



中國再保險(集團)股份有限公司

CHINA REINSURANCE (GROUP) CORPORATION

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

Stock Code : 1508

## 2024 Annual Report

專業 讓保險更保險  
EMPOWER YOUR INSURANCE BY EXPERTISE





## MISSION

Diversifying economic risks  
to ensure a better life for all

## VISION

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

## CORE VALUES

Integrity  
Expertise  
Cooperation  
Aspiration

## BUSINESS PHILOSOPHY

Prudence and innovation  
for sound and prosperous  
growth




CORPORATE CULTURE OF CHINA RE

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# CHINA REINSUR



● FINANCIAL HIGHLIGHTS

● HONOURS AND AWARDS

● STATEMENT FROM THE CHAIRMAN

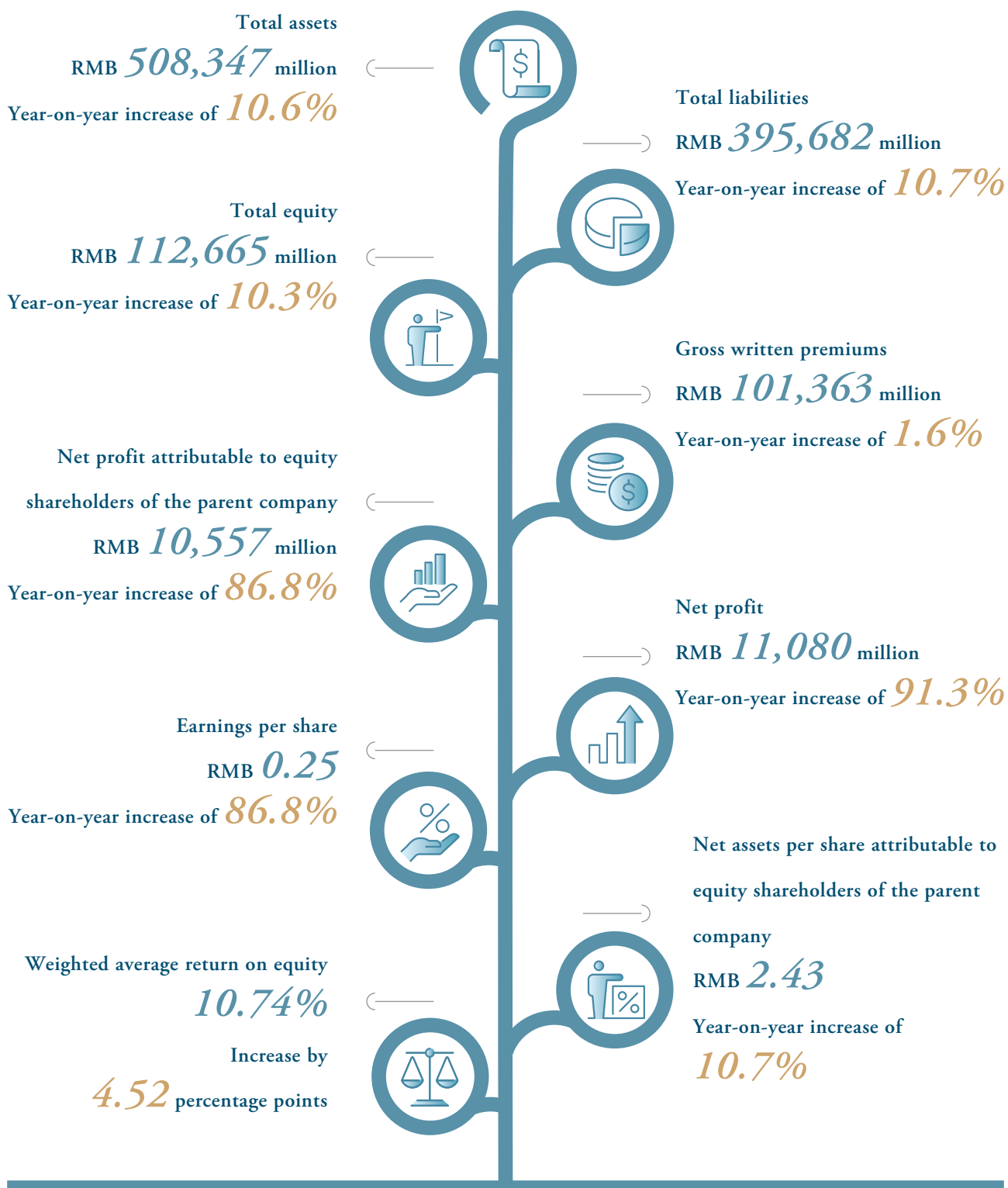


# RANCIE





# FINANCIAL HIGHLIGHTS





# FINANCIAL HIGHLIGHTS

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

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

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

	2024	2023	Change (%)	2022 (Restated)	2021	2020
Total assets	508,347	459,728	10.6	424,732	499,796	453,577
Total liabilities	395,682	357,549	10.7	327,236	397,706	350,676
Total equity	112,665	102,179	10.3	97,496	102,090	102,901
Gross written premiums	101,363	99,755	1.6	89,225	162,732	161,574
Net profit	11,080	5,791	91.3	(875)	5,895	5,924
Net profit attributable to equity shareholders of the parent company	10,557	5,652	86.8	(325)	5,954	5,711
Earnings per share (RMB)	0.25	0.13	86.8	(0.01)	0.14	0.13
Net assets per share attributable to equity shareholders of the parent company (RMB)	2.43	2.20	10.7	2.09	2.18	2.19
Weighted average return on equity (%) <sup>1</sup>	10.74	6.22	Increase of 4.52 percentage points	(0.36)	6.41	6.34

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

2. The data from 2020 to 2021 in the above table were prepared in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts (Cai Kuai [2006] No. 3), the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts (Cai Kuai [2006] No. 3), the Regulations on Accounting Treatment Related to Insurance Contracts (Cai Kuai [2009] No. 15), the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 – Hedging (Cai Kuai [2006] No. 3), the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (Cai Kuai [2014] No. 23) and other relevant accounting standards (collectively, the “Old Standards”).

# HONOURS AND AWARDS

## China Re

### People's Daily

2024 High-quality Financial Development Case

### Hong Kong Ta Kung Wen Wei Media Group

Hong Kong International ESG Alliance List: "Best ESG Information Disclosure Award"

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

### League of American Communications Professionals and MerComm, Inc.

LACP VISION AWARDS: Best Annual Report and Best Social Responsibility Report in Insurance ARC AWARDS: Bronze Award for Social Responsibility Report

### China Banking and Insurance News

Jinnuo List of China's Financial Brand Influence Communication Cases: "2024 Brand Innovation Communication Case"

### Jinribao

Jinribao China Insurance White Elephant List: "Annual Insurance Strategy Leader"



## China Re P&C

### The People's Bank of China

2nd Prize of the People's Bank of China Fintech Development Award

### 2024 Low Attitude Economy Development Conference

National Typical Case of Low-Altitude Economic Services

### China Internet Information Center

Zhongguoding Annual Service Rural Revitalization Excellent Case in the Financial Industry

### China Association for Small & Medium Commercial Enterprises

Selected Cases of Financial Services of Small and Medium-sized Commercial Circulation Enterprises in China

### 13th CFS Financial Summit

ESG Practice Model Award

### China Academy of Information and Communications Technology

Top 10 Cases of Fintech Innovation Application



# HONOURS AND AWARDS

## China Re Life

### The People's Bank of China

Blockchain Collaboration Platform for Primary Insurance and Reinsurance  
3rd Prize of 2023 Fintech Development Award

### Mandatory Provident Fund Schemes Authority

"Good MPF Employer Award",  
"Electronic Contribution Award" and  
"MPF Promotion Award"

### China Internet Information Center

2024 Zhongguoding Annual Outstanding Pension Finance Case in the Financial Industry

### China Banking and Insurance News

2024 Jinnuo Case of Financial Brand Innovation  
Global Case of Life Insurance Report Dissemination

### Office of the Financial Commission of the Shenzhen Municipal Committee of the Communist Party of China

2022 Shenzhen Financial Innovation Award  
Third prize for Contribution

### CMA Chinese Society of Health Management, National Center for Chronic and Noncommunicable Disease Control and Prevention under the Chinese Center for Disease Control and Prevention, People's Health of People's Daily Online

Pilot Unit of High-quality Workplace Health Management

### China Banking and Insurance News

2024 Excellent Case of Digital Transformation in China's Insurance Industry  
Excellent Case of Digital Services  
Intelligent Planning Platform Project for Personal Pension



申报高质量职场健康管理先行试点入围单位名单		
行权区	序号	入围单位
北京	1	百度在线网络技术(北京)有限公司
	2	北京送变电有限公司
	3	北京航天航空技术研究所
	4	北京航天长峰飞行器研究所
	5	北京金隅集团股份有限公司
	6	北京海北航空飞行器系统工程研究所
	7	北京普华互联网信息技术有限公司
	8	北京宇航系统工程研究所
	9	北京金城金和顺科技股份有限公司
	10	爱康国宾健康管理集团有限公司
	11	北京爱康慈和医疗门诊部有限公司
	12	国航大酒店
	13	中国民航机场建设股份有限公司
	14	中国航材工业集团第二研究所
	15	中国环境科学研究院
	16	中国康美一诺(集团)有限公司
	17	中国民生银行股份有限公司
	18	中国人寿再保险有限责任公司
	19	中国移动通信集团工会直属委员会
	20	中海石油气电集团有限责任公司

# HONOURS AND AWARDS

## China Continent Insurance

### All-China Federation of Trade Unions

2024 Honorary title of "National Workers' Pioneer"

### National Healthcare Security Administration

Excellence Award for the "Innovative Application Case of Intelligent (Audit Engine for Medical Insurance)" jointly declared by China Continent Insurance and China Re DT

### International Financial News under People's Daily

"Green Pioneer Case - ESG Practice Case" Award

### The Paper

2024 List of TOP Financial Players: "Outstanding Green Financial Products of the Year"

### 2024 International Forum for China Financial Inclusion

2024 Achievement Award for Inclusive Insurance

### Securities Times

2024 Ark Award for Gold Insurance Services

### National Business Daily

Excellent Property Insurance Company of the Year

### China Times

2024 Reputable Insurance Company Brand

### JRJ.com

Global Insurance Technology Case Award

### Tsinghua Financial Review

Typical Case of Fintech in the Insurance Industry

### finance.sina.com.cn

Insurance Company with Digital Services of the Year

### Gartner

Asia Pacific Insurance Industry Champion Award





## HONOURS AND AWARDS

## China Re AMC

## China Securities Journal

## Golden Bull Award for Social Responsibilities

## 21st Century Business Herald

“Golden Shell Award” for Excellent Insurance Assets Management Companies

## Insurance Asset Management Association of China

China Re Asset Management (Hong Kong) Company Ltd. was rated as the most popular overseas investment institutions for insurance companies, and the most popular overseas trustee organisations for insurance companies

## Securities Times

## Ark Award for Innovative Insurance Asset Management Products

## Shanghai Securities News

“Gold Assets” Annual Insurance Asset Management Brand Award

Modern Bankers magazine, Global Assets Management Alpha Think Tank

Outstanding List of Chinese Asset Management  
Institutions - Best Social Responsibility Award



# China Re Catastrophe

## 2023 The 4th Global Insurance Technology Conference

2023 “Insur Award”: Global Insurance Technology Case Award (China Typhoon Catastrophe Model)

The People's Bank of China

2nd Prize in 2022 Fintech Development Award  
(China Earthquake Catastrophe Model)

## The People's Bank of China

3rd Prize in 2022 Fintech Development Award  
("Typhoon Eyes of China" Typhoon Real-Time  
Damage Assessment System)

## China Meteorological Service Association

2023 China Meteorological Service Association  
Science and Technology Award - Meteorological  
Science and Technology Innovation Award (China  
Typhoon Catastrophe Model)

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## STATEMENT FROM THE CHAIRMAN



“ In 2024, China Re adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and implemented the spirit of the 20th National Congress of the Communist Party of China, the Second Plenary Session and the Third Plenary Session of the 20th Central Committee of the Communist Party of China, the Central Economic Work Conference and the Central Financial Work Conference, as well as the new “Ten National Policies” for the insurance industry. We focused on playing the main functional role of the national reinsurance team to continue deepening the service for national strategies. We accelerated reform and development, continuously strengthened risk prevention and control, and effectively improved the quality and efficiency of operations. With the successful completion of all tasks during the “gear up period”, we took solid steps in the new journey towards building a world-class comprehensive reinsurance group.

”

# STATEMENT FROM THE CHAIRMAN

In 2024, China Re balanced development and safety by actively responding to the complex and changing market environment, thereby significantly enhancing the resilience of development. **With stable and healthy growth in written premiums**, we realised gross insurance revenue of RMB101,363 million, representing a year-on-year increase of 1.6%. The market shares of our P&C reinsurance and life and health reinsurance businesses ranked first in the industry. **With continuous improvement in operating efficiency**, we recorded post-tax net profit of RMB11,080 million, representing a year-on-year increase of 91.3%, among which net profit attributable to shareholders of the parent company amounted to RMB10,557 million, representing a year-on-year increase of 86.8% and a record high since the 13th Five-Year Plan. All operating segments achieved underwriting profits, with a year-on-year increase of 86.9% in investment income. **The overall risk was stable and controllable**, and the solvency of the Group as a whole and all operating entities in the insurance segment met regulatory requirements, with A-rating or above for 15 consecutive years by A.M. Best and for 11 consecutive years by S&P Global Ratings.

In 2024, China Re focused on the main responsibilities and businesses of reinsurance and proactively integrated into the overall national development. We strived to play the roles of economic shock absorber and social stabiliser, providing high-quality and high-level insurance and reinsurance protection for major national strategies, the development of the real economy and the people's better life. Throughout the year, the risk insurance amount provided for key areas such as scientific and technological innovation, low-altitude economy, green energy, inclusive finance, and health and pension increased by 15% year-on-year, covering more than 200 million people and 10 million micro, small and medium-sized enterprises. **We spared no effort to work on the "five target areas"**. Focusing on the cutting edge of science and technology, we created an exclusive insurance for specialised and new enterprises, and released China's first low-altitude

economic insurance demonstration clauses to assist in the development of new quality productive forces and science and technology industries. Focusing on energy transformation, we actively assisted in the development of new energy industry. As the chairman unit and executive agency of the China Nuclear Insurance Pool, we provided comprehensive risk protection for all domestic nuclear power units, with the total insured amount exceeding RMB1 trillion. We also innovated green insurance products by providing full life cycle risk protection, from construction to operation, for green energy projects such as wind power and photovoltaics. Focusing on people's livelihood protection, we cooperated with governments at all levels to implement 153 policy-based health insurance projects and iteratively upgraded a series of inclusive health insurance products. We also jointly innovated the chronic disease management model with the Chronic Disease Center of the Chinese Center for Disease Control and Prevention to effectively solve the problem of insufficient protection for specific groups of people. **We proactively assisted in the construction of the catastrophe insurance protection system**. We supported the catastrophe insurance pilot projects in all 21 provinces and municipalities. As the lead reinsurer, we helped Hebei and Hubei provinces to implement comprehensive catastrophe insurance for all types of disasters and with wide coverage and long periods. Continuing to iterate the China Re Catastrophe model, we released the China Flood Catastrophe Model 2.0, and developed the first catastrophe risk map in China, providing key support for risk reduction management and disaster prevention and mitigation services. We have also successfully completed the climate change physical risk stress test for the People's Bank of China, and implemented it in 20 banks and 13 insurance institutions in Hainan Province. **We vigorously promoted the construction of reinsurance market**. We established the Joint Innovation Engineering Center for Meteorological Insurance in the Yangtze River Delta Urban Agglomeration to actively explore new models and paths to serve the national regional development strategies. Fully supporting the construction of an

# STATEMENT FROM THE CHAIRMAN

international reinsurance centre in Shanghai, we jointly organised the 2024 Shanghai International Reinsurance Conference and actively participated in the construction of a trading platform and the formulation of its business rules. China Re P&C is one of the first professional reinsurance institutions to officially launch an operation centre in Lingang, and China Re P&C, China Continent Insurance and Huatai Insurance Agency settled in Shanghai International Reinsurance Center.

In 2024, based on the new development requirements of the digital economy era, China Re continued to strengthen the top-level design of digital transformation, constantly strengthened the “two wings” construction of China Re Catastrophe and China Re DT, and strove to promote digital transformation to inject strong momentum into high-quality development. **We spared no effort to promote the effective implementation of the digital transformation topology roadmap**, solidly advanced the construction of 72 key projects, and obtained 16 national patents. We also built a high-quality data platform and business middle platform for the Group, and promoted the horizontal and vertical integration of data in our seven major segments, effectively improving the data-based business decision-making capabilities and group management and control capabilities. **We fully launched the construction of a data governance system**, issued a three-year plan for improving data management capabilities, launched the “1+4” data governance rules, formulated the first set of enterprise-level data standards, and continued to enhance the construction of our three core capabilities, namely data resource management, data value management and data standardisation management. **We focused on strengthening cyber security management**, deepened the construction of cyber security boundaries and in-depth defence security systems, and continuously carried out risk investigations on “two highs and one weak” and supply chain to further enhance our cyber security risk prevention capabilities.

Looking to the future, China continues to intensify macro-control efforts, and the economy is generally stable, making progress while maintaining stability, and showing improvement in both quality and efficiency. Favourable conditions such as strong economic resilience, great potential, and sufficient vitality remain unchanged. The Third Plenary Session of the 20th Central Committee of the Communist Party of China has made strategic arrangements for further deepening the reform of the economic system, while the Central Economic Work Conference has issued several policies to stabilise growth, protect employment, and benefit people’s livelihoods. The State Council’s new “Ten National Policies” systematically outline the key tasks for the reform and development of the insurance industry over the next five to ten years, creating a favorable macro environment and policy opportunities for the insurance and reinsurance industry. The development of new quality productive forces, low-carbon transformation of the economy, the modernisation of social governance, and the construction of a multi-level social security system will continue to catalyse the booming demand for risk protection and significantly expand the growth potential of science and technology insurance, green insurance, agricultural insurance, catastrophe insurance, and health and pension insurance, which is conducive for China Re to playing its role of the main channel by continuing to expand reinsurance supply and support the healthy development of the insurance industry.

At the same time, with rising uncertain factors in the global arena, the risks of geopolitical conflicts and trade frictions are increasing, while the global economic recovery remains slow. Extreme weather events occur frequently, exerting more compensation pressure on the insurance industry. The capital market fluctuates frequently, and domestic interest rates decline, making asset allocation more difficult for insurance companies. Rapid iteration and innovation of new technologies represented by artificial intelligence is promoting the transformation and reshaping of the business



# STATEMENT FROM THE CHAIRMAN

philosophy, management methods, and business models in the insurance and reinsurance industry. China Re always prioritises the prevention and control of financial risks, strikes a balance between development and security, actively responds to new situations and new challenges, and creates new development momentum and advantages.

2025 marks the important year of fully implementing the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China and further comprehensively deepening reform, and it is also the starting year of the “breakthrough period” for China Re to build a world-class comprehensive reinsurance group. China Re will give greater emphasis to high-quality development orientation, thoroughly implement the action plan for building a world-class reinsurance group, adhere to the general tone of “seeking progress while ensuring stability, enhancing value”, and implement the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”, comprehensively deepen reform, proactively shoulder responsibility, strengthen core functions, boost core competitiveness, and effectively prevent and mitigate risks, striving to move towards a new stage of building China Re as a world-class reinsurance group. **We will focus on strengthening the functional role of reinsurance**, deepen the implementation of the “five target areas” of finance, and continue to enrich and improve the product system that serves national strategies by emphasising on key areas such as addressing climate change, jointly building the “Belt and Road Initiative”, cultivating new quality productive forces, serving rural revitalisation, and developing low-altitude economy and inclusive finance. We will also comprehensively serve the construction of the national catastrophe insurance protection system,

and promote the development of the insurance and reinsurance market, further demonstrating our new responsibilities and actions in serving the national strategies. **We will spare no effort to promote high-quality development**, focus on our main responsibilities and businesses, expand the pattern of “One Body with Two Wings”, deepen the supply-side structural reform of reinsurance, promote sustainable breakthroughs and scale growth in our businesses, promote the two-wheel driven of underwriting and investment, improve the profit structure, and steadily increase capital returns. **We will continue to strengthen the construction of our core capabilities**, promote the full implementation of the digital transformation topology roadmap, accelerate the application of artificial intelligence, create a new digital and intelligent engine, steadily promote global development, enhance global business management capabilities, accelerate product and service innovation, deepen operational coordination and asset and liability management, and improve the level of risk pricing and cost control. **We will solidly build a risk control and compliance defence line**, build a comprehensive, penetrating, and preventive risk control and compliance management system, prevent and control risks in key areas such as geopolitical risks and climate change risks, and build a strong security barrier for high-quality development.

China Re will lead reform and development with the strategic vision of “building a world-class reinsurance group”, accelerate innovative breakthroughs by comprehensively deepening reform, and unswervingly follow the path of financial development with Chinese characteristics. We will promote the high-quality development of the Group to a new level, reward shareholders with excellent operating results, and contribute China Re’s strength to the Chinese-style modernisation!

# CHINA REINSU

● MANAGEMENT DISCUSSION  
AND ANALYSIS



# RANCE





# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

The Group is engaged in P&C reinsurance, life and health reinsurance, primary P&C insurance, asset management, insurance intermediary business and other businesses. We operate our domestic and overseas P&C reinsurance business primarily through China Re P&C, Chaucer and Singapore Branch; our domestic and overseas life and health reinsurance business primarily through China Re Life, China Re HK and Singapore Branch; our domestic and overseas primary P&C insurance business primarily through China Continent Insurance and Chaucer. We utilise and manage our insurance funds in a centralised and professional manner primarily through China Re AMC. We operate our insurance intermediary business primarily through Huatai Insurance Agency and its subsidiary. In addition, the Group Company manages domestic and overseas P&C reinsurance business through China Re P&C, and manages domestic and overseas life and health reinsurance business through China Re Life.

