencent
"Tmall"	Tmall.com (天貓), an online platform created by Alibaba
"U.S."	United States of America
"USD" or "US$"	United State dollars, the lawful currency of the U.S.
"ZA Bank"	ZA Bank Limited (眾安銀行有限公司), a joint venture of our Company, incorporated in Hong Kong on August 8, 2018
"ZA Insure" or "ZA Life"	ZA Life Limited (眾安人壽有限公司), a joint venture of our Company, incorporated in Hong Kong on February 27, 2019
"ZhongAn Information Technology"	ZhongAn Information Technology (Shenzhen) Co., Ltd, our joint venture whose results are not consolidated into those of the Group
"ZA Tech"	ZA Tech Global Limited, a non-wholly owned subsidiary of ZhongAn International and a company incorporated in Hong Kong with limited liability
"ZA Global" or "Zhongan International"	ZhongAn Technologies International Group Limited (眾安科技(國際)集團有限公司), a company incorporated in Hong Kong with limited liability and a joint venture of our Company
"ZhongAn Technology"	ZhongAn Information and Technology Services Co., Ltd. (眾安信息技術服務有限公司), a wholly-owned subsidiary of our Company, incorporated in the PRC on July 7, 2016
"%"	per cent

Glossary

"AI"	artificial intelligence
"big data analytics"	the use of advanced analytic techniques against very large, diverse data sets to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information that can help organizations make more-informed business decisions
"cede"	the transfer of all or part of a risk written by an insurer to a reinsurer
"claim"	an occurrence that is the basis for submission and/or payment of a benefit under an insurance policy. Depending on the terms of the insurance policy, a claim may be covered, limited or excluded from coverage
"commission"	a fee paid to an agent or broker by an insurance company for services rendered in connection with the sale or maintenance of an insurance product
"customer"	unless otherwise indicated, the insured under our insurance policies. The number of our customers was calculated based on unique identifiers and contact information available to us
"gross written premiums" or **"GWP"**	total premiums (whether or not earned) for insurance contracts written or assumed during a specific period, without deduction for premiums ceded
"handling charges and commissions"	fees paid to insurance agents for the distribution of our products
"insured"	the insured person as specified in the insurance product
"InsurTech"	use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model
"net investment income"	the sum of interest income, dividend income and realized gains or losses on securities through profit or loss and available-for-sale securities
"premium(s)"	payment and consideration received on insurance policies issued or reissued by an insurance company
"reinsurance"	the practice whereby a reinsurer, in consideration of a premiums paid to it, agrees to indemnify another party for part or all of the liabilities assumed by the reinsured party under an insurance contract, which the reinsured party has issued
"reserves"	liability established to provide for future payments of claims and benefits to policyholders net of liability ceded to reinsurance companies
"SaaS"	software as a service

Corporate Information

Board of Directors

Executive Directors

Xing Jiang *(General Manager and Chief Executive Officer)*
Gaofeng Li

Non-executive Directors

Hai Yin *(Chairman)*
Yaping Ou
Liangxun Shi
Shuang Zhang
Hugo Jin Yi Ou

Independent Non-executive Directors

Wei Ou
Vena Wei Yan Cheng
Gigi Wing Chee Chan
Stanley Chiu Fai Choi

Supervisors

Yuping Wen
Yao Wang
Limin Guo

Audit and Consumer Rights Protection Committee

Gigi Wing Chee Chan *(Chairperson)*
Wei Ou
Stanley Chiu Fai Choi

Nomination and Remuneration Management Committee

Wei Ou *(Chairperson)*
Hugo Jin Yi Ou
Vena Wei Yan Cheng

Strategy and Investment Decision Committee

Hai Yin *(Chairperson)*
Xing Jiang
Gaofeng Li
Yaping Ou
Liangxun Shi
Shuang Zhang

Risk Management and Related Transactions Control Committee

Vena Wei Yan Cheng *(Chairperson)*
Stanley Chiu Fai Choi
Gigi Wing Chee Chan

Headquarters and Principal Place of Business in the PRC

219 Yuanmingyuan Road
Shanghai
PRC

MFB1, MF102, MF201-1401
108 Beijing East Road
Huangpu District
Shanghai
PRC

Registered Office

4–5/F, Associate Mission Building
169 Yuanmingyuan Road
Shanghai
PRC

Principal Place of Business in Hong Kong

Room 1910, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay, Hong Kong

H Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Company Secretary

Yongbo Zhang

Authorized Representatives

Hugo Jin Yi Ou
Yongbo Zhang

Legal Advisors

As to Hong Kong and U.S. laws:
Baker & McKenzie

As to PRC law:
CM Law Firm

Auditors

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

Principal Banks

ICBC Shanghai Branch Sales Department
China Merchants Bank Shanghai Branch,
Nanjingxilu Sub-branch

Stock Code

6060

Company Website

www.zhongan.com