### Key Operating Data

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

*Unit: in RMB millions, except for percentages*

	For the year ended		Change (%)
	2024	2023	
Insurance revenue	101,363	99,755	1.6
Insurance revenue by business segment:			
P&C reinsurance <sup>1</sup>	46,042	43,309	6.3
Life and health reinsurance <sup>1</sup>	9,846	11,914	(17.4)
Primary P&C insurance <sup>1</sup>	46,914	46,558	0.8
Total investment income <sup>2</sup>	17,389	9,304	86.9
Total investment yield (%) <sup>3</sup>	4.83	2.77	Increase by 2.06 percentage points
Net investment income <sup>4</sup>	14,246	14,370	(0.9)
Net investment yield (%) <sup>5</sup>	3.96	4.28	Decrease by 0.32 percentage points



# MANAGEMENT DISCUSSION AND ANALYSIS

- Notes: 1. Insurance revenue for each business segment does not consider inter-segment eliminations, in which:  
the businesses of P&C reinsurance segment mainly include domestic P&C reinsurance business, overseas P&C reinsurance and Chaucer business, CNIP business and legacy P&C reinsurance business;  
the businesses of life and health reinsurance segment mainly include domestic life and health reinsurance business, overseas life and health reinsurance business and legacy life and health reinsurance business; and  
the business of primary P&C insurance segment refers to the property and casualty insurance business operated by China Continent Insurance.
2.  $\text{Total investment income} = \text{Investment income after deducting non-insurance investment contracts and derivative financial instruments related to life insurance business} + \text{interest income} + \text{share of profit of associates} + \text{impairment losses of associates} - \text{interest expenses on financial assets sold under repurchase agreements} - \text{net impairment loss on financial assets after deducting other assets} - \text{loss on dilution of equity in associates}.$
3.  $\text{Total investment yield} = \text{Total investment income} / (\text{average of total investment assets at the beginning and end of the period} - \text{average sold repurchase financial assets at the beginning and end of the period}).$
4.  $\text{Net investment income} = \text{Interest income} + \text{dividend income} + \text{rental income} + \text{share of profit of associates} - \text{interest expenses on financial assets sold under repurchase agreements}.$
5.  $\text{Net investment yield} = \text{Net investment income} / (\text{average of total investment assets at the beginning and end of the period} - \text{average sold repurchase financial assets at the beginning and end of the period}).$
6. Under the China Accounting Standards for Business Enterprises, the Company continues to implement the Old Standards. Under the Old Standards, the Group's gross written premiums for the Reporting Period were RMB178,483 million, representing a year-on-year increase of 0.9%.

# MANAGEMENT DISCUSSION AND ANALYSIS

	As at 31 December 2024		As at 31 December 2023	
	Core solvency adequacy ratio (%)	Aggregated solvency adequacy ratio (%)	Core solvency adequacy ratio (%)	Aggregated solvency adequacy ratio (%)
Group	159	194	155	192
Group Company	328	328	409	409
China Re P&C	148	223	152	249
China Re Life	154	208	158	216
China Continent Insurance	261	285	235	262

- Notes: 1. The relevant solvency data as at 31 December 2024 have been audited by the auditors of the Company. If there is any discrepancy between the solvency data disclosed in this annual report and the results announcement, this annual report shall prevail.
2. According to Articles 5 and 7 of the Regulations on the Solvency Supervision of Insurance Companies No. 1: Actual Capital, the evaluation of actual capital shall be based on the Accounting Standards for Business Enterprises approved by the former CBIRC, and the evaluation standards of assets and liabilities shall be adjusted according to the purpose of solvency supervision; as for the assets and liabilities of insurance contracts, their book value shall be recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts and the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts issued in 2006 by the Ministry of Finance, and the Regulations on Accounting Treatment of Insurance Contracts issued in 2009 by the Ministry of Finance.

In 2024, China Re adhered to the general tone of “Seeking progress while ensuring stability & Enhance value”, thoroughly implemented the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”, actively responded to the internal and external challenges, accelerated the progress of reform and development, and strove to enhance core competitiveness, successfully completing the operational and management objectives during the period of gathering strength, and achieving fruitful phased results in its pursuit of building a world-class comprehensive reinsurance group. First, the insurance revenue grew steadily, with the Group’s insurance revenue of RMB101,363 million, representing a year-on-year increase of 1.6%. Second, the operational efficiency was comprehensively improved, with the Group’s net profit of RMB11,080 million, representing a year-on-year increase of 91.3%. The Group’s solvency and international ratings remained stable. During the Reporting Period, we maintained the “A (Excellent)” rating by A.M. Best and “A” by S&P Global Ratings, and the financial position remained robust and healthy.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Key Financial Indicators

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

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

	For the year ended 31 December		Change (%)
	2024	2023	
Operating income	118,133	109,395	8.0
Profit before tax	13,798	6,325	118.2
Net profit	11,080	5,791	91.3
Net profit attributable to equity shareholders of the parent company	10,557	5,652	86.8
Earnings per share (RMB)	0.25	0.13	86.8
Weighted average return on equity (%) <sup>1</sup>	10.74	6.22	Increase by 4.52 percentage points

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

In 2024, net profit attributable to equity shareholders of the parent company of the Group amounted to RMB10,557 million, representing a year-on-year increase of 86.8%, which was mainly due to the fact that we adhered to the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”, and made balanced efforts in both ends of underwriting and investment, so that our underwriting performance continuously improved and investment income achieved year-on-year growth.

*Unit: in RMB millions, unless otherwise stated*

	31 December 2024	31 December 2023	Change (%)
Total assets	508,347	459,728	10.6
Total liabilities	395,682	357,549	10.7
Total equity	112,665	102,179	10.3
Net assets per share attributable to equity shareholders of the parent company (RMB)	2.43	2.20	10.7

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## P&C REINSURANCE BUSINESS

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

In 2024, we focused on consolidating the leading position in domestic reinsurance market, and continued to facilitate the establishment of platforms for domestic commercial insurance business and national policy-oriented business, strengthen the innovation-driven model and technological application, accelerate innovation promotion, enhance innovation achievement transformation, adhere to risk reduction services, and create new value while giving full play to our professional advantages. We continued to upgrade our customer service system, consistently strengthened the capability of our underwriting team, and enhanced our technical capabilities. We continued to vigorously expand emerging business sectors such as construction inherent defects insurance (IDI), safety production liability insurance, catastrophe insurance and cyber securities insurance, and thus our business structure continued to optimise.

For overseas business, we continued to adhere to high-quality development, optimise management mechanism and strengthen risk management and control. Matching with market cycles, our operation improved steadily with an adjusted business portfolio. We strengthened team building, reinforced core channels, and improved service capabilities. We continued to promote the synergy between domestic and overseas businesses,

which formed concerted forces to enhance domestic and overseas operating entities' underwriting capacity, facilitate business development, optimise the risk portfolio and promote the "Belt and Road Initiative" related business development.

In 2024, the insurance revenue from our P&C reinsurance segment amounted to RMB46,042 million, representing a year-on-year increase of 6.3% and accounting for 44.8% of insurance revenue of the Group (before inter-segment eliminations). In particular, the insurance revenue from our domestic P&C reinsurance business amounted to RMB22,557 million, representing a year-on-year increase of 1.6%, and the insurance revenue from our overseas P&C reinsurance and Chaucer business amounted to RMB23,358 million, representing a year-on-year increase of 11.5%. The increase in insurance revenue was mainly due to the fact that we seized the opportunities to actively expand advantageous businesses. Net profit amounted to RMB5,177 million, representing a year-on-year increase of 68.9%. The increase in net profit was mainly due to the fact that we actively seized market opportunities to optimise asset allocation, and recorded a significant year-on-year increase in investment income. At the same time, we adhered to the strategy of high-quality development, and the underwriting performance improved continuously.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Analysis

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

*Unit: in RMB millions, except for percentages*

	For the year ended 31 December		
	2024	2023	Change (%)
Insurance revenue	46,042	43,309	6.3
Interest income	2,999	2,761	8.6
Investment income/(losses)	2,386	(173)	–
Exchange (losses)/gains, net	(298)	156	–
Other income	194	177	9.6
<b>Total income</b>	<b>51,323</b>	<b>46,230</b>	<b>11.0</b>
Insurance service expenses	(39,792)	(35,586)	11.8
Allocation of reinsurance premiums	(5,625)	(5,860)	(4.0)
Amounts recoverable from reinsurers	3,891	2,915	33.5
Finance expenses from insurance contracts issued	(1,701)	(2,249)	(24.4)
Finance income from reinsurance contracts held	320	426	(24.9)
Net impairment loss on financial assets	(272)	(90)	202.2
Other finance costs	(710)	(859)	(17.3)
Other operating and administrative expenses	(1,069)	(1,393)	(23.3)
<b>Total insurance service expense and others</b>	<b>(44,957)</b>	<b>(42,697)</b>	<b>5.3</b>
Share of profit of associates	198	239	(17.2)
<b>Profit before tax</b>	<b>6,564</b>	<b>3,771</b>	<b>74.1</b>
Income tax	(1,386)	(706)	96.3
<b>Net profit</b>	<b>5,177</b>	<b>3,065</b>	<b>68.9</b>

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## Insurance revenue

Insurance revenue of our P&C reinsurance segment increased by 6.3% from RMB43,309 million in 2023 to RMB46,042 million in 2024, mainly due to the fact that we seized the opportunities of rising rates and growing demand for protection in the international market to actively expand business.

## Interest income

Interest income from our P&C reinsurance segment increased by 8.6% from RMB2,761 million in 2023 to RMB2,999 million in 2024. For details of analysis on changes of interest income, please refer to relevant contents in asset management business segment.

## Investment income

Investment income from our P&C reinsurance segment increased by RMB2,559 million from RMB-173 million in the 2023 to RMB2,386 million in 2024. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

## Insurance service expenses

Insurance service expenses of our P&C reinsurance segment increased by 11.8% from RMB35,586 million in 2023 to RMB39,792 million in 2024, mainly due to the corresponding increase in insurance service expenses caused by the business scale and catastrophes worldwide.

## Share of profit of associates

Share of profit of associates from our P&C reinsurance segment decreased by 17.2% from RMB239 million in 2023 to RMB198 million in 2024, mainly due to the decline in operating results of invested enterprises in 2024.

## Net profit

As a result of the growth in both investment income and underwriting efficiency, net profit for our P&C reinsurance segment increased by 68.9% from RMB3,065 million in 2023 to RMB5,177 million in 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Analysis

The data under the “Business Analysis” were prepared in accordance with the Old Standards.

### Domestic P&C Reinsurance Business

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

In 2024, the reinsurance premium income from our domestic P&C reinsurance business amounted to RMB38,750 million, representing a year-on-year decrease of 12.0%. The combined ratio was 99.86%, representing a year-on-year increase of 0.33 percentage points.

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

	For the year ended		Change
	31 December 2024	2023	
Loss ratio (%)	67.18	68.11	Decrease by 0.93 percentage points
Expense ratio (%)	32.68	31.42	Increase by 1.26 percentage points
Combined ratio (%)	99.86	99.53	Increase by 0.33 percentage points

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

In terms of business channels, by virtue of our good cooperation relationship with domestic clients, our domestic P&C reinsurance business was mainly on primary basis.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

*Unit: in RMB millions, except for percentages*

Type of reinsurance arrangement	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	36,956	95.4	42,501	96.6
Facultative reinsurance	1,794	4.6	1,509	3.4
<b>Total</b>	<b>38,750</b>	<b>100.0</b>	<b>44,010</b>	<b>100.0</b>

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

*Unit: in RMB millions, except for percentages*

Form of cession	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Proportional reinsurance	38,257	98.7	43,614	99.1
Non-proportional reinsurance	493	1.3	396	0.9
<b>Total</b>	<b>38,750</b>	<b>100.0</b>	<b>44,010</b>	<b>100.0</b>

The following table sets forth the reinsurance premium income from our domestic P&C reinsurance business by business channel for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

Business channel	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Primary	35,563	91.8	41,017	93.2
Via broker	3,187	8.2	2,993	6.8
<b>Total</b>	<b>38,750</b>	<b>100.0</b>	<b>44,010</b>	<b>100.0</b>



# MANAGEMENT DISCUSSION AND ANALYSIS

## Lines of Business

As the largest domestic specialised P&C reinsurance company in the PRC, we offer a wide variety of P&C reinsurance coverage catering to the business characteristics of the PRC market. Our lines of business cover a wide range of P&C insurance types in the PRC, mainly including motor, commercial property, liability, agriculture and engineering insurance. We actively captured the opportunities brought by the transformation and development of the market, and continued to vigorously expand emerging business sectors such as construction inherent defects insurance (IDI), safety production liability insurance, catastrophe insurance and cyber securities insurance, with total reinsurance premium income recorded at RMB3,033 million.

The following table sets forth the reinsurance premium income from our domestic P&C reinsurance business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

Line of business	For the year ended 31 December				
	2024		YoY Change (%)	2023	
	Amount	Percentage (%)		Amount	Percentage (%)
Motor	11,052	28.5	5.9	10,437	23.7
Commercial property	7,881	20.3	17.9	6,682	15.2
Liability	7,067	18.2	11.2	6,354	14.4
Agriculture	4,728	12.2	(61.2)	12,199	27.7
Engineering	2,120	5.5	3.2	2,054	4.7
Others <sup>1</sup>	5,903	15.2	(6.1)	6,284	14.3
<b>Total</b>	<b>38,750</b>	<b>100.0</b>	<b>(12.0)</b>	<b>44,010</b>	<b>100.0</b>

- Notes: 1. Others include, among others, cargo, marine hull, specialty insurance, surety and health.  
2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

# MANAGEMENT DISCUSSION AND ANALYSIS

*Motor reinsurance.* In 2024, we successfully seized customer business opportunities, and the premium volume increased. The reinsurance premium income from motor insurance business amounted to RMB11,052 million, representing a year-on-year increase of 5.9%.

*Commercial property reinsurance.* In 2024, reinsurance premium income from commercial property insurance business amounted to RMB7,881 million, representing a year-on-year increase of 17.9%, mainly due to the increase in the scale of premiums ceded to reinsurers in the market.

*Liability reinsurance.* In 2024, the reinsurance premium income from liability insurance business amounted to RMB7,067 million, representing a year-on-year increase of 11.2%, mainly due to the fact that we continued to step up our efforts in promotion of businesses such as construction inherent defects insurance (IDI), safety production liability insurance and cyber securities insurance.

*Agriculture reinsurance.* In 2024, the reinsurance premium income from agriculture insurance business amounted to RMB4,728 million, representing a year-on-year decrease of 61.2%. We continued to actively develop commercial agriculture reinsurance, while promoting innovation of our agriculture insurance products.

*Engineering reinsurance.* In 2024, reinsurance premium income from engineering insurance business amounted to RMB2,120 million, representing a year-on-year increase of 3.2%. The premium scale grew steadily.

## Clients and Client Services

In 2024, we continued to uphold the customer-oriented philosophy. We maintained stable cooperation relationships with major P&C insurance companies in the PRC, continued to improve user experience through business cooperation, exchange of technical know-how and client services, and deliver insurance value to promote the in-depth development of cooperative relationships. We continued to promote the optimisation and upgrading of our customer service model and provided customised solutions that closely met customer needs. As at the end of the Reporting Period, we maintained business relationships with 84 domestic P&C insurance companies, covering 97.7% of clients. We were the lead reinsurer for over 40% of our reinsurance contracts. We ranked first in the domestic market in terms of both client coverage and the number of contracts entered into as the lead reinsurer.

## Overseas P&C Reinsurance and Chaucer Business

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

In 2024, we seized the opportunities at the tail of the hard market, expanded the scale of our advantageous businesses, and proactively adjusted our business structure, which resulted in rapid growth in premium volume and satisfactory improvement in underwriting efficiency. Gross written premiums from our overseas P&C reinsurance and Chaucer business amounted to RMB26,560 million, representing a year-on-year increase of 14.1%. The combined ratio was 89.38%, representing a year-on-year increase of 3.64 percentage points. The combined ratio was higher than the same period last year, mainly due to the prudent provision of losses for events such as the hurricane in North America, Baltimore bridge collapse in the United States, and the Russia-Ukraine conflict.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the year ended 31 December		Change
	2024	2023	
Loss ratio (%)	54.81	50.40	Increase by 4.41 percentage points
Expense ratio (%)	34.57	35.34	Decrease by 0.77 percentage points
Combined ratio (%)	<b>89.38</b>	<b>85.74</b>	Increase by 3.64 percentage points

## Overseas P&C Reinsurance Business

In 2024, the reinsurance premium income from our overseas P&C reinsurance business amounted to RMB4,291 million, representing a year-on-year increase of 1.1%. We seized the opportunities at the tail of the hard market and actively expanded our new business to improve the profitability of our business portfolio. The combined ratio continued to improve.

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

	For the year ended 31 December		Change
	2024	2023	
Loss ratio (%)	71.87	73.97	Decrease by 2.10 percentage points
Expense ratio (%)	24.98	24.53	Increase by 0.45 percentage points
Combined ratio (%)	<b>96.85</b>	<b>98.50</b>	Decrease by 1.65 percentage points



# MANAGEMENT DISCUSSION AND ANALYSIS

In terms of types of business, treaty reinsurance continued to dominate our overseas P&C reinsurance business.

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

*Unit: in RMB millions, except for percentages*

Type of business	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	3,995	93.1	3,972	93.5
Facultative reinsurance	296	6.9	274	6.5
<b>Total</b>	<b>4,291</b>	<b>100.0</b>	<b>4,246</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

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

The following table sets forth the gross written premiums from our overseas P&C reinsurance business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

Line of business	For the year ended 31 December			2023	
	2024		YoY Change (%)	Amount	Percentage (%)
	Amount	Percentage (%)			
Non-marine	2,996	69.8	7.4	2,789	65.7
Specialty	625	14.6	(6.4)	668	15.7
Liability	268	6.2	(7.6)	290	6.8
Others <sup>1</sup>	402	9.4	(19.4)	499	11.8
<b>Total</b>	<b>4,291</b>	<b>100.0</b>	<b>1.1</b>	<b>4,246</b>	<b>100.0</b>

Note: 1. Others include, among others, whole account, motor, credit guarantee and agriculture reinsurance.

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

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## Chaucer Business

In 2024, Chaucer leveraged its own professional advantages to seize the opportunity of rising market premiums, actively explored new business opportunities, optimised business portfolio, and effectively controlled expense ratio. The gross written premiums amounted to RMB22,269 million, representing a year-on-year increase of 17.0%; the combined ratio was 87.55%<sup>1</sup>, representing a year-on-year increase of 5.67 percentage points; the return on economic capital (ROEC) was 19.2%<sup>2</sup>. The written premiums of contracts led by Chaucer accounted for approximately 50% of its overall gross written premiums. Chaucer is one of a limited number of Lloyd's market entities that gained market recognition in respect of underwriting and claims.

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

	For the year ended 31 December		Change
	2024	2023	
Loss ratio (%)	50.63	43.26	Increase by 7.37 percentage points
Expense ratio (%)	36.92	38.62	Decrease by 1.70 percentage points
Combined ratio (%)	87.55	81.88	Increase by 5.67 percentage points

- Notes: 1. Under the UK GAAP, the combined ratio of Chaucer was 87.32%, which was different from that under the International Accounting Standards, mainly due to the different treatment for reserve discounting and risk margin.
2. Return on economic capital = the net profit of Chaucer's statement under the UK GAAP (Management Information)/economic capital.

In terms of types of business and lines of business, Chaucer business consists of treaty reinsurance, facultative reinsurance and primary insurance. Of which treaty reinsurance business primarily provides coverage for property, specialty and casualty reinsurance worldwide; and facultative reinsurance and primary insurance businesses primarily provide coverage for marine, space and aviation, political risk/credit, political violence, energy, property and casualty insurance worldwide.



# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the gross written premiums from Chaucer business by type of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

Type of business	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	10,969	49.3	8,642	45.4
Facultative reinsurance	2,941	13.2	2,920	15.3
Primary insurance	8,359	37.5	7,477	39.3
<b>Total</b>	<b>22,269</b>	<b>100.0</b>	<b>19,039</b>	<b>100.0</b>

The following table sets forth the gross written premiums from Chaucer business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

Line of business	For the year ended 31 December				
	2024			2023	
	Amount	Percentage (%)	YoY Change (%)	Amount	Percentage (%)
Casualty and political risk/credit insurance	3,532	15.9	17.5	3,007	15.8
Marine, energy, space and aviation, nuclear insurance	3,889	17.4	(1.4)	3,944	20.7
Property and political violence insurance	4,445	20.0	14.7	3,877	20.4
Others <sup>1</sup>	10,403	46.7	26.7	8,211	43.1
<b>Total</b>	<b>22,269</b>	<b>100.0</b>	<b>17.0</b>	<b>19,039</b>	<b>100.0</b>

Note: 1. Others mainly refer to global treaty reinsurance business, including, among others, property treaty reinsurance, specialty treaty reinsurance and casualty treaty reinsurance.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

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

In terms of professional capability, we have a management team that has rich experience in insurance sector. The current senior management team has excellent performance in operation management. We have operational capability to deliver customised risk solutions to the market with more than 180 experienced underwriters having distinctive reputation in the market across 45 specialty lines, including political risk and nuclear insurance, etc. We also have an outstanding claims team with over 100 years of claims handling experience in London market capable of dealing with the most complex claims. We have won the Best Claims Service Award in the London market for 9 consecutive years. We operate a framework comprising five components: "strategy, governance, appetite, assessment and reporting". Together, these components set out the risk management internal processes, controls and responsibilities in place throughout the organisation to achieve an effective risk culture.

In terms of service platforms, with headquarters in London, and international branches for Europe, the Middle East and North Africa, Latin America and Asia, Chaucer provides protections to clients worldwide. We provide our clients with a range of flexible business platforms to choose from. Membership of Lloyd's allows Chaucer to take advantage of Lloyd's strong rating and excellent brand reputation to provide risk coverage to our clients in over 200 countries and territories worldwide. Our underwriting capacity at Lloyd's exceeded GBP1.8 billion, making us one of the leading platforms with substantial contract leadership capabilities in Lloyd's market. At the same time, we provide customers with flexible business platform options other than Lloyd's.

In terms of product innovation, we increased investment in this aspect and endeavoured to leverage digital solution to provide innovative products while offering more intelligent and efficient underwriting capabilities. We formulated a "smart underwriting" strategy for the use of modern technology in some business lines to improve work efficiency in channel management, risk analysis, and underwriting processes.

In terms of environmental, social and governance (ESG), Chaucer spearheaded the set up of a joint working group in the Lloyd's market and pushed ahead the establishment of ESG market standards. In addition, Chaucer joined the United Nations Principles for Sustainable Insurance (UN PSI) and became one of the signatories of over 150 major global insurance and reinsurance companies.

## CNIP Business

The Group Company, together with China Re P&C and China Continent Insurance, underwrites global nuclear insurance business via CNIP. In 2024, our reinsurance premium income via the CNIP platform amounted to RMB157 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIFE AND HEALTH REINSURANCE BUSINESS

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

In 2024, although the downward pressure on domestic macroeconomics has eased, the market interest rates continued to decline, savings products were still the main products to drive market growth. Business costs for the savings-type reinsurance business in Hong Kong and Singapore markets remained high, where competition was fierce in the reinsurance market. Adhering to the general tone of “Seeking progress while ensuring stability & Enhance value”, our core capabilities continued to improve, alongside with market leading competitive advantages and solid risk management, as we effectively addressed external challenges. We strategically developed the protection-type reinsurance business, and facilitated the supply-side structural reform of the industry with data, product and industrial integration. We led the compilation and preparation for publication work of the Fourth Mortality Table and the Guangdong-Hong Kong-Macao Greater Bay Area Mortality Table for Life and Health Insurance Industry of China (《人身保險業第四套經驗生命表及粵港澳大灣區經驗生命表》), empowering the infrastructure construction of the industry. We actively implemented Healthy China action and promoted aging finance and inclusive finance, as well as the integration of health insurance with health industry by constantly implementing innovative measures in payment methods. We seized

the window opportunities of savings-type reinsurance business, and attached great importance to cost control and asset-liability management. We developed new financial reinsurance business under the premise of compliance and improved management of inforce business, and paid close attention to the credit risk and compliance risk of our counterparties. We were in a solid competitive position in both the mainland and Hong Kong markets. In the mainland market, we have maintained the highest proportion of reinsurance contracts being entered into as leading reinsurer in all reinsurance contracts.

In 2024, insurance revenue from our life and health reinsurance segment amounted to RMB9,846 million, representing a year-on-year decrease of 17.4% and accounting for 9.6% of the Group’s gross insurance revenue (before inter-segment eliminations). The decrease in insurance revenue was mainly due to the decline of protection-type business. Net profit amounted to RMB4,209 million, representing a year-on-year increase of 225.3%. The increase in net profit was mainly due to the fact that we actively seized market opportunities to optimise asset allocation, and recorded a significant year-on-year increase in investment income.





# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Analysis

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

*Unit: in RMB millions, except for percentages*

	For the year ended 31 December		Change (%)
	2024	2023	
Insurance revenue	9,846	11,914	(17.4)
Interest income	4,664	4,743	(1.7)
Investment income/(losses)	3,159	(964)	–
Exchange (losses)/gains, net	(70)	455	–
Other income	27	21	28.6
<b>Total income</b>	<b>17,625</b>	<b>16,170</b>	<b>9.0</b>
Insurance service expenses	(10,929)	(12,229)	(10.6)
Allocation of reinsurance premiums	(2,018)	(1,383)	45.9
Amounts recoverable from reinsurers	4,213	2,278	84.9
Finance expenses from insurance contracts issued	(3,468)	(3,402)	1.9
Finance income from reinsurance contracts held	656	375	74.9
Net impairment loss on financial assets	(382)	337	–
Other finance costs	(947)	(1,096)	(13.6)
Other operating and administrative expenses	(668)	(819)	(18.4)
<b>Total insurance service expenses and others</b>	<b>(13,542)</b>	<b>(15,939)</b>	<b>(15.0)</b>
Share of profit of associates	982	957	2.6
<b>Profit before tax</b>	<b>5,066</b>	<b>1,188</b>	<b>326.4</b>
Income tax	(857)	106	–
<b>Net profit</b>	<b>4,209</b>	<b>1,294</b>	<b>225.3</b>

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## Insurance revenue

Insurance revenue of our life and health reinsurance segment decreased by 17.4% from RMB11,914 million in 2023 to RMB9,846 million in 2024, mainly due to the decline of protection-type business.

## Interest income

Interest income from our life and health reinsurance segment decreased by 1.7% from RMB4,743 million in 2023 to RMB4,664 million in 2024. For details of analysis on changes of interest income, please refer to relevant contents in asset management business segment.

## Investment income

Investment income from our life and health reinsurance segment increased by RMB4,123 million from RMB-964 million in 2023 to RMB3,159 million in 2024. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

## Insurance service expenses

Insurance service expenses from our life and health reinsurance segment decreased by 10.6% from RMB12,229 million in 2023 to RMB10,929 million in 2024, mainly due to the combined effect of the decrease in scale of some inforce businesses and loss-making contracts.

## Share of profit of associates

Share of profit of associates from our life and health reinsurance segment increased by 2.6% from RMB957 million in 2023 to RMB982 million in 2024, which was mainly due to the increase in profit of associates in 2024.

## Net profit

As a result of the foregoing reasons, net profit for our life and health reinsurance segment increased by 225.3% from RMB1,294 million in 2023 to RMB4,209 million in 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Analysis

The data under the “Business Analysis” were prepared in accordance with the Old Standards. Considering the business significance and operational independence of China Re Life (consolidated with China Re HK), and given that the insurance revenue from China Re Life (consolidated with China Re HK) is the main part of the whole life and health reinsurance business segment, unless otherwise stated, references to our life and health reinsurance business in the business analysis of this section shall be the business of China Re Life (consolidated with China Re HK) only.

In terms of business line, the protection-type reinsurance business overcame the impact of weak industry growth and took the initiative to innovate and develop; the savings-type business continuously strengthened the assets and liabilities management and domestic and overseas interconnection; and the financial reinsurance business adhered to the compliance baseline and continued to improve risk management level.

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

*Unit: in RMB millions, except for percentages*

Line of business	For the year ended 31 December				
	2024		YoY Change (%)	2023	
	Amount	Percentage (%)		Amount	Percentage (%)
Domestic protection-type reinsurance	22,685	35.3	(15.5)	26,857	42.5
Domestic savings-type reinsurance	22,906	35.6	50.7	15,203	24.0
Domestic financial reinsurance	15,310	23.8	(11.6)	17,321	27.4
<b>Domestic in total</b>	<b>60,901</b>	<b>94.8</b>	<b>2.6</b>	<b>59,381</b>	<b>93.9</b>
Overseas savings-type reinsurance	816	1.3	(58.8)	1,978	3.1
Other overseas business	2,550	4.0	35.5	1,882	3.0
<b>Overseas in total</b>	<b>3,366</b>	<b>5.2</b>	<b>(12.8)</b>	<b>3,860</b>	<b>6.1</b>
<b>Total</b>	<b>64,267</b>	<b>100.0</b>	<b>1.6</b>	<b>63,241</b>	<b>100.0</b>

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



# MANAGEMENT DISCUSSION AND ANALYSIS

## Domestic Life and Health Reinsurance Business

The domestic life and health reinsurance business described in this section refers to the domestic life and health reinsurance business operated by China Re Life.

In 2024, reinsurance premium income from the domestic life and health reinsurance business amounted to RMB60,901 million, representing a year-on-year increase of 2.6%.

In respect of the protection-type reinsurance business, the reinsurance premium income amounted to RMB22,685 million in 2024, representing a year-on-year decrease of 15.5%, which was affected by industry transformation as well as the sources and demand of new protection-type business. However, the business structure was optimised. Of which, reinsurance premium income of RMB10,333 million was from the yearly renewable term protection-type business<sup>1</sup> and RMB9,519 million was from the mid-end and long-term medical care insurance business, and the total share increased by 11.9 percentage points. Facing severe business environment, we actively took the following countermeasures. (i) We focused on the profitable medical insurance business, consolidated strategic cooperation mechanisms such as product innovation laboratories, promoted product iteration and innovation, effectively managed risks, promoted business cooperation, and achieved long-term win-win cooperation with customers. (ii) We made efforts to deploy in new risk areas such as long-term care insurance and disability insurance, and actively created a set of closed-loop underwriting solutions that could be exported to the industry to lay a solid foundation for assisting pension finance. (iii) We continued to serve national strategies such as

Healthy China and Inclusive Finance, gave full play to the role of commercial insurance as supplementary protection, optimised medical insurance responsibilities centring around the national medical insurance reform, promoted the sustainable development of the inclusive insurance for the public (Hui Min Bao) in many cities, and provided customised reinsurance support solutions for insurance for specific groups such as the inclusive insurance for the army men (Hui Jun Bao) and the workers (Hui Gong Bao). (iv) We continued to promote industrial integration and innovation, and carried out innovative cooperation on payment model around Internet outpatient insurance, special medicine, chronic disease management and other fields. Under the combined effect of innovation-driven and stringent risk control, we ensured stable quality of our business. The combined ratio (excluding operating and administrative expenses) after retrocession of the overall short-term protection-type business was 96.80%, with underwriting profits of RMB601 million.

In respect of the savings-type reinsurance business, given the persistently rigid costs of domestic business, we strengthened asset-liability matching management and reasonably seized business opportunities. The reinsurance premium income amounted to RMB22,906 million in 2024, representing a year-on-year increase of 50.7%.

In respect of the financial reinsurance business, we continuously strengthened compliance and risk management and pursued the management of inforce businesses to enhance the efficiency of capital usage. The reinsurance premium income amounted to RMB15,310 million in 2024.

Note: 1. Yearly Renewable Term protection-type business, i.e., “YRT” business, is a kind of reinsurance arrangement entered into by ceding companies based on a certain proportion of net amount at risk at an annual rate.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overseas Life and Health Reinsurance Business

The overseas life and health reinsurance business described in this section represents the overseas life and health reinsurance business operated by China Re Life and China Re HK.

In 2024, the reinsurance premium income from our overseas life and health reinsurance business amounted to RMB3,366 million, representing a year-on-year decrease of 12.8%, of which the reinsurance premium income from China Re Life and China Re HK (both after intra-segment eliminations) amounted to RMB2,722 million and RMB644 million, respectively.

In respect of the overseas savings-type reinsurance business, given the persistently high costs of overseas business, we insisted on prioritising cost and selectively

underwrote new businesses at the right opportunities. The reinsurance premium income amounted to RMB816 million in 2024, representing a year-on-year decrease of 58.8%.

In respect of other overseas business, we actively promoted business diversification, explored innovative business models and extended the special medicine business to overseas. The reinsurance premium income amounted to RMB2,550 million in 2024, representing a year-on-year increase of 35.5%.

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

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

*Unit: in RMB millions, except for percentages*

Type of reinsurance arrangement	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	64,219	99.9	63,042	99.7
Facultative reinsurance	48	0.1	199	0.3
<b>Total</b>	<b>64,267</b>	<b>100.0</b>	<b>63,241</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

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

*Unit: in RMB millions, except for percentages*

Form of cession	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Proportional reinsurance	64,236	99.9	63,202	99.9
Non-proportional reinsurance	31	0.1	39	0.1
<b>Total</b>	<b>64,267</b>	<b>100.0</b>	<b>63,241</b>	<b>100.0</b>

In terms of line of business, our life and health reinsurance business primarily consists of life insurance, and the business structure remained generally stable.

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

*Unit: in RMB millions, except for percentages*

Line of business	For the year ended 31 December				
	2024		YoY Change (%)	2023	
	Amount	Percentage (%)		Amount	Percentage (%)
Life reinsurance	41,629	64.8	10.4	37,702	59.6
Health reinsurance	21,060	32.8	(10.9)	23,633	37.4
Accident reinsurance	1,578	2.4	(17.2)	1,906	3.0
<b>Total</b>	<b>64,267</b>	<b>100.0</b>	<b>1.6</b>	<b>63,241</b>	<b>100.0</b>



# MANAGEMENT DISCUSSION AND ANALYSIS

## PRIMARY P&C INSURANCE BUSINESS

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

In 2024, guided by the new blueprint of “Value Continent”, we promoted all aspects of business management. We optimised the motor insurance business system and the group customer development model, deepened sales capability building and the reform of the claims protection mechanism, improved the customer experience and service matching mechanism as well as the institutional business diagnosis and empowerment mechanism, promoted AI-driven digital transformation reform, improved and optimised the performance evaluation and expense management systems, and further strengthened the teambuilding of talent professionals as well as risk control and compliance management. As a result, the operating efficiency improved steadily with continuously effective risk management, taking solid steps towards high-quality development.

In 2024, insurance revenue from our primary P&C insurance segment amounted to RMB46,914 million, representing a year-on-year increase of 0.8% and accounting for 45.6% of gross insurance revenue of the Group (before inter-segment eliminations). Net profit amounted to RMB1,475 million, representing a year-on-year increase of 292.3%. The increase in net profit was mainly due to the fact that we focused on value creation, continued to optimise business structure, and improved business quality, achieving improvement in underwriting performance; we also actively seized market opportunities to optimise asset allocation, and recorded a significant year-on-year increase in investment income.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Analysis

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

*Unit: in RMB millions, except for percentages*

	For the year ended 31 December		
	2024	2023	Change (%)
Insurance revenue	46,914	46,558	0.8
Interest income	1,119	1,210	(7.5)
Investment income/(losses)	1,049	(37)	–
Exchange gains/(losses), net	11	1	1,000.0
Other income	151	162	(6.8)
<b>Total income</b>	<b>49,244</b>	<b>47,894</b>	<b>2.8</b>
Insurance service expenses	(45,395)	(45,587)	(0.4)
Allocation of reinsurance premiums	(2,701)	(2,991)	(9.7)
Amounts recoverable from reinsurers	2,212	2,544	(13.1)
Finance expenses from insurance contracts issued	(789)	(806)	(2.1)
Finance income from reinsurance contracts held	127	129	(1.6)
Credit impairment loss	(200)	(67)	198.5
Other finance costs	(209)	(220)	(5.0)
Other operating and administrative expenses	(442)	(515)	(14.2)
<b>Total insurance service expenses and others</b>	<b>(47,399)</b>	<b>(47,513)</b>	<b>(0.2)</b>
Share of profit of associates	23	23	(0.0)
<b>Profit before tax</b>	<b>1,868</b>	<b>404</b>	<b>362.4</b>
Income tax	(393)	(28)	1,303.6
<b>Net profit</b>	<b>1,475</b>	<b>376</b>	<b>292.3</b>

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## Insurance revenue

Insurance revenue of our primary P&C insurance segment increased by 0.8% from RMB46,558 million in 2023 to RMB46,914 million in 2024, mainly due to the increase in business scale.

## Interest income

Interest income from our primary P&C insurance segment decreased by 7.5% from RMB1,210 million in 2023 to RMB1,119 million in 2024. For details of analysis on changes of interest income, please refer to relevant contents in asset management business segment.

## Investment income

Investment income from our primary P&C insurance segment increased by RMB1,086 million from RMB-37 million in 2023 to RMB1,049 million in 2024. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

## Insurance service expenses

Insurance service expenses from our primary P&C insurance segment decreased by 0.4% from RMB45,587 million in 2023 to RMB45,395 million in 2024, mainly due to the decrease in expense ratio.

## Allocation of reinsurance premiums

Allocation of reinsurance premiums paid from our primary P&C insurance segment decreased by 9.7% from RMB2,991 million in 2023 to RMB2,701 million in 2024, mainly due to the year-on-year decrease in premiums ceding ratio, and the decrease in ceding business scale.

## Net profit

As a result of the foregoing reasons, net profit for our primary P&C insurance segment increased by 292.3% from RMB376 million in 2023 to RMB1,475 million in 2024.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Analysis

The data under the “Business Analysis” were prepared in accordance with the Old Standards.

## Analysis by Line of Business

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

*Unit: in RMB millions, except for percentages*

Line of business	For the year ended 31 December				
	2024		YoY Change (%)	2023	
	Amount	Percentage (%)		Amount	Percentage (%)
Motor insurance	25,851	50.9	4.1	24,840	50.3
Accident and short-term health insurance	11,003	21.7	10.8	9,928	20.1
Surety insurance	3,839	7.6	(13.4)	4,432	9.0
Liability insurance	3,805	7.5	(8.5)	4,158	8.4
Agriculture insurance	1,970	3.9	11.9	1,760	3.6
Commercial property insurance	1,442	2.8	17.2	1,230	2.5
Others <sup>1</sup>	2,864	5.6	(4.9)	3,012	6.1
<b>Total</b>	<b>50,774</b>	<b>100.0</b>	<b>2.9</b>	<b>49,360</b>	<b>100.0</b>

- Notes: 1. Others include, among others, engineering, credit, marine hull, household property and specialty insurance.  
2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

# MANAGEMENT DISCUSSION AND ANALYSIS

*Motor Insurance.* In 2024, primary premium income from our motor insurance amounted to RMB25,851 million, representing a year-on-year increase of 4.1%. We always upheld the philosophy of high-quality development, stabilised the pace of business development, optimised the business quality structure, and enhanced profitability in motor insurance. Taking regulatory requirements as the criterion, we strengthened compliance requirements, and ensured consistency between reporting and actual practice. Taking big data applications as the starting point, we improved risk management capabilities and ensured stable operations. Taking digital empowerment as the guide, we accelerated business transformation and upgrading and improved service quality and efficiency.

*Accident and Short-term Health Insurance.* In 2024, primary premium income from accident and short-term health insurance amounted to RMB11,003 million, representing a year-on-year increase of 10.8%, of which primary premium income from accident insurance amounted to RMB4,267 million, representing a year-on-year increase of 4.0%; primary premium income from short-term health insurance (critical illness insurance not included) amounted to RMB3,834 million, representing a year-on-year increase of 14.9%; primary premium income from critical illness insurance amounted to RMB2,902 million, representing a year-on-year increase of 16.6%. We continued to deepen product innovation and scenario exploration, accelerated and pushed ahead innovation of the “insurance + service” model, and built a product map covering family, sports and other scenarios. We actively served the national strategies, and participated in various livelihood protection businesses such as critical illness insurance for urban and rural residents, large amount insurance for urban employees, nursing care insurance and Hui Min Bao. We strove to provide customers with insurance products with a strong sense of gain by building a multi-level medical insurance system and fully promoting the transformation and upgrading of marketing models while strengthening technological empowerment to meet customers’ all-round insurance needs.

*Surety Insurance.* In 2024, primary premium income from surety insurance amounted to RMB3,839 million, representing a year-on-year decrease of 13.4%. The cumulative bad debt rate of personal consumption loan surety insurance business was 9.31%. We strove to optimise our business structure, effectively prevented business risks, and promoted high-quality business development. At the same time, we adhered to focusing on inclusive finance, actively played the financial service role of financing surety insurance to help micro, small and medium-sized enterprises tide over the difficulties and resume development. We provided risk protection for approximately 46 thousand micro, small and medium-sized enterprises cumulatively, underwriting risk protection amounted to RMB10,120 million.

*Liability Insurance.* In 2024, primary premium income from liability insurance amounted to RMB3,805 million, representing a year-on-year decrease of 8.5%. We continued to optimise our business structure and promoted high-quality development and efficient operation of liability insurance. We actively served the national strategies, focusing on technology insurance and green insurance. We continued to exert our strength in traditional advantageous insurance products such as safety production liability insurance, construction inherent defects insurance (IDI), and carrier liability insurance, and made positive progress in innovative insurance products such as cyber security insurance and environmental pollution insurance at the same time. The cyber security insurance solution led and formulated by us was selected into the catalogue of the Ministry of Industry and Information Technology, and we ranked second in the industry in terms of the number of applications. Also, we exclusively won the bid for the first comprehensive cyber security insurance project in the field of domestic aviation, achieving major breakthrough in the expansion in the field of civil aviation business and the development in innovation in civil aviation cyber security insurance.

# MANAGEMENT DISCUSSION AND ANALYSIS

**Agriculture Insurance.** In 2024, primary premium income from agriculture insurance amounted to RMB1,970 million, representing a year-on-year increase of 11.9%. We continued to improve the operating conditions of agriculture insurance business, obtained operating qualifications for agriculture insurance in 33 provinces (autonomous regions, municipalities directly under the central government and municipalities separately listed on the state plan) cumulatively. We made every effort to advance the policy selection projects for agriculture insurance, and made breakthroughs in innovative insurance for planting insurance, breeding insurance, forest insurance, agriculture insurance, as well as agriculture-related insurance. We continued to innovate and develop insurance products, and focused on exploring insurance for agricultural products with local characteristics, weather index insurance, price index

insurance, agricultural futures price insurance, planting income insurance and other insurances. Cumulatively, 286 products including 153 innovative products were developed and filed.

**Commercial property insurance.** In 2024, primary premium income from commercial property insurance business amounted to RMB1,442 million, representing a year-on-year increase of 17.2%. We actively served the national strategy of “six stabilities” and “six securities”, focusing on the development of green finance, cumulatively providing risk protection of RMB426.8 billion for the green industry, which represented a year-on-year increase of 71.2%. We actively explored the field of technology insurance by successfully developing and implementing the first technology achievement transformation cost loss insurance.

## Analysis by Business Channel

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

*Unit: in RMB millions, except for percentages*

Business channel	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Insurance agents	27,551	54.3	27,624	56.0
Of which:				
Individual insurance agents	15,827	31.2	15,911	32.2
Ancillary insurance agencies	1,488	2.9	1,514	3.1
Professional insurance agencies	10,236	20.2	10,199	20.7
Direct sales	17,193	33.9	15,591	31.6
Insurance brokers	6,030	11.9	6,145	12.4
<b>Total</b>	<b>50,774</b>	<b>100.0</b>	<b>49,360</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## Analysis by Region

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

*Unit: in RMB millions, except for percentages*

Region	For the year ended 31 December			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Shanghai	6,599	13.0	7,011	14.2
Zhejiang	4,053	8.0	4,346	8.8
Yunnan	3,476	6.8	3,350	6.8
Shandong	2,868	5.6	2,780	5.6
Jiangxi	2,438	4.8	2,322	4.7
Inner Mongolia	2,305	4.5	2,264	4.6
Sichuan	2,008	4.0	1,948	3.9
Guangdong	1,791	3.5	1,758	3.6
Henan	1,790	3.5	1,556	3.2
Shaanxi	1,693	3.3	1,773	3.6
Others	21,755	42.8	20,252	41.0
<b>Total</b>	<b>50,774</b>	<b>100.0</b>	<b>49,360</b>	<b>100.0</b>

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

## Combined Ratio

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

	For the year ended 31 December	
	2024	2023
Loss ratio (%)	71.68	68.75
Expense ratio (%) <sup>1</sup>	27.98	32.03
<b>Combined ratio (%)</b>	<b>99.66</b>	<b>100.78</b>

Note: 1. The calculation of the expense ratio takes into account the effect of government grants.



# MANAGEMENT DISCUSSION AND ANALYSIS

## ASSET MANAGEMENT BUSINESS

In 2024, the adverse impact of changes in the external environment deepened and inflationary pressure was alleviated. However, the growth momentum of the world economy was far from strong, the economic performance of major economies was differentiated, and monetary policy entered the rate-cutting cycle. China's economy was generally stable and made progress. Solid progress was made in high-quality development despite challenges and difficulties such as insufficient domestic demand and numerous hidden risks. In 2024, the A-share and Hong Kong stock markets showed structural trends, with the high-dividend and technology sectors relatively dominant. In the meantime, the domestic bond interest rate experienced a one-sided decline, with the curve showing a flattening trend.

As at the end of the Reporting Period, the balance of assets under the management of the Group amounted to RMB827,111 million, of which the total investment assets balance of the Group was RMB443,885 million, representing an increase of 9.4% from the end of the previous year; the balance of third-party assets under management was RMB383,226 million, representing an increase of 1.1% from the end of the previous year.

### Investment Portfolio

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

*Unit: in RMB millions, except for percentages*

Investment assets	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Cash and short-term time deposits	13,006	2.9	14,597	3.6
Fixed-income investments	338,754	76.3	299,711	73.9
Time deposits	27,392	6.2	27,759	6.8
Bonds	248,469	56.0	205,125	50.6
Government bonds	45,117	10.2	24,591	6.1
Financial bond	35,923	8.1	23,021	5.7
Enterprise (corporate) bonds	111,748	25.2	120,081	29.6
Subordinated bonds	55,681	12.5	37,432	9.2
Other fixed-income investments <sup>1</sup>	62,893	14.1	66,827	16.5
Equity and investment funds	62,058	14.0	62,742	15.5
Investment funds <sup>2</sup>	31,667	7.1	32,347	8.0
Stocks	27,088	6.1	25,317	6.2
Other equity and investment funds <sup>3</sup>	3,303	0.8	5,078	1.3
Other investments	30,067	6.8	28,659	7.0
Investment in associates	25,285	5.7	23,524	5.8
Others <sup>4</sup>	4,782	1.1	5,135	1.2
<b>Total investment assets<sup>5</sup></b>	<b>443,885</b>	<b>100.0</b>	<b>405,709</b>	<b>100.0</b>

- Notes: 1. Primarily including financial assets held under resale agreements, statutory deposits, and others.  
2. Including stock funds, bond funds, equity funds, monetary funds, etc.  
3. Primarily including unlisted equity and perpetual bonds.  
4. Including investment properties, currency swaps, etc.  
5. Financial assets sold under repurchase agreements amounting to RMB69,590 million (2023: RMB60,309 million) were not deducted from the total investment assets.

# MANAGEMENT DISCUSSION AND ANALYSIS

In terms of investment management, we adhered to the idea of long-term investment, value investment, and prudent investment, and the matching principle of assets and liabilities, staying positive and proactive. We maintained asset allocation to adapt to market changes, strengthened active response and refined management. In terms of domestic fixed-income investments, we mastered the relatively high yield since the beginning of the year and increased the allocation of long-term bonds to extend the duration. We strengthened liquidity management, continued to optimise the credit structure of positions and enhanced the overall credit quality of the assets held. As for overseas fixed-income investments, we grasped the pace of interest rates and increased the allocation of senior bonds at the peak of rate cycle to improve the portfolio rating. In addition, we enhanced diversification to improve medium to long-term returns. As for optimisation of the secondary equity investment and research system, we focused on high-dividend portfolio such as utilities, resource and finance types with a dumbbell-shaped allocation strategy, modestly tilted towards the AI and smart car sectors in terms of growth investments, so as to effectively seize structural opportunities in the market. For alternative investments, we gave full play to the advantages of long-term and patient capital, supported the development of new quality productive forces and prudently selected our new and premium investments, while continuing to improve the stability of rental income from real estate investments.

As at the end of the Reporting Period, in terms of par value, among the assets entrusted by the Group Company, China Re P&C, China Re Life, China Continent Insurance and products from insurance asset managers for management<sup>1</sup> with China Re AMC acting as the trustee, domestic credit bond investment directly held accounted for 15.5% of entrusted assets under the management of China Re AMC, of which bonds with AAA rating accounted for 99.27%, and bonds with AA rating<sup>2</sup> and above accounted for 100%. Currently, there is no bond default and the risk is generally controllable.

As at the end of the Reporting Period, in terms of par value, among the assets entrusted by the Group Company, China Re P&C, China Re Life, China Continent Insurance and products from insurance asset managers for management with China Re AMC acting as the trustee, domestic non-standard assets<sup>3</sup> directly held by China Re AMC accounted for 4.86% of entrusted assets under the management of China Re AMC, of which those with an external rating of AAA accounted for 79.36%. The top three industries in terms of positions held were transportation, real estate and public utility, accounting for 27.50%, 25.67% and 23.22%, respectively.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS

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

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

In 2024, the quality and overall performance of China Everbright Bank's assets were relatively stable. As at the end of the Reporting Period, the Group held approximately 3.93% equity interest in China Everbright Bank in aggregate. China Everbright Bank is expected to bring us stable and healthy returns in the future.

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

As at the end of the Reporting Period, the transaction amount of the above transactions accounted for less than 5% of the total assets of the Company, respectively, and therefore does not constitute a major investment under paragraph 32(4) of Appendix D2 to the Hong Kong Listing Rules.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Investment Performance

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

*Unit: in RMB millions, except for percentages*

Investment income	2024	2023
<b>Cash and fixed-income investments</b>	<b>12,265</b>	<b>10,547</b>
Interest income	11,500	10,615
Realised losses	(13)	(654)
Unrealised gains/(losses)	1,745	451
Impairment losses	(967)	135
<b>Equity and investment funds</b>	<b>4,328</b>	<b>(1,963)</b>
Dividend income	1,867	2,870
Realised losses	(2,784)	(3,523)
Unrealised gains/(losses)	5,245	(1,310)
<b>Other investments</b>	<b>2,143</b>	<b>2,107</b>
Share of profit of associates	1,978	1,960
Loss on dilution of equity in associates	–	–
Other gains <sup>1</sup>	165	147
Impairment losses	–	–
<b>Interest expenses on financial assets sold under agreements to repurchase</b>	<b>(1,347)</b>	<b>(1,387)</b>
<b>Total investment income<sup>2</sup></b>	<b>17,389</b>	<b>9,304</b>
Total investment yield (%) <sup>4</sup>	4.83	2.77
Net investment income <sup>3</sup>	14,246	14,370
Net investment yield (%) <sup>4</sup>	3.96	4.28

- Notes: 1. Including gains or losses from changes in fair value and realised gains or losses from financial liabilities at fair value through profit or loss, gains or losses from changes in fair value and realised gains or losses from derivative financial instruments related to non-life insurance business, rental income from investment properties.
2. Total investment income = Investment income after deducting non-insurance investment contracts and derivative financial instruments related to life insurance business + interest income + share of profit of associates + impairment loss of associates – interest expenses on financial assets sold under repurchase agreements – net impairment loss on financial assets after deducting other assets – loss on dilution of equity in associates.

# MANAGEMENT DISCUSSION AND ANALYSIS

3. Net investment income = Interest income + dividend income + rental income + share of profit of associates – interest expenses on financial assets sold under repurchase agreements.
4. Total investment yield = Total investment income ÷ (average of total investment assets as at the beginning and end of the period – average of financial assets sold under repurchase agreements as at the beginning and end of the period).

Net investment yield = Net investment income ÷ (average of total investment assets as at the beginning and end of the period – average of financial assets sold under repurchase agreements as at the beginning and end of the period).

Investment assets = Cash and short-term time deposits + financial assets at fair value through profit or loss + financial assets held under resale agreements + time deposits + financial assets at amortised cost + debt investments at fair value through other comprehensive income + equity instrument at fair value through other comprehensive income + investments in associates + statutory deposits for insurance operations + derivative financial instruments + investment properties – financial liabilities at fair value through profit or loss.

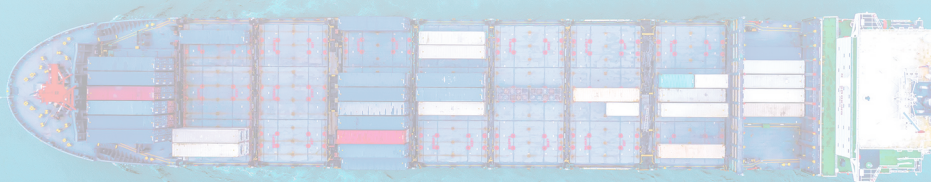
In 2024, the Group's total investment income was RMB17,389 million, representing a year-on-year increase of 86.9%. The total investment yield was 4.83%, representing a year-on-year increase of 2.06 percentage points. The increase in total investment income was mainly because firstly, we actively seized the opportunities of rising domestic and overseas equity market to optimise the structure of equity positions, thus increasing the return on equity and fund investments year-on-year. Secondly, we seized domestic and overseas market opportunities to optimise bonds allocation, and as the domestic bond prices went up, income from cash and fixed-income investments increased year-on-year. In 2024, the Group's net investment income was RMB14,246 million, representing a year-on-year decrease of 0.9%. The net investment yield was 3.96%, representing a year-on-year decrease of 0.32 percentage points.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INSURANCE INTERMEDIARY BUSINESS

Insurance intermediary business refers to the insurance intermediary business operated by Huatai Insurance Agency and its subsidiary, Huatai Surveyors & Adjusters Company. In 2024, Huatai Insurance Agency determined the medium to long-term strategic goal of “sprinting into the first camp in the field of insurance agency”. Adhering to the general principle of “seeking progress while ensuring stability and striving for innovation and transformation”, Huatai Insurance Agency continued to deepen the improvement of quality and efficiency as well as innovation and transformation, focused on adjusting and optimising the business structure, and proactively reduced the scale of the Internet platform business and motor insurance business, effectively improving the quality of development.

In 2024, revenue from insurance intermediary business amounted to RMB458 million, representing a year-on-year decrease of 25.3%. Among which, revenue from Internet platform and motor insurance business was RMB97 million, representing a year-on-year decrease of 65.1%, and revenue from other businesses was RMB361 million, representing a year-on-year increase of 7.7%. Total profit amounted to RMB4.5222 million, representing a year-on-year increase of 30.3%.





# MANAGEMENT DISCUSSION AND ANALYSIS

## SOLVENCY

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

*Unit: in RMB millions, except for percentages*

	31 December 2024	31 December 2023	Change (%)
<b>The Group</b>			
Core capital	109,029	97,709	11.6
Available capital	133,079	121,423	9.6
Minimum capital	68,728	63,132	8.9
Core solvency adequacy ratio (%)	159	155	Increase by 4 percentage points
Aggregated solvency adequacy ratio (%)	194	192	Increase by 2 percentage points
<b>Group Company</b>			
Core capital	92,379	82,783	11.6
Available capital	92,379	82,783	11.6
Minimum capital	28,122	20,223	39.1
Core solvency adequacy ratio (%)	328	409	Decrease by 81 percentage points
Aggregated solvency adequacy ratio (%)	328	409	Decrease by 81 percentage points
<b>China Re P&amp;C</b>			
Core capital	21,520	17,966	19.8
Available capital	32,535	29,465	10.4
Minimum capital	14,577	11,850	23.0
Core solvency adequacy ratio (%)	148	152	Decrease by 4 percentage points
Aggregated solvency adequacy ratio (%)	223	249	Decrease by 26 percentage points
<b>China Re Life</b>			
Core capital	37,069	31,575	17.4
Available capital	50,154	43,131	16.3
Minimum capital	24,139	20,007	20.7
Core solvency adequacy ratio (%)	154	158	Decrease by 4 percentage points
Aggregated solvency adequacy ratio (%)	208	216	Decrease by 8 percentage points
<b>China Continent Insurance</b>			
Core capital	22,623	20,930	8.1
Available capital	24,694	23,273	6.1
Minimum capital	8,667	8,894	(2.6)
Core solvency adequacy ratio (%)	261	235	Increase by 26 percentage points
Aggregated solvency adequacy ratio (%)	285	262	Increase by 23 percentage points



# MANAGEMENT DISCUSSION AND ANALYSIS

- Notes:
1. Core solvency adequacy ratio = core capital ÷ minimum capital; aggregated solvency adequacy ratio = available capital ÷ minimum capital.
  2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.
  3. The relevant solvency data as at 31 December 2024 have been audited by the auditors of the Company. If there is any discrepancy between the solvency data disclosed in this annual report and the results announcement, this annual report shall prevail.
  4. According to Articles 5 and 7 of the Regulations on the Solvency Supervision of Insurance Companies No. 1: Actual Capital, the evaluation of actual capital shall be based on the Accounting Standards for Business Enterprises approved by the former CBIRC, and the evaluation standards of assets and liabilities shall be adjusted according to the purpose of solvency supervision; as for the assets and liabilities of insurance contracts, their book value shall be recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts and the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts issued in 2006 by the Ministry of Finance, and the Regulations on Accounting Treatment of Insurance Contracts issued in 2009 by the Ministry of Finance.

Compared with the end of 2023, the consolidated solvency adequacy ratio of the Group remained stable basically. In particular, the solvency adequacy ratio of the Group Company saw a decrease, which was mainly due to the policy changes during the transition period of calculation rules. The solvency adequacy ratio of China Re P&C decreased, mainly due to the expansion of scale of retained business. The solvency adequacy ratio of China Re Life decreased, mainly due to the policy changes during the transition period of calculation rules. The solvency adequacy ratio of China Continent Insurance increased, mainly due to the increase in net assets.

According to the requirements of the Solvency Regulatory Rules (II) for Insurance Companies (Yin Bao Jian Fa [2021] No. 51), the “Summary of Solvency Reports” as of the end of the fourth quarter of 2024 of the Group Company and its subsidiaries, namely China Re P&C, China Re Life and China Continent Insurance, will be disclosed on their official websites respectively and the website of Insurance Association of China in due course.

# MANAGEMENT DISCUSSION AND ANALYSIS

Shareholders and investors are advised by the Board to pay attention to the following key operating indicators extracted from the Summary of Solvency Report as of the end of the fourth quarter of 2024:

Table 1: Key Operating Indicators

*Unit: in RMB millions unless otherwise stated*

Indicators	Entities				
	Group Company	China Re P&C	China Re Life	China Continent Insurance	
<b>31 December 2024</b>					
Total assets	97,296	143,539	294,002	95,984	
Net assets	63,637	25,015	22,797	25,653	
Insurance contract liabilities	19,002	64,988	186,166	47,834	
<b>For the year ended 31 December 2024</b>					
Insurance income	10,403	45,850	64,515	51,288	
Net profit	2,943	1,542	435	459	
Basic earnings per share (RMB)	0.069	0.134	0.053	0.030	
Return on equity (%)	4.67	6.57	2.06	1.84	
Return on total assets (%)	3.06	1.13	0.16	0.49	
Investment yield (%)	4.97	2.76	3.36	0.90	
Combined investment yield (%)	5.22	6.68	6.57	4.79	

# MANAGEMENT DISCUSSION AND ANALYSIS

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

*Unit: in RMB millions unless otherwise stated*

Indicators	Entities	China Continent Insurance
<b>For the year ended 31 December 2024</b>		
Premiums of signed policies (total premiums for policies sold)		50,793
Premiums of signed policies for motor insurance		25,915
Premiums of signed policies for top 5 non-motor insurance		20,553
Average premiums per motor for motor insurance (RMB) (written premiums from new motor insurance policies/number of new motors underwritten)		1,901
Premiums of signed policies by channels		50,793
Premiums of signed policies of agency channels		27,737
Premiums of signed policies of direct sale channels		17,019
Premiums of signed policies of brokerage channels		6,037
Premiums of signed policies of other channels		—

Notes: 1. As the consolidated scope is larger than these four companies and affected by offsetting factors when calculating the consolidated net profit of the Group, the consolidated net profit of the Group is not equal to the sum of net profits of these four companies.

2. The solvency related data as at 31 December 2024 have been audited by the auditors of the Company.

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

For viewing of the Summary of Solvency Report for the fourth quarter of 2024, shareholders and potential investors can visit the official websites of the Company at <http://www.chinare.com.cn>, China Re P&C at <http://www.cpcr.com.cn>, China Re Life at <http://www.chinalifere.cn> and China Continent Insurance at <http://www.ccic-net.com.cn>, or the website of Insurance Association of China at <http://www.iachina.cn> for enquiries.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EXCHANGE RATE FLUCTUATION RISK

Substantial amount of assets and liabilities of the Group are denominated in Renminbi, but certain assets and liabilities are denominated in Hong Kong dollars, US dollars, British pounds and other foreign currencies. The fluctuations of the value of Renminbi against such currencies expose us to foreign exchange risks. We control the adverse impacts of the fluctuations of exchange rates through enhancing management of the assets and liabilities matching in different currencies, keeping foreign exchange positions under control and using foreign currency derivatives appropriately. As at 31 December 2024, the Group held foreign currency derivatives of RMB-273 million (31 December 2023: RMB-240 million).

## DETAILS OF ASSETS CHARGED AND BANK BORROWINGS

As at 31 December 2024, bonds with a carrying value of RMB19,207 million (as at 31 December 2023: RMB18,017 million) were pledged as collateral for the securities sold under agreements to repurchase resulting from debt repurchase transactions entered into by the Group in the interbank market.

For debt repurchase transactions through the stock exchange, the Group is required by the stock exchange to deposit certain exchange-traded bonds into a collateral pool with fair value converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balance of the related repurchase transactions during the repurchase period. As at 31 December 2024, the carrying value of bonds deposited in the collateral pool was RMB71,831 million (as at 31 December 2023: RMB60,095 million). The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

The Group held bank borrowings of USD200 million with a coupon rate of Term SOFR+0.85%. The maturity date of the bank borrowings was 28 December 2024.



# MANAGEMENT DISCUSSION AND ANALYSIS

## CONTINGENCIES

As at 31 December 2024, the Group had issued the following guarantees:

- (1) As at 31 December 2024, the Group Company provided maritime guarantee of RMB1,393 million (31 December 2023: RMB1,359 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.
- (2) As at 31 December 2024, CRIH provided letter of credit to Lloyd's to support Syndicate 1084's and Syndicate 1176's underwriting business of GBP600 million totally (31 December 2023: GBP420 million).
- (3) CRIH entered into Tier 1 securities lending arrangements for Funds at Lloyd's with two financial institutions. The facilities amounted to GBP100 million and USD75 million (31 December 2023: GBP100 million and USD75 million) respectively.

## MAJOR EVENTS

### Material Connected Transactions

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

In addition, the related-party transactions disclosed in Note 49 to the financial statements do not constitute connected transactions under the Hong Kong Listing Rules, and therefore are not subject to all the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECTS

### Market Environment

Looking ahead to 2025, the long-term fundamentals supporting the positive improvement of China's economy remain unchanged. With China's insurance industry now entering a historical opportunity period under the framework of Chinese-style modernisation, its role as an "economic shock absorber" and "social stabiliser" has become increasingly prominent. A number of reform measures have been introduced at the third plenary session of the 20th CPC Central Committee, highlighting significant growth potential in areas such as technology insurance, green insurance, agricultural insurance, catastrophe insurance and health and pension insurance. The new "Ten National Rules" and the action plan for high-quality development of the P&C industry provide an unprecedented policy window, driving advancements in the reinsurance market, the establishment of a catastrophe insurance system, and international development. This period of strategic opportunities will inject strong momentum into the high-quality development of the industry.

For the primary P&C insurance market, positive and favourable factors are gradually increasing. The development concept of the industry has gradually shifted to centring on value and efficiency, paying more attention to cost management and control. The main players in the industry have reached consensus on comprehensively promoting industry self-discipline, deeply promoting "consistency between reporting and actual practice", focusing on promoting the standardisation of agricultural insurance, effectively strengthening the management of receivables for non-motor insurance, and comprehensively strengthening the construction of risk compliance system. Market competition will become more rational. At the same time, there are still a lot of difficulties and challenges. For instance, the Matthew Effect is increasingly significant in current market competition; the overall rate level of the industry has been declining quarter by quarter with no signs of improvement; the proportion of new energy vehicles is gradually increasing; medical expenses are rising every year; and the impact of extreme climate is expanding. All such factors will bring upward pressure on compensation.

# MANAGEMENT DISCUSSION AND ANALYSIS

In respect of the P&C reinsurance market, in the international market, intensifying climate change, frequent natural catastrophes, rising losses, inflation and other factors are driving up the demand side of reinsurance. At the same time, improved rate conditions and a rebound in investment are also driving up the supply side. In the domestic market, the demand for reinsurance in areas such as disaster risks, emerging risks, and special risks is growing steadily, and the central role of reinsurance in risk pricing and accumulation management will become more prominent.

For the primary life and health insurance market, in the context of the longevity era, there is a strong demand for pension savings, and businesses with strong savings characteristics such as increasing whole life insurance and dividend insurance are still the main driving force of the market. Protection-type businesses represented by health insurance have not yet completely emerged from the transformation period. In the future, with the comprehensive promotion of medical insurance payment reform, the sharing of medical insurance and commercial insurance information, and the AI revolution, commercial medical insurance may usher in a new high of product innovation, bringing new development opportunities to the industry. In addition, the promotion of long-term care insurance at the national level has laid a good foundation for commercial long-term care insurance. Long-term care insurance, health management and health services are facing new development opportunities.

For the life and health reinsurance market, the industry has strong demand in the fields of medical insurance, long-term care insurance, and health management. The provision of more innovative support from reinsurance is necessary in terms of new products, new models, and new services. Reinsurance market is nurturing new opportunities in terms of innovative medical insurance services for social governance, medical insurance data integration, drug payment efficiency improvement, and disability care risk research and development.

In respect of the development of capital market and use of insurance funds, global economic divergence is expected to persist, with geopolitical uncertainties continuing to affect capital flows and trade activities. Domestically, China's high-quality economic development is progressing steadily, supported by strong fundamentals, abundant advantages, robust resilience, and significant potential. Opportunities and challenges coexist in the capital market, prompting insurance fund management to align with the objectives of patient capital, so as to improve investment capabilities and strike a balance between short-term and long-term returns while managing the trade-off between stable returns and risk control.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Outlook of the Group

The Group will continue to adhere to the general tone of “Seeking progress while ensuring stability & Enhance value”. Guided by the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”, the Group will remain steadfast in its efforts to promote reform, innovation, and transformative management practices. With a focus on the six major tasks of “advancing operational mechanism reforms, accelerating digital transformation, achieving efficiency improvement, deepening global development, strengthening risk prevention and control, and improving refined management”, the Group is fully committed to meeting the strategic tasks outlined in the “14th Five-Year Plan” and driving the high-quality development of China Re into a new stage with full effort.

In respect of the P&C reinsurance business, we will deepen reform and innovation, deeply serve the national strategies, enhance the level of refined management, strengthen risk prevention management and control, consolidate our leading position in the domestic market, enhance the resilience of international business operations, improve our comprehensive risk reduction service capabilities, boost innovation efforts and achievement transformation, and continuously promote high-quality development to a new level.

For the life and health reinsurance business, we will continue to focus on major development opportunities such as the health insurance development, industrial integration and digital transformation in the industry, actively promote supply side structural reforms such as products and services, and continue to pay attention to national and industry policies. Focusing on “data +” and “products +”, we will innovatively develop the protection-type reinsurance business, and continue to explore new business opportunities such as DRG medical insurance, long-term care and disability insurance, and inclusive insurance through product innovation and iteration, industrial integration and big data empowerment. We will strictly control operating cost, and enhance the asset-liability matching and risk management of the savings-type reinsurance business. We will strengthen inforce business management and counterparty risk management, and perform the financial reinsurance business under the premise of controllable risk and compliance. We will fully capitalise on the domestic and overseas “dual-markets” as well as the “dual-platforms” of business and investment to achieve collaborative development of business in domestic and overseas markets.



# MANAGEMENT DISCUSSION AND ANALYSIS

In respect of the primary P&C insurance business, we will accelerate efforts to build “first-class” comprehensive competitiveness. Through quantitative evaluation of work effectiveness from multiple management perspectives, we will help branch institutions find their accurate development positioning and promote business transformation and upgrading. We will also establish a business philosophy that is tested by “benchmarking against best practices”, and strengthen market benchmarking, system benchmarking, and historical benchmarking, so as to make use of benchmarking against best practices to test the effectiveness of cost management and control and measure premium growth and performance. We will strengthen comprehensive, systematic, and linked management of all elements including business development, quality, structure, resources, risk control, claims, and receivables, construct a full-risk, full-cost and full-channel smart business system to deeply explore and analyse structural indicators and leading indicators, and build a service pattern of overall command, tiered management, and layered implementation. We will remain steadfast in our commitment to value-driven development, focus on our efforts, and strive to promote new results of “Value Continent” construction as well as high-quality development to a new level.

In respect of asset management business, in the face of complex and severe market situations at home and abroad, we will continue to maintain strategic focus, uphold a healthy and prudent investment philosophy, expand our global vision, build a domestic and overseas integrated, cross-market diversified asset allocation system, and continuously optimise the asset allocation structure. While each investment line will closely focus on asset allocation plans and risk preferences, we will deepen the understanding of domestic and foreign economic situations, market environments and policy expectations, strengthen trend analysis and forward-looking judgment, strive to improve investment capabilities, and create investment returns. As for third-party asset management business, we will continue to enrich product lines, actively expand channels and new customers, and improve quality and efficiency through refined management. In terms of risk management and control, we will focus on building a cross-regional, multi-asset, and multi-currency risk management system to enhance the comprehensiveness, foresight, and agility of risk prevention and control, thereby providing solid support for the high-quality development of the Group.

# CHINA REINSU

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- A background image showing three business professionals in a meeting. A man in a dark suit and blue tie is gesturing with his hand while speaking. Two other people, a man and a woman, are listening. They are seated at a table with laptops and documents. The image has a teal overlay.
- DIRECTORS, SUPERVISORS, SENIOR  
MANAGEMENT AND EMPLOYEES
  - CORPORATE GOVERNANCE REPORT
  - REPORT OF THE BOARD OF DIRECTORS
  - REPORT OF THE BOARD OF  
SUPERVISORS



# RANCE



# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### Directors

Name	Month and Year of Birth	Position	Date of Appointment
He Chunlei	April 1965	Executive Director Chairman	February 2017 December 2022
Zhuang Qianzhi	January 1972	Executive Director Vice Chairman	August 2021 December 2022
Zhu Xiaoyun	August 1975	Executive Director	February 2025
Yang Changsong	May 1966	Non-executive Director	November 2022
Jia Xiangxiang	March 1972	Non-executive Director	April 2024
Zhou Zheng	November 1980	Non-executive Director	April 2024
Jiang Bo	December 1955	Independent Non-executive Director	December 2018
Dai Deming	October 1962	Independent Non-executive Director	August 2023
Ye Mei	April 1966	Independent Non-executive Director	December 2023

- Notes:
1. Mr. Li Bingquan ceased to serve as a non-executive Director since 4 January 2024.
  2. Ms. Jia Xiangxiang has served as a non-executive Director since 28 April 2024.
  3. Mr. Zhou Zheng has served as a non-executive Director since 28 April 2024.
  4. Mr. Li Wenfeng ceased to serve as a non-executive Director since 7 May 2024.
  5. Ms. Wang Xiaoya ceased to serve as a non-executive Director since 2 December 2024.
  6. Ms. Zhu Xiaoyun has served as an executive Director since 24 February 2025.
  7. As approved by the second extraordinary general meeting of 2024, Mr. Keung Yui Fai has been appointed as an independent non-executive Director, and his formal performance of duties is subject to the approval of his qualification as a Director by the National Financial Regulatory Administration and the performance of the procedures stipulated in the Articles of Association.
  8. For details of Directors' positions in the specialised committees of the Board, please refer to the section headed "Corporate Governance Report" in this annual report.



# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## Supervisors

Name	Month and Year of Birth	Position	Date of Appointment
Zhu Hailin	October 1965	Shareholder Representative Supervisor, Chairman of the Board of Supervisors	December 2022
Zeng Cheng	July 1980	Shareholder Representative Supervisor	July 2018
Qin Yueguang	October 1976	Employee Representative Supervisor	June 2018
Li Jingye	February 1972	Employee Representative Supervisor	June 2018

Note: 1. Mr. Zhu Yong ceased to serve as the Shareholder Representative Supervisor since 19 January 2024.

## Senior Management

Name	Month and Year of Birth	Position	Date of Appointment
Zhuang Qianzhi	January 1972	President	March 2023
Zhu Xiaoyun	August 1975	Vice President	November 2021
Lei Jianming	June 1979	Vice President	March 2023
Tian Meipan	October 1974	Assistant to President Chief Actuary Financial Controller	July 2023 December 2012 October 2023
Cao Shunming	August 1974	Assistant to President Compliance Controller Chief Risk Officer	July 2023 March 2022 July 2023
Liu Yuanzhang	February 1978	Assistant to President Board Secretary Joint Company Secretary	March 2024 November 2024 September 2024

Notes: 1. Mr. Liu Yuanzhang has served as the Assistant to President since 19 March 2024, the Joint Company Secretary since 24 September 2024 and the Board Secretary since 19 November 2024.

2. Ms. Zhu Xiaoyun ceased to serve as the Joint Company Secretary since 24 September 2024 and the Board Secretary since 19 November 2024.

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## BIOGRAPHIES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND JOINT COMPANY SECRETARIES

### Directors

#### Executive Directors

**Mr. He Chunlei** (和春雷), is the Chairman and an executive Director of the Company. He holds a doctoral degree in economics and is an associate research fellow. Before joining the Company, Mr. He had served in the Economic Research Institute of the Academy of Social Sciences of Shaanxi Province, and the post doctoral programme of Economics of the Chinese Academy of Social Sciences. Mr. He had served as the deputy general manager and the chairman of the board of directors of China Continent Insurance, the vice chairman of the board of directors, the general manager and the chairman of the board of directors of China Re P&C, the chief executive officer of the international P&C reinsurance business of the Company, a director of China Re AMC, the chairman of the board of directors of China Re Life, the Vice President and the Executive Vice President (assuming the role of the President), the Vice Chairman and President of the Company. Mr. He has been an executive Director of the Company since February 2017 and the Chairman of the Company since December 2022; he is also currently a non-executive director of Shanghai Insurance Exchange Company Limited and the chairman of CNIP.

**Ms. Zhu Xiaoyun** (朱曉雲), is an executive Director and the Vice President of the Company. She holds a master's degree in economics, and is an economist. Ms. Zhu joined the Company in July 1998 and had served as the deputy head of the office of the Board, the head of the general office (party committee office), the general manager of Human Resources Department of the Company, as well as the Board Secretary and

the Joint Company Secretary of the Company. Ms. Zhu has served as the Vice President of the Company since November 2021, and an executive Director of the Company since February 2025. Ms. Zhu served as the chairlady of China Re P&C, a director of Huatai Insurance Agency, and a director of China Insurance Media Company Ltd. (now known as China Financial Media Company Ltd.).

**Mr. Zhuang Qianzhi** (莊乾志), is the Vice Chairman, an executive Director and the President of the Company. He holds a doctoral degree in economics, and is a senior economist. Before joining the Company, Mr. Zhuang served as a deputy general manager of the investment banking department, the head of strategy development department, the head of the general office (party committee office), the head of the office of the board of directors, the head of office of the board of supervisors, the general manager of risk management department of China Jianyin Investment Ltd., an executive director and vice president of the Southwest Securities Co., Ltd., the chairman of the board of directors of JIC Technology Investment Co., Ltd., and the assistant to the president of China Jianyin Investment Ltd. Mr. Zhuang had served as the Vice President, Compliance Controller and Chief Risk Officer of the Company, the chairman of China Re Life, and the chairman of China Re AMC. Mr. Zhuang has been an executive Director of the Company since August 2021, the provisional person-in-charge acting on behalf of the President of the Company since November 2022, the Vice Chairman of the Company since December 2022, and the President of the Company since March 2023.

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## Non-executive Directors

**Mr. Yang Changsong** (楊長松), is a non-executive Director of the Company, and a university graduate. Mr. Yang worked in the third division of Finance and Taxation Management of Tianjin Finance Bureau, and he served as a staff member of the Chinese Enterprise Division in the Tianjin Finance Bureau under the Ministry of Finance, a staff member, deputy senior staff member and senior staff member of the first division of the Tianjin Commissioner Office under the Ministry of Finance, deputy director and director of the fourth division of the Tianjin Commissioner Office under the Ministry of Finance, director of the first division of the Tianjin Commissioner Office under the Ministry of Finance, director of the second business division of the Tianjin Commissioner Office under the Ministry of Finance, and deputy inspector of the Tianjin Commissioner Office under the Ministry of Finance, and a second-level inspector of Tianjin Regulatory Bureau of the Ministry of Finance. Mr. Yang has been a non-executive Director of the Company since November 2022.

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

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

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## Independent Non-executive Directors

**Ms. Jiang Bo (姜波)**, is an independent non-executive Director of the Company. She holds a doctoral degree in economics, and is a senior accountant and a senior economist. Ms. Jiang was appointed as the chief financial officer and the chairman of the labour union of China Everbright Group Limited, a managing director, the vice president and the chief audit officer of China Everbright Bank, a director of China Everbright Holdings Company Limited (Hong Kong), Sun Life Everbright Life Insurance Co., Ltd., Everbright Financial Holding Asset Management Co., Ltd. and Shenyin & Wanguo Securities Co. Ltd., an independent non-executive director of China Shenhua Energy Company Limited and Sinopec Oilfield Service Corporation. Ms. Jiang is currently an independent director of GuoDu Securities Co., Ltd. Ms. Jiang has been an independent non-executive Director of the Company since December 2018.

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

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



# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## Supervisors

**Mr. Zhu Hailin** (朱海林), is a shareholder representative Supervisor and the Chairman of the Board of Supervisors of the Company. He is an expert with special grants by the PRC government, and holds a doctoral degree in economics. He is also a certified public accountant in China (a non-practising member) and an associate research fellow. Prior to joining the Company, Mr. Zhu served as a deputy director and director of Accounting Department of the Ministry of Finance, a deputy director of the National Accountant Assessment & Certification Centre of the Ministry of Finance, a managing director and the chairman of the Risk and Internal Control Committee of Central Huijin Investment Ltd., during which Mr. Zhu successively served as a director of China Construction Bank Corporation, a director of Agricultural Bank of China Limited and a director of China International Capital Corporation Limited. Mr. Zhu has been a shareholder representative Supervisor and the Chairman of the Board of Supervisors of the Company since December 2022.

**Mr. Zeng Cheng** (曾誠), is a shareholder representative Supervisor of the Company. He holds a doctoral degree in accounting, and is a senior accountant. Mr. Zeng was the manager of the financial department of Central Huijin, and the senior deputy manager, senior manager and the leader of the tax group of the financial department of China Investment Corporation. Mr. Zeng is currently the leader of capital and treasury group of the financial department of China Investment Corporation. Mr. Zeng has been appointed as a shareholder representative Supervisor of the Company since July 2018. Mr. Zeng was qualified as a National High-end Accounting Talent, a Chartered Global Management Accountant (CGMA) and a Fellow of the Chartered Institute of Management Accountants (FCMA).

**Mr. Qin Yueguang** (秦躍光), is an employee representative Supervisor of the Company. He holds an executive master of business administration degree, and is a certified public accountant (non-practising member) in the PRC. Prior to joining the Company, Mr. Qin had worked in Konka Group Co., Ltd., Ping An Insurance (Group) Company of China, Ltd., Taiping Life Insurance Company Limited and New China Life Insurance Company Ltd. Mr. Qin was the deputy general manager (in charge of daily operation) and the general manager of the risk management department of the Company, a director of China Re Life, the vice president of China Continent Insurance and the director of China Re AMC. Mr. Qin is currently serving as the general manager of the strategic development department of the Company/China Re Insurance Research Institute (中再保險研究院), and is concurrently serving as the director of China Continent Insurance and the director of China Re Catastrophe. Mr. Qin has been an employee representative Supervisor of the Company since June 2018.

**Mr. Li Jingye** (李靖野), is an employee representative Supervisor of the Company. He holds a doctoral degree in finance, and is a senior economist. Mr. Li worked in the Central Financial Work Committee, the former China Banking Regulatory Commission and CIRC, and as the supervisor at deputy division head level of PICC Holding Company and China Reinsurance (Group) Company appointed by the State Council. Mr. Li was the assistant to general manager and deputy general manager of audit department/office of the Board of Supervisors of the Company. Mr. Li serves as the general manager of the department/office, and is concurrently serving as the audit controller of China Re AMC. Mr. Li has been an employee representative Supervisor of the Company since June 2018.

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## Senior Management

For the biography of **Mr. Zhuang Qianzhi** (莊乾志), please refer to the paragraphs headed “Executive Directors” above.

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

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

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

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. Cao Shunming** (曹順明), is the Assistant to President, the Compliance Controller and Chief Risk Officer of the Company. He holds a doctoral degree in law, and is an associate researcher. Prior to joining the Company, Mr. Cao served in People's Insurance Company of China, PICC Asset Management Company Limited and PICC Property and Casualty Company Limited. Mr. Cao served as the deputy general manager of risk management and legal and compliance department, the deputy general manager of the internal control, compliance and legal affairs department, the general manager of the internal control, compliance and legal affairs department, the employee representative supervisor, the legal controller, the general manager of the risk management department of the Company and the chairman of the supervisory committee of Huatai Insurance Agency. Mr. Cao is concurrently serving as the chairman of China Re Catastrophe. Mr. Cao has been the Compliance Controller of the Company since March 2022 and the Assistant to President and Chief Risk Officer of the Company since July 2023. Mr. Cao holds a lawyer qualification in the PRC.

**Mr. Liu Yuanzhang** (劉元章), is the Assistant to President, the Board Secretary and the Joint Company Secretary of the Company, and holds a master's degree in economics. Mr. Liu had served as the director of human resources department (party committee organisation department), assistant to the general manager/assistant to the director, deputy general manager/deputy director and general manager/director of the Company, and the chairman of Huatai Insurance Agency, etc. He now concurrently serves as the human resources director, general manager of the human resources department of the Company and chairman of China Re P&C. Mr. Liu has been the Assistant to President of the Company since March 2024, the Joint Company Secretary of the Company since September 2024 and the Board Secretary of the Company since November 2024.

## Joint Company Secretaries

For the biography of **Mr. Liu Yuanzhang** (劉元章), please refer to the paragraphs headed "Senior Management" above.

**Ms. Ng Sau Mei** (伍秀薇), has been appointed as a Joint Company Secretary of the Company since April 2017. Ms. Ng is a director of the listing services department of TMF Hong Kong Limited. Ms. Ng has over 23 years of professional experience in the company secretarial field and is responsible for providing corporate secretarial and compliance services to listed company clients. Ms. Ng has extensive knowledge and experience in corporate governance and compliance matters for listed companies and currently serves as joint company secretary of several companies listed on the Main Board of the Hong Kong Stock Exchange, including Shandong Gold Mining Co., Ltd. and China BlueChemical Ltd., and is responsible for the corporate secretarial matters of several other companies listed on the Main Board of the Hong Kong Stock Exchange, including New China Life Insurance Company Ltd. and China Development Bank Financial Leasing Co., Ltd. Ms. Ng holds a master's degree in law, and is a Chartered Secretary, a Corporate Governance Professional and a Fellow of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the UK.

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THEIR INFORMATION

### Changes of Directors and Their Information

Name	Original Position	Present Position	Changes of Biographies
Li Bingquan	Non-executive Director	Secretary to the disciplinary committee	Ceased to serve as a non-executive Director since 4 January 2024.
Li Wenfeng	Non-executive Director	Nil	Ceased to serve as a non-executive Director since 7 May 2024.
Wang Xiaoya	Non-executive Director	Nil	Ceased to serve as a non-executive Director since 2 December 2024.
Zhu Xiaoyun	Nil	Executive Director	Has served as an executive Director since 24 February 2025.
Jia Xiangxiang	Nil	Non-executive Director	Has served as a non-executive Director since 28 April 2024.
Zhou Zheng	Nil	Non-executive Director	Has served as a non-executive Director since 28 April 2024.

For details of the resignation of Mr. Li Bingquan, please refer to the announcement of the Company dated 4 January 2024. For details of the resignation of Mr. Li Wenfeng, please refer to the announcement of the Company dated 7 May 2024. For details of the retirement of Ms. Wang Xiaoya, please refer to the announcement of the Company dated 2 December 2024. For details of the appointment of Ms. Jia Xiangxiang and Mr. Zhou Zheng, please refer to the announcements of the Company dated 25 January 2024, 4 March 2024 and 7 May 2024 and the circular of the Company dated 8 February 2024. For details of the appointment of Ms. Zhu Xiaoyun, please refer to the announcements of the Company dated 25 July 2024, 8 October 2024, 26 December 2024 and 24 February 2025.

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



# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## Change of Supervisors and Their Information

Name	Original Position	Present Position	Changes of Biographies
Zhu Yong	Shareholder representative Supervisor	Nil	Ceased to serve as the shareholder representative Supervisor since 19 January 2024.

For details of Mr. Zhu Yong's resignation, please refer to the announcement of the Company dated 19 January 2024.

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

## Changes of Senior Management and Their Information

Name	Original Position	Present Position	Changes of Biographies
Zhu Xiaoyun	Vice President, Board Secretary and Joint Company Secretary	Vice president	Ceased to serve as the Joint Company Secretary since 24 September 2024. Ceased to serve as the Board Secretary since 19 November 2024.
Liu Yuanzhang	Nil	Assistant to President, Board Secretary and Joint Company Secretary	Has served as the Assistant to President since 19 March 2024. Has served as the Board Secretary since 19 November 2024. Has served as the Joint Company Secretary since 24 September 2024.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

For details of Ms. Zhu Xiaoyun's resignation as the Joint Company Secretary and Mr. Liu Yuanzhang's appointment as the Joint Company Secretary, please refer to the announcements of the Company dated 30 August 2024 and 24 September 2024.

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

### EMPLOYEES

As of 31 December 2024, the Group had a total of 49,040 employees. The Group's staff remuneration comprises three components, namely basic salary, performance bonus and benefits and subsidies. We always uphold the guidance of "combining the market practice with the real situation of China Re", follow the distribution concept of "giving priority to the value-creators", and have established a fair, competitive and motivating remuneration system. We have established an enterprise annuity plan and a supplementary medical insurance plan to provide employees with more comprehensive benefits, which plays an important role in attracting, motivating and retaining talents.

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

# CORPORATE GOVERNANCE REPORT

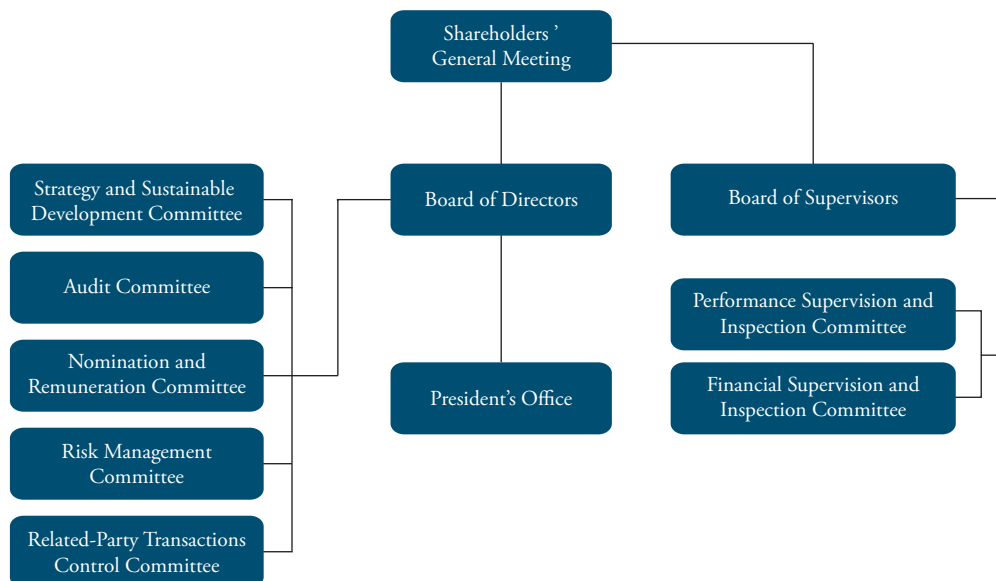
## OVERVIEW

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

The Company has adopted the Corporate Governance Code as its corporate governance code since the Listing Date. During the Reporting Period, save as disclosed in the section headed "Board of Directors" below that the composition of the Nomination and Remuneration Committee under the Board of Directors for certain periods failed to meet the requirement of having a majority members being independent non-executive Directors as set out in Rules 3.25 and 3.27A of the Hong Kong Listing Rules, the Company has complied with all applicable code provisions set out in the Corporate Governance Code and adopted recommended best practices when applicable.

During the Reporting Period, the Company continued to strengthen the implementation of the Company's corporate culture through a number of measures, details of which are set out in the section headed "Statement from the Chairman" in this annual report.

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



# CORPORATE GOVERNANCE REPORT

## SHAREHOLDERS' GENERAL MEETING

Shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws: (1) to decide on operational policies and investment plans of the Company; (2) to elect or replace the Directors and Supervisors who are not representatives of the employees, and to decide on matters relevant to remuneration of Directors and Supervisors; (3) to consider and approve the reports of the Board of Directors; (4) to consider and approve the reports of the Board of Supervisors; (5) to consider and approve annual financial budgets and final accounts of the Company; (6) to consider and approve proposals for profit distribution and recovery of losses of the Company; (7) to decide on increase or reduction of the registered capital of the Company; (8) to decide on the issuance of bonds, shares, warrants or other marketable securities and their listing of the Company; (9) to decide on merger, division, dissolution or liquidation of the Company and changes in the form of the Company; (10) to amend the Articles of Association and to formulate and amend the rules of procedures of the shareholders' general meetings, the Board of Directors and the Board of Supervisors; (11) to decide on the acquisition of shares of the Company; (12) to decide on the appointment, dismissal or non-reappointment of accounting firms which provide regular statutory audit for financial statements of the Company; (13) to consider and approve matters related to the Company's establishment of legal entities, significant external investment, major acquisition of assets, major disposal and write-off of assets, major external donation and major asset mortgage (other than those authorised to be determined by the Board); (14) to consider and approve related-party transactions required to be considered and approved by the shareholders' general meetings under laws, administrative regulations, regulatory requirements and requirements of the securities regulatory authorities or stock exchange at the place where the Company's shares are listed; (15) to consider and approve matters related to the change of use of the raised fund; (16) to consider and approve share incentive scheme; (17) to consider and approve any proposal raised by shareholders, individually or in aggregate, holding above 3% of the issued shares of the Company with voting rights; (18) to consider and approve plan on authorisation to the Board granted by the shareholders' general meetings; and (19) to consider and approve other matters that are to be determined at the shareholders' general meetings as required by the PRC laws, administrative regulations, regulatory requirements and the Articles of Association.

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

1. To consider and approve the Resolutions on the Election of Ms. Jia Xiangxiang and Mr. Zhou Zheng as Non-executive Directors of the Fifth Session of the Board of Directors
  - 1.1 To consider and approve the election of Ms. Jia Xiangxiang as a non-executive Director of the fifth session of the Board of Directors
  - 1.2 To consider and approve the election of Mr. Zhou Zheng as a non-executive Director of the fifth session of the Board of Directors
2. To consider and approve the Resolution on Matters regarding Remuneration of Directors and Supervisors of the Company for the Year 2022



# CORPORATE GOVERNANCE REPORT

3. To consider and approve the Report of the Board of Directors for the Year 2023
4. To consider and approve the Report of the Board of Supervisors for the Year 2023
5. To consider and approve the Final Financial Accounts Report for the Year 2023
6. To consider and approve the Profit Distribution Plan for the Year 2023
7. To consider and approve the Investment Budget for Fixed Assets for the Year 2024
8. To consider and approve the 2024-2026 Three-Year Rolling Capital Plan
9. To consider and approve the Engagement of Statutory Financial Reporting Auditors and Related Fees for the Year 2024
10. To consider and approve the External Donations for the Year 2024
11. To consider and approve the Resolution on the Election of Ms. Zhu Xiaoyun as an executive Director of the Fifth Session of the Board of Directors
12. To consider and approve the Resolution on the Election of Mr. Keung Yui Fai as an independent non-executive Director of the Fifth Session of the Board of Directors

## **The following reports were listened:**

1. To listen to the Performance Report of the Directors for the Year 2023
2. To listen to the Performance Report of the Independent Directors for the Year 2023
3. To listen to the Evaluation Report of the Performance of the Board of Supervisors for the Year 2023
4. To listen to the Report on the Overall Related-Party Transactions and the Evaluation of Internal Transactions for the Year 2023
5. To listen to the Review and Analysis of Solvency for the Year 2023

# CORPORATE GOVERNANCE REPORT

## Methods of Convening Extraordinary General Meetings and Proposing Resolutions by Shareholders

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

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

When shareholders' general meetings are held by the Company, shareholders individually or in aggregate holding more than 3% of the issued shares of the Company with voting rights have the right to make proposals in writing. The proposing shareholders may raise interim proposals and submit to the convenor of the shareholders' general meeting 10 days prior to the date of the meeting, and matters in the interim proposals within the scope of functions and powers of the shareholders' general meeting shall be included in such meeting's agenda. The convenor of the shareholders' general meeting shall give supplemental notice to the shareholders within two days upon receiving such interim proposals. The content of such interim proposals shall be within the scope of functions and powers of the shareholders' general meetings, and shall contain specific subjects and concrete matters for approval.

## BOARD OF DIRECTORS

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

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

# CORPORATE GOVERNANCE REPORT

## Composition

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

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

Name	Position
He Chunlei	Chairman, Executive Director
Zhuang Qianzhi	Vice Chairman, Executive Director
Yang Changsong	Non-executive Director
Jia Xiangxiang	Non-executive Director
Zhou Zheng	Non-executive Director
Jiang Bo	Independent Non-executive Director
Dai Deming	Independent Non-executive Director
Ye Mei	Independent Non-executive Director

- Notes: 1. Mr. Li Bingquan ceased to serve as a non-executive Director of the Company since 4 January 2024.
2. Ms. Jia Xiangxiang and Mr. Zhou Zheng have served as non-executive Directors of the Company since 28 April 2024.
3. Mr. Li Wenfeng ceased to serve as a non-executive Director of the Company since 7 May 2024.
4. Ms. Wang Xiaoya ceased to serve as a non-executive Director of the Company since 2 December 2024.
5. Ms. Zhu Xiaoyun has served as an executive Director of the Company since 24 February 2025.

Ms. Jia Xiangxiang and Mr. Zhou Zheng were appointed as non-executive Directors of the Company on 28 April 2024, and they obtained the legal advice mentioned in Rule 3.09D of the Hong Kong Listing Rules on 23 April 2024. Ms. Jia Xiangxiang and Mr. Zhou Zheng have confirmed that they understand their responsibilities as Directors of the Company.

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

# CORPORATE GOVERNANCE REPORT

References are made to the announcements of the Company dated 29 August 2023, 4 December 2023, 20 December 2023 and 29 February 2024, respectively. From 29 August 2023 to 29 February 2024, as the qualifications of Ms. Ye Mei and Mr. Ma Ho Fai as independent non-executive Directors were yet to be approved by the National Financial Regulatory Administration, the composition of the Nomination and Remuneration Committee of the Board did not meet the requirement of a majority of independent non-executive directors as required under Rules 3.25 and 3.27A of the Hong Kong Listing Rules. The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, an extension of the period for the Company to comply with Rules 3.25 and 3.27A of the Hong Kong Listing Rules to 31 March 2024. Ms. Ye Mei officially performed her duties as an independent non-executive Director of the Company on 20 December 2023. Upon Ms. Ye Mei's appointment as a member of the Nomination and Remuneration Committee of the Board on 29 February 2024, the composition of the Nomination and Remuneration Committee of the Board has met the requirements as stipulated in Rules 3.25 and 3.27A of the Hong Kong Listing Rules.

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

## Corporate Governance Functions

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



# CORPORATE GOVERNANCE REPORT

## Duties and Responsibilities

The Board shall be responsible for the shareholders' general meeting, and its main responsibilities include, but not limited to: (1) convening shareholders' general meetings and reporting its work to the shareholders' general meeting; (2) implementing the resolutions of the shareholders' general meetings; (3) determining the operation plans and investment plans of the Company; (4) formulating the development strategies of the Company and supervising the implementation of the strategies; (5) formulating the annual financial budget and final accounts of the Company; (6) formulating the profit distribution plan and loss recovery plan of the Company; (7) formulating proposals for increases or reductions of our registered capital and the issue of corporate bonds, shares, warrants or other securities by the Company or the listing of the Company; (8) formulating plans for significant acquisition of the Company, the repurchase of shares of the Company or merger, division, dissolution and changes of the form of the Company; (9) formulating proposals for any amendment to the Articles of Association; (10) formulating the procedural rules of the shareholders' general meetings and Board meetings and the working rules for specialised committees under the Board; (11) formulating the basic management system of the Company; (12) deciding on the establishment of internal management departments, branches and subsidiaries of the Company; (13) regularly evaluating and improving the corporate governance of the Company; (14) appointing or removing senior management of the Company, and implementing reviews as well as determining remuneration and relevant rewards and punishment arrangements with respect to such personnel; supervising the performance of duties of management; appointing or removing members of each specialised committees under the Board; (15) reviewing and deciding on evaluation plans for the results of operation of our major subsidiaries; (16) reviewing annual financial reports and major disclosure of information of the Company, bearing ultimate responsibility for the truthfulness, accuracy, completeness and timeliness of the accounting and financial reports; (17) submitting to the shareholders' general meeting on the appointment or removal of an accounting firm which shall conduct regular statutory audit on the financial reports of the Company; (18) considering and approving, or authorising the related-party transactions control committee under the Board to approve related transactions, except for those which shall be considered and approved by the shareholders' general meeting as required by laws; (19) considering and approving the Company's matters such as the external investment, purchases of assets, disposal and write-off of assets, external donations and asset mortgage except for the functions and powers attributable to the shareholders' general meeting as stipulated in Article 69 of the Articles of Association; (20) considering and approving matters related to the Company's data governance in accordance with laws, regulations and regulatory requirements; (21) formulating the Company's capital plan and undertaking the ultimate responsibility for capital or solvency management; (22) undertaking the ultimate responsibility for the integrity and effectiveness of the comprehensive risk management system, including but not limited to formulating the overall objectives of risk management, risk appetite, risk tolerance, risk management and internal control policies; (23) listening to the report from the Company's president on the operation and management, and inspecting the work of the president; (24) recruiting an external auditor to carry out the audit of the directors and senior management of the Company; (25) safeguarding the legitimate rights and interests of financial consumers and other stakeholders of the Company; (26) establishing a mechanism for the identification, review and management of conflicts of interest between the Company and its shareholders, in particular the substantial shareholders; (27) assuming the responsibility for the management of the affairs of the shareholders; and (28) exercising such other functions and powers as granted by the laws, regulations, regulatory requirements or the Articles of Association and as empowered by the shareholders' general meeting.

# CORPORATE GOVERNANCE REPORT

## Summary of the Work Undertaken

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

Name	Attended in person/ eligible to attend	Percentage of attendance in person (%)
He Chunlei	2/3	67
Zhuang Qianzhi	2/3	67
Wang Xiaoya	3/3	100
Li Bingquan	0/0	—
Yang Changsong	3/3	100
Li Wenfeng	1/1	100
Jia Xiangxiang	2/2	100
Zhou Zheng	2/2	100
Jiang Bo	3/3	100
Dai Deming	3/3	100
Ye Mei	2/3	67

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

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
He Chunlei	8/9	88.89	1/9	11.11
Zhuang Qianzhi	8/9	88.89	1/9	11.11
Wang Xiaoya	8/8	100	0/8	0
Li Bingquan	0/0	—	0/0	—
Yang Changsong	9/9	100	0/9	0
Li Wenfeng	4/4	100	0/4	0
Jia Xiangxiang	5/5	100	0/5	0
Zhou Zheng	5/5	100	0/5	0
Jiang Bo	9/9	100	0/9	0
Dai Deming	8/9	88.89	1/9	11.11
Ye Mei	8/9	88.89	1/9	11.11

# CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Board held a total of nine meetings, at which 59 resolutions were considered and approved and 19 reports were received. The Directors have exercised their voting rights prudently and independently and put forward constructive opinions and suggestions which have effectively facilitated the efficient operation of corporate governance compliance and supported the orderly implementation of the “14th Five-Year” strategy of the Company while driving the improvement of operation and management of the Company.

## Directors

### Responsibility with Respect to Financial Statements

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

The Board has confirmed that it is responsible for the preparation of the financial statements of the Company for the year ended 31 December 2024. The Company is not subject to any material uncertainties or circumstances which might cast significant doubt on the Company’s ability to continue as a going concern.

### Securities Transactions

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

### Training of Directors

During the Reporting Period, all Directors (Mr. He Chunlei, Mr. Zhuang Qianzhi, Ms. Wang Xiaoya, Mr. Li Bingquan, Mr. Yang Changsong, Mr. Li Wenfeng, Ms. Jia Xiangxiang, Mr. Zhou Zheng, Ms. Jiang Bo, Mr. Dai Deming and Ms. Ye Mei) were actively involved in continuous improvement in professional competence and participated in various kinds of training activities relating to corporate governance, the Hong Kong Listing Rules and risk management which were organised by the shareholders units, industrial organisations and the Company, so as to develop and update their knowledge and skills and improve their performance ability, with the aim of making contributions to the Board with comprehensive information under appropriate circumstances.

# CORPORATE GOVERNANCE REPORT

## **Chairman/President**

During the Reporting Period, the Chairman and the President of the Company were performed by different persons. Mr. He Chunlei is the Chairman of the Company, and Mr. Zhuang Qianzhi is the President of the Company.

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

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

## **Term of Office of Non-executive Directors**

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

## **Independence of Independent Non-executive Directors**

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

## **Nomination of Directors**

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

## **Remuneration of Directors**

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



# CORPORATE GOVERNANCE REPORT

The Articles of Association provide that the remuneration of the Directors shall be determined by the shareholders' general meetings of the Company from time to time. The remuneration of the independent non-executive Directors shall be proposed by the Board and reviewed and approved by the shareholders' general meeting. The Articles of Association provide that the Company shall enter into written contracts with the Directors in respect of remuneration matters with prior approval by the shareholders' general meeting. In 2024, except for independent non-executive Directors who received Directors' fees from the Company, all other Directors did not receive any remuneration from the Company in the capacity of Directors. Executive Directors received remuneration in the capacity of head of Central Financial Enterprise. The remuneration packages of independent non-executive Directors are determined based on the Company's actual situations with reference to market benchmarks.

## Mechanisms for Directors to Obtain Independent Views and Opinions

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

## Specialised Committees of the Board

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

# CORPORATE GOVERNANCE REPORT

## Strategy and Sustainable Development Committee

### Composition

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

Chairman: He Chunlei (executive Director)

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

- Notes: 1. Mr. Li Bingquan ceased to serve as a member of the Strategy and Sustainable Development Committee since 4 January 2024.
2. Mr. Zhou Zheng has served as a member of the Strategy and Sustainable Development Committee since 28 April 2024.
3. Ms. Wang Xiaoya ceased to serve as a member of the Strategy and Sustainable Development Committee since 2 December 2024.

### Duties and Responsibilities

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

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

# CORPORATE GOVERNANCE REPORT

Note: At the 39th meeting of the fourth session of the Board of Directors of the Company, the Resolution on the Amendments to the Working Rules for the Strategy and Investment Committee under the Board of Directors of China Reinsurance (Group) Corporation (the “Working Rules”) was considered and approved. The Company renamed the “Strategy and Investment Committee under the Board of Directors” to the “Strategy and Sustainable Development Committee under the Board of Directors”. According to the revised Working Rules, the Strategy and Sustainable Development Committee under the Board of Directors shall coordinate the performance of the ESG related responsibilities; review the Company’s green financial development strategy, green financial objectives and green financial reports; supervise and assess the implementation of the Company’s green financial development strategy; review the Company’s annual social responsibility report, the climate change strategy associated with the Company’s business operation, ESG work objectives and their work progress, as well as other matters in the ESG aspect that the Company shall actually submit to the Board of Directors in accordance with the laws, regulations and regulatory requirements. The resolution was considered and approved by the Board of Directors on 25 April 2023 and officially implemented upon the approval of the amended Articles of Association of the Company by the National Financial Regulatory Administration on 29 January 2024.

## Summary of the Work Undertaken

During the Reporting Period, the Strategy and Sustainable Development Committee held a total of six meetings and considered and approved 14 resolutions.

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
He Chunlei	6/6	100	0/6	0
Zhuang Qianzhi	6/6	100	0/6	0
Wang Xiaoya	6/6	100	0/6	0
Li Bingquan	0/0	—	0/0	—
Yang Changsong	6/6	100	0/6	0
Zhou Zheng	3/3	100	0/3	0

During the Reporting Period, the Strategy and Sustainable Development Committee thoroughly studied and discussed matters including the operation plans, budgets, report on the final accounts, profits distribution plan, social responsibility report, three-year rolling capital plan, strategic asset allocation three-year plan (2024-2026) and investment in China Re Catastrophe; proposed constructive opinions and suggestions; and played an important role in areas including the formulation and implementation of significant strategies of the Company.

# CORPORATE GOVERNANCE REPORT

## Audit Committee

### Composition

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

Chairman: Dai Deming (independent non-executive Director)

Vice chairlady: Jia Xiangxiang (non-executive Director)

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

- Notes: 1. Mr. Li Bingquan ceased to serve as a member and the vice chairman of the Audit Committee since 4 January 2024.
2. Ms. Jia Xiangxiang has served as a member and the vice chairlady of the Audit Committee since 28 April 2024.
3. Ms. Wang Xiaoya ceased to serve as a member of the Audit Committee since 2 December 2024.

### Duties and Responsibilities

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

# CORPORATE GOVERNANCE REPORT

## Summary of the Work Undertaken

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

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Dai Deming	5/5	100	0/5	0
Jia Xiangxiang	2/2	100	0/2	0
Wang Xiaoya	5/5	100	0/5	0
Li Bingquan	0/0	–	0/0	–
Jiang Bo	5/5	100	0/5	0
Ye Mei	5/5	100	0/5	0

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

## Nomination and Remuneration Committee

### Composition

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

Chairlady: Jiang Bo (independent non-executive Director)

Vice chairman: Yang Changsong (non-executive Director)

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

- Notes: 1. Ms. Ye Mei has served as a member of the Nomination and Remuneration Committee since 29 February 2024.
2. Ms. Jia Xiangxiang has served as a member of the Nomination and Remuneration Committee since 28 April 2024.
3. Mr. Li Wenfeng ceased to serve as a member of the Nomination and Remuneration Committee since 7 May 2024.



# CORPORATE GOVERNANCE REPORT

## Duties and Responsibilities

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

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

# CORPORATE GOVERNANCE REPORT

## Summary of the Work Undertaken

During the Reporting Period, the Nomination and Remuneration Committee held a total of eight meetings, considered and approved 16 resolutions, and discussed one item.

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Jiang Bo	8/8	100	0/8	0
Yang Changsong	8/8	100	0/8	0
Li Wenfeng	4/4	100	0/4	0
Jia Xiangxiang	4/4	100	0/4	0
Dai Deming	8/8	100	0/8	0
Ye Mei	5/5	100	0/5	0

During the Reporting Period, the Nomination and Remuneration Committee discussed and studied matters including the budget and settlement for gross salaries of China Re, the remuneration and nomination for Directors, Supervisors and senior management and renewal of liability insurance for Directors, Supervisors and senior management, which further pushed forward the improvement of the incentive and disciplinary system of the Company and continued to improve the effectiveness of the incentive system.

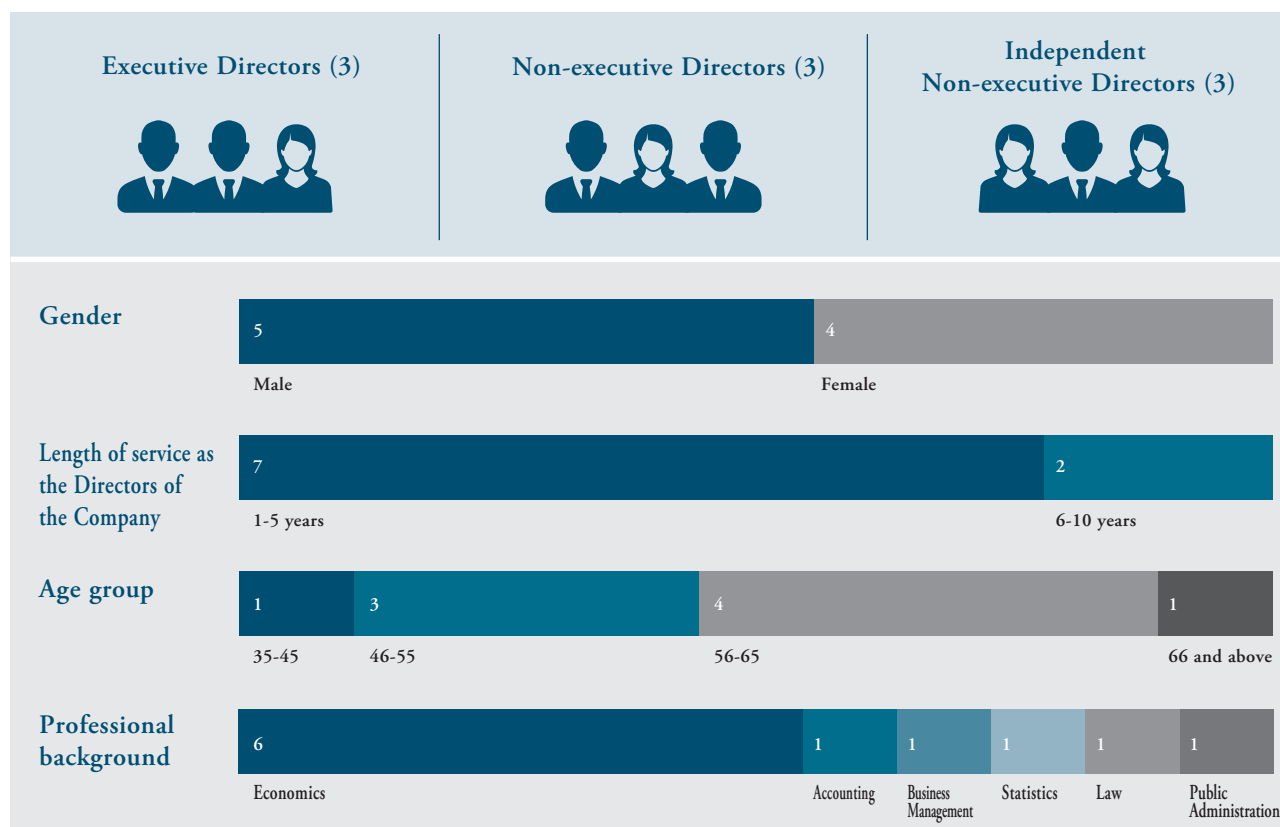
According to the provisions of laws and regulations, normative documents, regulatory requirements and the Articles of Association, election of Director candidates shall first go through preliminary review by the Nomination and Remuneration Committee who shall then make nomination to the Board, and the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

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

# CORPORATE GOVERNANCE REPORT

The Board considers that the diversity in opinions and perspectives is beneficial to the Company and can be achieved through the consideration of factors in various aspects such as a diversity of skills, professional and industry experience, cultural and educational background, ethnicity, length of service, gender and age. Notwithstanding the above, the appointments of the members of the Board will always adhere to the principle of meritocracy, taking into account objective factors and considering the Company's business model and specific needs from time to time as well as the benefits of diversity to the Board. The members of the Board are from diverse educational and professional backgrounds and have extensive experience and expertise in the insurance and finance industry, risk management, financial state-owned assets regulation, financial auditing and legal fields. In addition, the Board comprises members of different genders. The Nomination and Remuneration Committee is of the opinion that the composition of the Board during the Reporting Period had been in compliance with the Board diversity policy and the requirements of the Hong Kong Listing Rules in relation to the diversity of the Board.

As the Board currently comprises four female members, the composition of the Board complies with the requirements of the Hong Kong Listing Rules in relation to gender diversity of Board members, and is in line with the Board diversity policy of the Company. The Company recognizes the importance and benefits of gender diversity in the composition of the Board. The Company's Board diversity policy can ensure that there will be potential successors on the Board to extend the existing gender diversity of the Board. The following graph shows an overall view of the Board diversity as at the Latest Practicable Date:



# CORPORATE GOVERNANCE REPORT

As of 31 December 2024, the ratio of male employees to female employees (including senior management) among the formal contracted employees of the Company was 48.2% and 51.8% respectively. The Company fully respects the individual differences of talents, creates a professional, inclusive and diverse working environment in the workplace, and is committed to providing equal opportunities for employees. The Company believes that the current gender ratio of employees (including senior management) is relatively balanced, and the Company expects to continue to maintain a reasonable level of gender diversity at the employee (including senior management) level.

## Risk Management Committee

### Composition

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

Chairlady: Jiang Bo (independent non-executive Director)

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

- Notes: 1. Mr. Li Bingquan ceased to serve as a member of the Risk Management Committee since 4 January 2024.  
2. Ms. Jia Xiangxiang has served as a member of the Risk Management Committee since 28 April 2024.  
3. Ms. Wang Xiaoya ceased to serve as a member and the vice chairlady of the Risk Management Committee since 2 December 2024.

### Duties and Responsibilities

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

# CORPORATE GOVERNANCE REPORT

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

## Summary of the Work Undertaken

During the Reporting Period, the Risk Management Committee held a total of seven meetings, considered and approved 15 resolutions, and received nine reports.



# CORPORATE GOVERNANCE REPORT

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Jiang Bo	7/7	100	0/7	0
Zhuang Qianzhi	7/7	100	0/7	0
Jia Xiangxiang	3/3	100	0/3	0
Ye Mei	7/7	100	0/7	0
Wang Xiaoya	6/6	100	0/6	0
Li Bingquan	0/0	—	0/0	—

During the Reporting Period, the Risk Management Committee studied the risk appetite, the regular reports for risk oriented solvency, the internal control assessment report, the risk assessment report, the comprehensive risk management measures, the recovery plan and other matters of the Group, which facilitated the improvement of the Group's risk management system and continuously improved the Group's risk management capabilities.

## Related-Party Transactions Control Committee

### Composition

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

Chairlady: Ye Mei (independent non-executive Director)

Vice chairman: Zhou Zheng (non-executive Director)

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

- Notes: 1. Mr. Zhou Zheng has served as a member and the vice chairman of the Related-Party Transactions Control Committee since 28 April 2024.
2. Mr. Li Wenfeng ceased to serve as a member and the vice chairman of the Related-Party Transactions Control Committee since 7 May 2024.

# CORPORATE GOVERNANCE REPORT

## Duties and Responsibilities

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

## Summary of the Work Undertaken

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

Attendance records of the meetings were as follows:

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Ye Mei	5/5	100	0/5	0
Zhou Zheng	2/2	100	0/2	0
Dai Deming	5/5	100	0/5	0
Li Wenfeng	3/3	100	0/3	0

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

# CORPORATE GOVERNANCE REPORT

## **Risk Management and Internal Control**

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

## **Main Features of Risk Management and Internal Control System**

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

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

# CORPORATE GOVERNANCE REPORT

## Technologies and Implementation of Risk Management

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

# CORPORATE GOVERNANCE REPORT

## **Establishment and Sound Operation of Internal Control System**

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

## **Procedures for Handling and Disclosing Inside Information and Internal Control Measures**

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



# CORPORATE GOVERNANCE REPORT

## Evaluation of Effectiveness of Risk Management and Internal Control System

According to the Guidelines on Risk Management of Insurance Companies (Bao Jian Fa [2007] No. 23) and the Guidelines for Supervision on Consolidation of Accounts of Insurance Groups (Bao Jian Fa [2014] No. 96), the Company comprehensively analysed and evaluated its risk management system twice in 2024. The evaluation involved various types of risks faced by the Company. The emphasis was on the evaluation of the implementation of risk management framework, management mechanisms of various types of risk and risk management process in all types of risk management. The evaluation found that the risk management system of the Company is well operated. The Board of Directors and the management confirmed the effectiveness of the risk management system.

In accordance with the Basic Standard for Enterprise Internal Control (Cai Kuai [2008] No. 7) and its related guidelines, Basic Rules for the Internal Control of Insurance Companies (Bao Jian Fa [2010] No. 69) and the requirements of the Hong Kong Listing Rules, in light of the actual situations of the Company's internal control system, the Company carried out one assessment on its internal control for 2024, and reviewed the design and operational effectiveness of the internal control systems of the Company and its subsidiaries covering all important aspects including financial control, operational control and compliance control. The Company focused on major business matters, high-risk areas and the Company's capabilities in response to changes of internal and external environments through comprehensive use of individual interviews, walk-through tests, material reviews and special seminars, etc.

The Board and the management have confirmed that control systems are sufficient and effective. Due to the limitations of the internal control and the technical means for internal control assessment, there might still be risks and deficiencies. The risk management framework of the Company does not seek to eliminate all risks but rather to identify, understand and manage them within acceptable limits, in order to support the sustainability of the business and creation of long-term value, and can only provide reasonable and not absolute assurance against non-material misrepresentation or loss. The Company will continue to optimise its internal control system and strive to assure legal compliance of operation, asset security as well as authenticity and completeness of the financial reports and related information to ensure the fulfilment of its strategic objectives.

# CORPORATE GOVERNANCE REPORT

## BOARD OF SUPERVISORS

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

### Composition

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

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

Note: 1.       Mr. Zhu Yong ceased to serve as a Supervisor, a member of the Performance Supervision and Inspection Committee and a member of the Financial Supervision and Inspection Committee under the Board of Supervisors since 19 January 2024.

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

# CORPORATE GOVERNANCE REPORT

## Duties and Responsibilities

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

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

# CORPORATE GOVERNANCE REPORT

## Summary of the Work Undertaken

During the Reporting Period, the Board of Supervisors held six meetings in total, considered and studied 15 resolutions and received 28 reports; the Performance Supervision and Inspection Committee under the Board of Supervisors held three meetings; the Financial Supervision and Inspection Committee held one meeting.

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

Name	Attended in person/eligible to attend	Percentage of attendance in person (%)	Attended by proxy/eligible to attend	Percentage of attendance by proxy (%)
Zhu Hailin	5/6	83	1/6	17
Zeng Cheng	6/6	100	0/6	0
Qin Yueguang	6/6	100	0/6	0
Li Jingye	6/6	100	0/6	0
Zhu Yong	0/0	—	0/0	—

Please refer to the section “Report of the Board of Supervisors” in this annual report for the work of the Board of Supervisors for the year 2024.

## DUTIES AND RESPONSIBILITIES OF THE SENIOR MANAGEMENT

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

# CORPORATE GOVERNANCE REPORT

## JOINT COMPANY SECRETARIES

During the Reporting Period, Ms. Zhu Xiaoyun and Mr. Liu Yuanzhang, who successively served as Joint Company Secretaries of the Company, were responsible for advising the Board on corporate governance matters and ensuring that the Board's policy and procedures, and the applicable laws, rules and regulations are followed. In order to uphold good corporate governance and ensure compliance with the Hong Kong Listing Rules and applicable Hong Kong laws, during the Reporting Period, the Company also engaged Ms. Ng Sau Mei, the director of the Listing Services department of TMF Hong Kong Limited, as a Joint Company Secretary of the Company to successively assist Ms. Zhu Xiaoyun and Mr. Liu Yuanzhang to perform their duties as Joint Company Secretaries of the Company. The primary contact persons of Ms. Ng Sau Mei in the Company are Ms. Zhu Xiaoyun (currently serves as the vice president of the Company) and Mr. Liu Yuanzhang (currently serves as an assistant to president and Joint Company Secretary of the Company).

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

Note: Ms. Zhu Xiaoyun ceased to serve as a Joint Company Secretary of the Company and Mr. Liu Yuanzhang has served as a Joint Company Secretary of the Company since 24 September 2024.

## AUDITORS' FEES

During the Reporting Period, the Company appointed KPMG Huazhen LLP and KPMG LLP and their organisational members to provide audit and non-audit services. The Group shall pay RMB11.00 million as the service fee for audit and review of financial statements. The Group did not make any separate payment for non-audit services.

## ARTICLES OF ASSOCIATION

On 29 January 2024, the National Financial Regulatory Administration approved the amended Articles of Association of the Company. The amended Articles of Association took effect from the date of approval by the National Financial Regulatory Administration. For details, please refer to the announcement published by the Company on 2 February 2024. For details regarding the amendments to the Articles of Association made by the Company, please refer to the announcement of the Company dated 25 April 2023 and the circular of the Company dated 12 May 2023.



# CORPORATE GOVERNANCE REPORT

## DIVIDEND POLICY

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

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

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

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

# CORPORATE GOVERNANCE REPORT

The Company has designated the Office of the Board as the investor relations department to actively and efficiently provide investors with services through various channels and forms such as results communication meetings, capital market open days and investor surveys, so as to improve communication effectiveness, promote value recognition and deepen the understanding of the capital market on the Company.

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

## COMPLIANCE WITH SANCTIONS RELATED UNDERTAKINGS

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

# REPORT OF THE BOARD OF DIRECTORS

The Board presents the Report of the Board of Directors of the Company for the year ended 31 December 2024, together with the audited financial statements of the Group for the year ended 31 December 2024.

## BUSINESS REVIEW

### Principal Business

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

### Business Review and Analysis of Key Financial Indicators

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

### Environmental Policies and Performance of the Company

China Re respects and values the legitimate interests of all employees, and strives to create a workplace with equity for employees. We advocate the concept of going green and environmental protection and attach great importance to enhancing employees’ awareness of energy-saving and environmental protection, and are committed to providing our employees with a safe and comfortable working environment. The Group accelerates the transformation to low-carbon operation by implementing “Digital China Re” Strategy and provides quantitative tools for climate risk and environment risk with the help of catastrophe models and catastrophe risk management technology. We have also made significant progress in aspects of business development promoted by new technologies such as cloud computing, blockchain, artificial intelligence, big data and green office as well as enhancement of client information security. We stick to the principles of openness, fairness, justness, honesty and effective procurement, and prefer to purchase energy-saving and environmentally-friendly products. In response to climate changes, the consumption of water, electricity, coal, gas and other energy is reduced by strengthening the management of energy saving and consumption reduction in office areas. The Group encourages the use of videoconferences and teleconferences and the reduction of the usage of company vehicles and business trips in order to lower carbon emission and energy consumption arising from business travel. In addition, the Group has established a sound safety management system and organised safety supervision, inspection, promotion and training activities to enhance employees’ awareness of safety. We prohibit smoking at all workplaces and emphasise waste sorting and disposal to create a healthy and safe working environment. Please refer to the 2024 Sustainability Report of China Re prepared by the Company in accordance with the requirements of Appendix C2 to the Hong Kong Listing Rules and published on the websites of the Hong Kong Stock Exchange and the Company.

# REPORT OF THE BOARD OF DIRECTORS

## Compliance with Relevant Laws and Regulations

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

The Company is subject to the following main regulatory requirements:

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

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

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

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

# REPORT OF THE BOARD OF DIRECTORS

## Principal Risks and Uncertainties

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

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

## Non-adjusting Post Balance Sheet Date Events

Details are set out in Note 53 to the financial statements.



# REPORT OF THE BOARD OF DIRECTORS

## Future Business Development of the Group

Facing new opportunities and challenges, China Re will make every effort to embark on a new journey of “three-step” strategy towards high-quality development, always adhere to the centralized and unified leadership of the Central Committee of the Communist Party of China on financial work, firmly establish a people-centric value orientation, resolutely implement the overall business requirements of “expanding business scale, increasing underwriting profits and making prudent investment”, continuously strengthen the role of industry leader as a state-owned reinsurance group and the role of backbone in the building of the global risk governance system, steadily improve the four key development achievements, namely global ranking of reinsurance premium income, return on equity, international business proportion and global influence, continue to enhance the six core capabilities including digital transformation, product and service innovation, global operation and management, comprehensive risk management, refined management and talent team support, and build a new development pattern of “One Body with Two Wings”. By 2035, the Company shall become a world-class comprehensive reinsurance group with “distinct Chinese characteristics, prominent strategic role, well-defined professional advantages and outstanding position”. The Group will be the main force of the reinsurance industry to serve the real economy and the ballast stone of financial stability, and comprehensively improve corporate value, customer value and social value. Specific arrangements are as follows:

Firstly, during the gear up period (2023-2024), the Group implemented the Group’s “14th Five-Year” strategic plan, focused on improving the quality and efficiency of operation and management, laid a solid foundation for “stability” and accumulated momentum for “progress”. The Group started the long-term layout from a holistic perspective and was fully prepared for the new round of high-level development in the future.

Secondly, during the breakthrough period (2025-2027), being the critical period for the successful conclusion of the “14th Five-Year Plan” and the acceleration of the transformation of the “15th Five-Year Plan”, the Group will focus on innovation and transformation, accelerate the “progress” on the basis of “stability”, break through the bottlenecks with greater efforts, and strengthen both the soft power and hard power.

Thirdly, during the leaping period (2028-2035), the Group will achieve an industry leading level in terms of global business layout, refined operation and management, technological support capabilities, professional talent team and global brand influence, becoming a world-class comprehensive reinsurance group with first-class role, performance and capabilities.

# REPORT OF THE BOARD OF DIRECTORS

## RESULTS AND PROFIT DISTRIBUTION

The Group's profit for the year ended 31 December 2024 and the financial performance of the Group as at that date are set out on pages 151 to 159 in this annual report.

### Final Dividend

The Board recommends the payment of a final dividend for the year ended 31 December 2024 of RMB0.050 per share (tax inclusive)<sup>1</sup>, totalling approximately RMB2,124 million (the "2024 Final Dividend"). The undistributed profit available for distribution to shareholders of the parent company as of 31 December 2024 determined in the financial statements prepared in accordance with the China Accounting Standards and International Financial Reporting Standards amounted to RMB6,262 million and RMB6,566 million respectively. The 2024 Final Dividend is subject to the approval of shareholders of the Company at the 2024 annual general meeting, and is expected to be paid on Friday, 22 August 2025 to the shareholders whose names appear on the register of members of the Company on Wednesday, 9 July 2025 and will be denominated and declared in Renminbi, while the dividend for H shares will be paid in Hong Kong dollars, which shall be calculated at the average central parity rate of Hong Kong dollars against Renminbi in the interbank foreign exchange market for the last five business days up to and including the date of the 2024 annual general meeting published by China Foreign Exchange Trade System as authorised by the PBOC.

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

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

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation on the Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws, regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H shares in respect of the 2024 Final Dividend to be distributed to them. However, the individual holders of H shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H shares are domiciled and the tax arrangements between mainland China and Hong Kong (Macau). In this regard, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on the dividends for the individual holders of H shares:

1 In the financial statements prepared in accordance with the China Accounting Standards and International Financial Reporting Standards, the consolidated net profit attributable to the equity shareholders of China Re for the year 2024 was RMB7,023 million and RMB10,557 million, respectively. According to Article 243 of the Articles of Association, the Company shall allocate based on the lower of the two aforementioned amounts. The proposed final dividend for the year 2024 accounted for 30.24% of the consolidated net profit attributable to the equity shareholders under the China Accounting Standards, and was in line with the dividend policy requirements of the Company.

# REPORT OF THE BOARD OF DIRECTORS

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

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

# REPORT OF THE BOARD OF DIRECTORS

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

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

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

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

# REPORT OF THE BOARD OF DIRECTORS

## SHARE CAPITAL

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

No.	Name of shareholder	Class of shares	Number of shares	Percentage of total share capital (%)
1	Central Huijin Investment Ltd.	Domestic shares	30,397,852,350	71.56
2	HKSCC Nominees Limited	H shares	6,663,446,130	15.69
3	Ministry of Finance of the PRC	Domestic shares	4,862,285,131	11.45
4	National Council for Social Security Fund	Domestic shares	540,253,904	1.27
5	Other H shareholders	H shares	15,970,570	0.03
Total			42,479,808,085	100

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

## PUBLIC FLOAT

The Company applied for and has been granted by the Hong Kong Stock Exchange a waiver at the time of listing regarding the lower percentage of public float, with the minimum public float of the Company set at 15.72%. The disclosure of interest made by Central Huijin on 14 February 2025 on the HKEXnews website of the Hong Kong Stock Exchange indicates that Central Huijin has been notified that all shares held by the Ministry of Finance in China Great Wall Asset Management Co., Ltd. (“China Great Wall”) will be assigned to Central Huijin. Central Huijin is deemed to hold interests in shares of the listed corporation owned by China Great Wall. Accordingly, the 436,089,000 H shares of the Company held by China Great Wall were not considered as public shares. As at the Latest Practicable Date, the public float of the Company was approximately 14.70%.



# REPORT OF THE BOARD OF DIRECTORS

## DISTRIBUTABLE RESERVES

As of the end of the Reporting Period, the retained profit of the Company available for distribution to its shareholders was RMB6,566 million. Details are set out in Note 52 to the financial statements.

## BUILDINGS, EQUIPMENT AND INVESTMENT PROPERTIES

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

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

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

## RETIREMENT BENEFITS

The Group provides retirement benefits to employees, including enterprise annuity and defined benefit retirement plan. In 2024, the enterprise annuity contribution amounted to approximately RMB89.90 million (not including Chaucer) and its defined benefit retirement plan contribution was approximately RMB6.11 million (not including Chaucer). Total annual enterprise annuity contribution shall be provided at a certain percentage of the total annual employee salaries, and defined benefit retirement plan contribution will be paid from the accrued defined benefit retirement liabilities of the Group. Provided that employees are dismissed or break laws or regulations, unvested enterprise annuity contributions will be transferred back to the Company's enterprise annuity. The amount of forfeited contributions used to reduce the existing level of contributions is not material. During the Reporting Period, the Group (excluding its overseas subsidiaries) has appointed Beijing Branch of Towers Watson Management Consulting (Shenzhen) Co., Ltd., a member of the China Association of Actuaries, as its domestic actuarial organization, the undersigned actuary is Wu Haichuan, a fellow member of the Society of Actuaries and a fellow member of the China Association of Actuaries; Chaucer has appointed Barnett Waddingham LLP as its actuarial organization, the undersigned actuary is Paul Houghton, a FIA. No plan assets have been created under the defined benefit plan by the Group (excluding its overseas subsidiaries). Therefore, there is no relevant information on the market value, level of funding, or material surplus or deficiency of the plan assets available for disclosure. According to the actuarial valuation report, the fair value of the assets under Chaucer defined benefit plan as at 31 December 2024 is RMB590,803 thousand (as at 31 December 2023: RMB603,828 thousand). The fair value of those assets accounts for 100.41% of the benefits provided to eligible employees. Details are set out in Note 2(23) (b), Note 3(10) and Note 41 to the financial statements.

# REPORT OF THE BOARD OF DIRECTORS

## REMUNERATION OF SENIOR MANAGEMENT<sup>1</sup>

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

Range of remuneration	Number of individuals
RMB0-RMB500,000	0
RMB500,001-RMB1,000,000	0
RMB1,000,001-RMB1,500,000	5
RMB1,500,001-RMB2,000,000	0
RMB2,000,001-RMB2,500,000	0
RMB2,500,001-RMB3,000,000	0
RMB3,000,001-RMB3,500,000	0
RMB3,500,001-RMB4,000,000	0

Note: The remuneration standards for the Chairman, executive Directors, Chairman of the Board of Supervisors and senior management of the Company are determined in accordance with the relevant requirements of the Ministry of Finance and the Group Company. As of the Latest Practicable Date, the remuneration standards for the above personnel for 2024 had not been finally determined, and such remuneration data were estimated figures.

## HIGHEST PAID INDIVIDUALS

Details of the remuneration of the five highest-paid individuals of the Group during the Reporting Period are set out in Note 15 to the financial statements. The amount of remuneration of the five highest paid individuals for 2024 is on a pre-tax basis. The five individuals are all employees of an overseas insurance agency Chaucer, which was acquired by the Group in 2018. Their remunerations have been determined in accordance with local market practices and governed by related internal systems.

# REPORT OF THE BOARD OF DIRECTORS

## MAJOR CLIENTS

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

	Percentage of insurance income of the Group (%)
Largest insurance client	5.46
Top five insurance clients in total	21.33

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

## RELATIONSHIP WITH CLIENTS

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

## RELATIONSHIP WITH EMPLOYEES

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

## MAJOR SUBSIDIARIES

As at the end of the Reporting Period, the Company directly controlled 9 major subsidiaries, namely China Re P&C, China Re Life, China Continent Insurance, China Re AMC, Huatai Insurance Agency, China Re DT, China Re UK, China Re Underwriting Agency Limited and China Re Hong Kong Company Limited. Details of the primary subsidiaries under the scope of consolidation are set out in Note 29(a) to the financial statements.

## PRE-EMPTIVE RIGHT

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

# REPORT OF THE BOARD OF DIRECTORS

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

## ISSUANCE OF DEBENTURES

On 8 December 2020, China Re P&C successfully issued the capital supplementary bonds with a total principal amount of RMB4.0 billion publicly in the National Interbank Bond Market. The capital supplementary bonds are ten-year fixed-rate bonds, with an annual coupon rate of 4.40% for the first five years, and China Re P&C has conditional redemption rights at the end of the fifth year. In the event that China Re P&C does not exercise the redemption rights, the annual coupon rate of the capital supplementary bonds will be 5.40% for the remaining five years.

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

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

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

## CHARITABLE AND OTHER DONATIONS

During the Reporting Period, the Group made charitable and other donations of approximately RMB10.245 million in aggregate.

# REPORT OF THE BOARD OF DIRECTORS

## DIRECTORS

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

### Executive Directors

Mr. He Chunlei (Chairman)

Mr. Zhuang Qianzhi (Vice Chairman)

Ms. Zhu Xiaoyun (has served as an executive Director since 24 February 2025)

### Non-executive Directors

Mr. Yang Changsong

Ms. Jia Xiangxiang (has served as a non-executive Director since 28 April 2024)

Mr. Zhou Zheng (has served as a non-executive Director since 28 April 2024)

Mr. Li Bingquan (ceased to serve as a non-executive Director since 4 January 2024)

Mr. Li Wenfeng (ceased to serve as a non-executive Director since 7 May 2024)

Ms. Wang Xiaoya (ceased to serve as a non-executive Director since 2 December 2024)

### Independent Non-executive Directors

Ms. Jiang Bo

Mr. Dai Deming

Ms. Ye Mei

## SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

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



# REPORT OF THE BOARD OF DIRECTORS

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

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

## PERMITTED INDEMNITY

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

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

As at the end of the Reporting Period, none of the Directors, Supervisors or chief executive of the Company had any interests and/or short positions in the shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interest and/or short position taken or deemed to be held under the relevant provisions of the SFO), or are required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code for Securities Transactions, or are required to be recorded in the register required to be kept under Section 352 of the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

# REPORT OF THE BOARD OF DIRECTORS

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

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

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

## SHARE INCENTIVE SCHEME FOR THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS OR SHORT POSITIONS IN SHARES OR UNDERLYING SHARES OF THE COMPANY

As at the end of the Reporting Period, to the best knowledge of the Directors, the following persons (other than the Directors, Supervisors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or were, either directly or indirectly, interested in 5% or more of the nominal value of any class of share capital.

# REPORT OF THE BOARD OF DIRECTORS

Name of shareholders	Nature of interest and capacity	Class	Number of shares	Approximate percentage of interests of the Company (%)	Approximate percentage of relevant class of shares of the Company (%)
Central Huijin Investment Ltd.	Beneficial owner	Domestic share	30,397,852,350 (Long position)	71.56	84.91
Ministry of Finance of the PRC	Beneficial owner	Domestic share	4,862,285,131 (Long position)	11.45	13.58
Great Wall Pan Asia International Investment Co., Ltd.	Beneficial owner	H share	431,050,000 (Long position)	1.01	6.45
Citigroup Inc.	Interest of controlled corporation	H share	347,383,164 (Long position)	0.82	5.20
			17,777,493 (Short position)	0.04	0.27
			333,632,327 (Lending pool)	0.79	4.99

- Notes: 1. The information disclosed above was the information shown on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).
2. According to Section 336 of the SFO, shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled. When the shareholdings of the shareholders in the Company change, it is not necessary for the shareholders to notify the Company and the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the shareholders in the Company may be different from the shareholdings filed with the Hong Kong Stock Exchange.
3. Great Wall Pan Asia International Investment Co., Ltd. is the wholly-owned subsidiary of China Great Wall Asset Management Corporation in Hong Kong.
4. Citigroup Inc. is interested in the shares of the Company through its controlled or indirectly controlled companies.

Save as disclosed above, as at the end of the Reporting Period, so far as the Directors were aware, no other person (other than the Directors, Supervisors or chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company which are required to be disclosed or recorded in the register of the Company to be kept under Section 336 of the SFO.

# REPORT OF THE BOARD OF DIRECTORS

## ADMINISTRATION AND MANAGEMENT CONTRACTS

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

## AUDIT COMMITTEE

The Audit Committee of the Board has reviewed the audited financial statements of the Group for the year ended 31 December 2024.

## CORPORATE GOVERNANCE

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

## AUDITORS

In accordance with the relevant requirements of the Administrative Measures for the Election and Appointment of Accounting Firms by State-owned Financial Enterprises (《國有金融企業選聘會計師事務所管理辦法》) (Cai Jin [2020] No. 6) issued by the Ministry of Finance of the People’s Republic of China in relation to the service term of auditors continuously engaged by a state-owned financial enterprise shall not exceed 8 years, the former domestic and overseas auditors of the Company, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers (collectively, “PwC”), have retired as auditors of the Company upon the conclusion of the 2023 annual general meeting of the Company. PwC has confirmed that there were no disagreements between PwC and the Company, and there were no matters that needed to be brought to the attention of the shareholders of the Company in relation to their retirement. The Board has confirmed that there were no other matters in respect of the change of auditors that needed to be brought to the attention of the shareholders of the Company.

The appointment of KPMG Huazhen LLP and KPMG LLP as the domestic and overseas auditors of the Company for the year 2024 has been approved at the 2023 annual general meeting of the Company, the service term of which commenced from the date of the approval at the 2023 annual general meeting of the Company until the date of the conclusion of the 2024 annual general meeting of the Company. For details of the above change of auditors, please refer to the announcement of the Company dated 23 November 2023, the circular of the Company for the 2023 annual general meeting dated 7 June 2024 and the announcement of the Company regarding the poll results of the 2023 annual general meeting dated 28 June 2024. Moreover, KPMG Huazhen LLP is also the domestic statutory financial statement auditor of China Re P&C, China Re Life and China Re AMC for the year 2024, and BDO China Shu Lun Pan Certified Public Accountants LLP is the domestic statutory financial statement auditor of China Continent Insurance, Huatai Insurance Agency, China Re Catastrophe and China Re DT for the year 2024.

Save as disclosed above, the Company did not change auditors over the past three years.

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by KPMG LLP.

By order of the Board  
China Reinsurance (Group) Corporation  
He Chunlei  
Chairman

Beijing, the PRC  
28 March 2025

# REPORT OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors conscientiously implemented the spirit of the central government's policies in accordance with the laws and regulations such as the PRC Company Law, the regulatory requirements, the Articles of Association and other internal rules and regulations while focusing on the key tasks and serving toward the overall situation of the Company. In addition to insisting on promoting high-quality development of the Company, preventing and resolving financial risks, and facilitating the realisation of the world-class strategic goals, the Board of Supervisors conscientiously performed its supervisory duties, actively safeguarded the rights and interests of shareholders and the Company, and gave full play to the supervisory role of the Board of Supervisors.

## MEETINGS OF THE BOARD OF SUPERVISORS AND ITS SPECIALISED COMMITTEES

During the Reporting Period, the Board of Supervisors held six meetings, considered 15 proposals and received 28 reports; the Performance Supervision and Inspection Committee under the Board of Supervisors held three meetings and considered four proposals; the Financial Supervision and Inspection Committee under the Board of Supervisors held one meeting and considered two proposals. All Supervisors and members of the specialised committees attended all the meetings above.

On 29 February 2024, the thirty-first meeting of the fourth session of the Board of Supervisors was convened, during which five reports, including the Report on the Operation Plan of China Reinsurance (Group) Corporation for the Year 2024, were received.

On 27 March 2024, the thirty-second meeting of the fourth session of the Board of Supervisors was convened, during which 11 proposals, including the Resolution on the Report of the Board of Supervisors of China Reinsurance (Group) Corporation for the Year 2023, were considered and unanimously approved, and seven reports, including the Report on the Annual Wage Settlement for the Year 2023 and the Annual Wage Budget for the Year 2024, were received.

On 26 April 2024, the thirty-third meeting of the fourth session of the Board of Supervisors was convened, during which four proposals, including Resolution on the Report on the Supervision of Performance Remuneration and Business Expenses of the Board of Supervisors of China Reinsurance (Group) Corporation for the Year 2023, were considered and unanimously approved, and six reports, including the Report on Consolidated Management of China Reinsurance (Group) Corporation for the Year 2023, were received.

On 30 August 2024, the thirty-fourth meeting of the fourth session of the Board of Supervisors was convened, during which four reports, including the Report on the Strategic Risk Assessment and Management of China Reinsurance (Group) Corporation for the First Half of 2024, were received.

On 13 September 2024, the thirty-fifth meeting (extraordinary) of the fourth session of the Board of Supervisors was convened, during which two reports, including the Report on the Selection Process of China Re's Independent Directors Who Ordinarily Reside in Hong Kong, were received.

On 26 December 2024, the thirty-sixth meeting of the fourth session of the Board of Supervisors was convened, during which four reports, including the Report on the Reputational Risk Management Work of China Re for the Year 2024, were received.



# REPORT OF THE BOARD OF SUPERVISORS

## PERFORMANCE MONITORING

During the Reporting Period, through attending three shareholders' general meetings and nine meetings of the Board, members of the Board of Supervisors continuously paid attention to the progress of the implementation of the Company's strategies, the progress of key tasks, the overall operation and management, the implementation of resolutions of shareholders' general meetings and meetings of the Board, the selection and appointment of Directors, etc., while supervising the performance of duties by the Directors and senior management. In accordance with the requirements of the Articles of Association and in conjunction with the requirements of the superior units, the Board of Supervisors organised the assessment of performance for the year 2023, issued an assessment opinion report and reported to the regulatory institutions, the superior units and the shareholders' general meetings. In accordance with the relevant working system requirements, the Board of Supervisors organised and completed the supervision and inspection on performance remuneration and business expenses for the year 2023 and the first half of 2024 and issued the related work report. The Board of Supervisors was in the view that the Directors and the senior management of the Company were able to carry out their duties conscientiously and diligently in accordance with the Articles of Association.

## FINANCIAL MONITORING

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

# REPORT OF THE BOARD OF SUPERVISORS

## RISK AND INTERNAL CONTROL MONITORING

During the Reporting Period, the Board of Supervisors paid close attention to key risk areas of the Group such as credit risk, reputation risk, liquidity risk, concentration risk and geopolitical risk, as well as the disposal of major risk projects, received the relevant work reports and put forward opinions and suggestions on the Annual Risk Assessment Report of China Reinsurance (Group) Corporation for the Year 2023, the Report on Reputation Risk Management of China Reinsurance (Group) Corporation for the Year 2024 and the Report on the Handling and Resolution of Risk Events in the China Re System. The Board of Supervisors strengthened internal control and compliance monitoring, connected transaction monitoring and internal audit monitoring, and regularly received the work reports of relevant departments.

## SUPERVISION WORK ON STRATEGY AND OTHER AREAS

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

## SPECIAL SURVEYS AND SPECIAL COMMUNICATION

During the Reporting Period, the Board of Supervisors conducted two special surveys centring around the Company's development strategies and key tasks, focusing on key risk areas. The Board of Supervisors set up a joint research team with the board of supervisors of China Re P&C and the board of supervisors of China Re Life to conduct on-site research on the development of catastrophe insurance business and financial reinsurance business, understand the business development status, pay attention to the existing difficulties and challenges, put forward targeted recommendations for the next step of work, so as to issue a survey report from the perspective of the board of supervisors. The Board of Supervisors also jointly convened a special topic communication meeting with the Board of Directors on the rectification of regulatory notification issues, comprehensively communicated with relevant departments on key issues, followed up on the rectification of issues in corporate governance, business development quality, operational management, risk prevention and management, and compliance management, put forward work suggestions, and promoted the timely and effective rectification of regulatory notification issues.

# REPORT OF THE BOARD OF SUPERVISORS

## SELF-CONSTRUCTION OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors continued to strengthen its own construction, promoted the standardisation and specialisation of the Board of Supervisors' performance of duties, and improved the effectiveness of supervision. Firstly, the Board of Supervisors continuously improved the implementation and supervision mechanism of supervision opinions, regularly tracked and understood the implementation of opinions and suggestions put forward at various meetings of the Board of Supervisors, conducted a thorough and practical supervision of the "follow-up" work, created closed-loop management of supervision, and promoted the application of supervision results. Secondly, the Board of Supervisors strengthened the work connection and daily guidance with the boards of supervisors of subsidiaries to form a joint force of supervision. Thirdly, the Board of Supervisors strengthened the construction of the supervisory team, organised internal and external training, strengthened the study of political theories and professional knowledge to improve the supervisory performance capabilities.

## PERFORMANCE OF DUTIES BY THE SUPERVISORS

During the Reporting Period, all Supervisors actively performed their supervisory duties, attended all meetings of the Board of Supervisors and its specialised committees, and prudently expressed their opinions and participated in the voting. Through attending the shareholders' general meetings and the meetings of the Board, the Supervisors carried out their supervisory duties. The Supervisors actively participated in the supervision and inspection work organised by the Board of Supervisors. The Supervisors emphasised self-development by thoroughly fulfilling the philosophy introduced in the 20th National Congress of the Party, the Third Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference. The Supervisors also actively implemented the policy requirements of the superior units and regulatory institutions and the annual work meetings of China Re, and actively participated in the internal and external training activities of the Company and continuously improved their ability to perform duties and their business proficiency. The employee representative Supervisors participated in the employee representative assembly of the Company and presented annual reports on their work. The Board of Supervisors believes that all Supervisors performed their duties in accordance with the PRC Company Law, the Articles of Association and other laws and regulations, regulatory requirements, internal rules and regulations of the Company and achieved satisfactory results in all supervision work.

By order of the Board of Supervisors  
**China Reinsurance (Group) Corporation**  
**Zhu Hailin**  
*Chairman of the Board of Supervisors*

Beijing, the PRC  
28 March 2025



# CHINA REINSUR

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● FINANCIAL STATEMENTS AND NOTES



# RANGE





# EMBEDDED VALUE



To the Directors of China Reinsurance (Group) Corporation

Dear Sirs,

## **Independent Actuarial Consultants' Report on Embedded Value of China Reinsurance (Group) Corporation**

China Reinsurance (Group) Corporation (the "Group Company") has retained Deloitte Consulting (Shanghai) Co., Ltd. to quantify and report on embedded value of the Group Company's and its subsidiaries' (the "Group") life and health reinsurance business, covering the life and health reinsurance business of the Group Company and all businesses of China Life Reinsurance Company Limited ("China Re Life") and China Reinsurance (Hong Kong) Company Limited ("China Re HK") ("the Covered Business") as at 31 December 2024. The task is undertaken by Deloitte Actuarial and Insurance Solutions of Deloitte Consulting (Shanghai) Co., Ltd. ("Deloitte Consulting", "we").

The report summarises the scope of work carried out by Deloitte Consulting, basis of report, reliance and limitations, valuation methodologies and results.

### **Scope of Work**

The scope of our work is summarised as follows:

- Quantifying embedded value of the Group as at 31 December 2024;
- Quantifying value of one year's new business underwritten by the Group during the 12 months prior to 31 December 2024;
- Reviewing the assumptions used for embedded value and value of one year's new business valuation as at 31 December 2024;
- Performing sensitivity tests of value of in-force business and value of one year's new business under alternative assumptions;
- Performing movement analysis of embedded value from 31 December 2023 to 31 December 2024.

# EMBEDDED VALUE

## Basis of Report, Reliance and Limitation

This report has been prepared by Deloitte Consulting solely for the information and use of China Reinsurance (Group) Corporation for the purpose set out in the introduction of this report, including the valuation and reporting under the requirements of “Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance” published by the China Association of Actuaries and industry practice for publicly listed companies in Hong Kong. Accordingly, we accept no responsibility or liability to any other party.

In performing our work, we have relied upon the accuracy and completeness of the audited and unaudited data and information provided verbally and in writing by, or on behalf of, the Group for periods up to 31 December 2024.

The calculation of embedded value is based on a range of assumptions on future operations and investment performance. Many of these assumptions cannot be controlled by the Group. They are affected by internal and external factors. Hence the actual experience may deviate from these assumptions.

On behalf of  
Deloitte Consulting (Shanghai) Co., Ltd.

Eric Lu  
FIAA, FCAA

# EMBEDDED VALUE

## 1. Definitions and Methodology

### 1.1 Definitions

A number of specific terminologies are used in this report. They are defined as follows:

- Embedded Value (“EV”): this is the sum of the adjusted net worth and value of in-force business less the cost of required capital as at the valuation date;
- Adjusted Net Worth (“ANW”): this is the fair value of assets attributable to shareholders in excess of liabilities of the Covered Business as at the valuation date;
- Value of In-force Business (“VIF”): this is the present value of future cash flows attributable to shareholders arising from the in-force business and the corresponding assets as at the valuation date. The assets contributing to the cash flows are those supporting the corresponding liabilities of in-force business;
- Cost of Required Capital (“CoC”): this is defined as the amount of capital required from shareholders at the valuation date and the present value of future movements of such capital (end of period value less start of period value), and the calculation should take into account the after-tax investment earnings on the assets backing such required capital;
- Value of One Year’s New Business (“1-year VNB”): this is equal to the present value as at the policy issue dates of the future cash flows attributable to shareholders from the business accepted during the 12 months prior to the valuation date and the corresponding assets. The assets contributing to the cash flows are those supporting the corresponding liabilities of the business accepted.

# EMBEDDED VALUE

## 1.2 Methodology

Based on “Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance” issued by the China Association of Actuaries (“CAA”) in November 2016 and industry practice for publicly listed companies in Hong Kong, we determined the embedded value and the value of one year’s new business.

In this report, embedded value of the Group is defined as the sum of adjusted net worth of the Group and VIF of the Covered Business after the cost of required capital.

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

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

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

Value of in-force business after the cost of required capital is the present value of future cash flows attributable to shareholders arising from the in-force business of the Group life and health reinsurance business and the corresponding assets as at the valuation date, less the amount of capital required from shareholders at the valuation date and the present value of future movements of such capital (end of period value less start of period value). The calculation of cost of required capital should take into account the after-tax investment earnings on the assets backing such required capital.

Value of one year’s new business after the cost of required capital is the present value as at the policy issue dates of the future cash flows attributable to shareholders from the business accepted during the 12 months prior to the valuation date and the corresponding assets, less the amount of capital supporting the corresponding new business required from shareholders at the policy issue date and the present value of future movements of such capital (end of period value less start of period value).

# EMBEDDED VALUE

## 2. Results Summary

The embedded value and value of one year's new business results as at 31 December 2024 and the corresponding results as at prior valuation date are summarised as below:

Table 2.1 EV as at 31 December 2024 and 31 December 2023

*Unit: in RMB millions*

Valuation Date	31 Dec 2024	31 Dec 2023
<b>Embedded Value</b>		
Adjusted Net Worth	113,150	101,571
Value of In-force Business before CoC	13,080	11,486
Cost of Required Capital	(5,785)	(4,215)
Value of In-force Business after CoC	7,295	7,272
Embedded Value	120,445	108,843
Of which:		
ANW of the life and health reinsurance business	28,720	25,999
VIF after CoC of the life and health reinsurance business	7,208	7,171
EV of the life and health reinsurance business	35,928	33,170

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

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

Table 2.2 1-year VNB for the 12 months up to 31 December 2024 and 31 December 2023

*Unit: in RMB millions*

Valuation Date	31 Dec 2024	31 Dec 2023
<b>Value of One Year's New Business of the life and health reinsurance business</b>		
Value of One Year's New Business before CoC	2,309	2,102
Cost of Required Capital	(664)	(799)
Value of One Year's New Business after CoC	1,645	1,303



# EMBEDDED VALUE

## 3. Assumptions

The assumptions below are used for the valuation of embedded value and value of one year's new business as at 31 December 2024.

### 3.1 Risk Discount Rate

A 8.5% risk discount rate has been used to calculate the value of in-force business and value of one year's new business.

### 3.2 Investment Return Rates

The assumptions of investment return rates of main business lines used for the value of in-force business and value of one year's new business as at 31 December 2024 is 4.5%, the future investment returns of some business lines will be adjusted appropriately. These assumptions are determined with reference to the circumstances of current capital market, current and expected future asset allocations, and the investment returns of major asset classes.

### 3.3 Policyholder Dividend

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

### 3.4 Mortality and Morbidity

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

# EMBEDDED VALUE

## 3.5 Claim Ratio

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

## 3.6 Discontinuance Rates

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

## 3.7 Expenses

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

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

## 3.8 Tax

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

# EMBEDDED VALUE

## 4. Sensitivity

We have performed a series of sensitivity tests on alternative assumptions for value of in-force business and value of one year's new business of the life and health reinsurance business of the Group as at 31 December 2024. For each test, only the referred assumption is changed, while the other assumptions are kept unchanged. Results of the sensitivity tests are shown as below:

Table 4.1 Sensitivity test results of VIF and 1-year VNB as at 31 December 2024

*Unit: in RMB millions*

Scenarios	VIF after CoC	1-year VNB after CoC
Base Scenario	7,208	1,645
Risk discount rate increased by 100 basis points	5,839	1,453
Risk discount rate decreased by 100 basis points	8,836	1,857
Annual investment return rates increased by 50 basis points	9,320	1,862
Annual investment return rates decreased by 50 basis points	5,085	1,432
Mortality and morbidity rates increased by 10%	7,189	1,644
Mortality and morbidity rates decreased by 10%	7,234	1,648
Discontinuance rates increased by 10%	7,165	1,633
Discontinuance rates decreased by 10%	7,288	1,658
Expenses increased by 10%	6,878	1,627
Expenses decreased by 10%	7,537	1,665
Combined ratio of short-term reinsurance contracts increased by 1 percentage point on absolute basis	7,147	1,591
Combined ratio of short-term reinsurance contracts decreased by 1 percentage point on absolute basis	7,533	1,690

# EMBEDDED VALUE

## 5. Movement Analysis

The table below shows the movement analysis of the EV of the Group for the period from 31 December 2023 to 31 December 2024.

**Table 5.1 Movement analysis of EV from 31 December 2023 to 31 December 2024**

*Unit: in RMB millions*

No.	Item	Amount	Details
1	EV of life and health reinsurance business as at 31 December 2023	33,170	EV as at 2023 year end before model change.
2	Model change	(1,238)	EV model improvement
3	Modified EV of life and health reinsurance business as at 31 December 2023	31,932	EV as at 2023 year end after model change
4	Expected return on EV	2,190	Expected return on EV in the year of 2024
5	Impact of new business	1,339	Impact of new business in the year of 2024
6	Impact of market value adjustments and other adjustments	194	Changes from asset market value adjustments and other adjustments
7	Economic experience variances	1,818	Difference between actual investment income and expected investment income in the year of 2024
8	Operating experience variances	(535)	Difference between actual operational experience and expected operational results in the year of 2024
9	Change in assumptions	(710)	Adjustments to assumptions at 31 December 2024
10	Others	(300)	
11	Capital injection and shareholder dividend payment	–	Capital injection to China Re Life and dividend paid to the Group Company by China Re Life
12	EV of life and health reinsurance business as at 31 December 2024	35,928	

## EMBEDDED VALUE

No.	Item	Amount	Details
13	EV of other business of the Group as at 31 December 2023	75,673	
14	Profit from other business in the year of 2024	9,167	
15	Impact of market value adjustments and other adjustments	1,475	Changes from asset market value adjustments and other adjustments
16	Others	(13)	
17	Capital injection and shareholder dividend payment	(1,784)	Capital injection to subsidiaries, dividend paid to the Group Company by subsidiaries and dividend paid to shareholders by the Group
18	EV of other business of the Group as at 31 December 2024	84,517	
19	EV of the Group as at 31 December 2024	120,445	



# INDEPENDENT AUDITOR'S REPORT

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

## Opinion

We have audited the consolidated financial statements of China Reinsurance (Group) Corporation ("the Company") and its subsidiaries ("the Group") set out on pages 151 to 369, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

## Basis for opinion

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

## Key audit matters

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

# INDEPENDENT AUDITOR'S REPORT

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

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

The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2024, the Group's LRC within insurance contract liabilities not measured under the PAA amounted to RMB103.9 billion, representing 26.3% of the Group's total liabilities.</p> <p>The valuation of the LRC of insurance contracts not measured under the PAA involved a high degree of management judgement and estimation in setting assumptions used in the models. The key actuarial assumptions adopted in the valuation models include discount rates, mortality and morbidity rates, lapse rates, and expected loss ratios.</p> <p>We identified the valuation of LRC of insurance contracts not measured under the PAA as a key audit matter because of the inherent uncertainties and the degree of management judgements involved, and because the valuation of LRC of insurance contracts not measured under the PAA is significant to the consolidated financial statements.</p>	<p>Our audit procedures to assess the valuation of the LRC of insurance contracts not measured under the PAA with the assistance of our internal actuarial specialists included the following:</p> <ul style="list-style-type: none"><li>evaluating and testing the design, implementation and operating effectiveness of key internal controls over the valuation of the LRC of insurance contracts not measured under the PAA, including controls over data analysis and the determination and approval of actuarial assumptions;</li><li>assessing, on a sample basis, the appropriateness of the actuarial models adopted with reference to the requirements of the prevailing accounting standard and the reasonableness of the key assumptions used (including discount rates, mortality and morbidity rates, lapse rates and expected loss ratios) and management's rationale for the judgements applied, with reference to the Group's historical data and applicable industry experience;</li><li>performing independent actuarial modelling on selected groups of insurance contracts, recalculating the estimates of the LRC and comparing the results to the Group's estimates on a sample basis; and</li><li>evaluating the reasonableness of the disclosures on the LRC of insurance contracts not measured under the PAA with reference to the requirements of the prevailing accounting standard.</li></ul>



# INDEPENDENT AUDITOR'S REPORT

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

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

The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2024, the Group's LIC within insurance contract liabilities measured under the PAA amounted to RMB48.1 billion, representing 12.1% of the Group's total liabilities.</p> <p>The valuation of the LIC of insurance contracts measured under the PAA involved a high degree of management judgement and estimation in setting assumptions used in the models. These included expected loss ratios and future claim development patterns. Management estimated the paid claims, the incurred claim losses, the average claim amount per case and the number of claims based on the development of claims from the previous years; these are then used to determine the expected loss ratio for evaluating the LIC of insurance contracts measured under the PAA.</p> <p>We identified the valuation of LIC of insurance contracts measured under the PAA as a key audit matter because of the inherent uncertainties and the degree of management judgments involved.</p>	<p>Our audit procedures to assess the valuation of LIC of insurance contracts measured under the PAA with the assistance of our internal actuarial specialists included the following:</p> <ul style="list-style-type: none"><li>evaluating and testing the design, implementation and operating effectiveness of key internal controls over the valuation of the LIC of insurance contracts measured under the PAA, including controls over data analysis and the determination and approval of actuarial assumptions;</li><li>assessing, on a sample basis, the appropriateness of the actuarial models with reference to the requirements of the prevailing accounting standard; and the reasonableness of expected loss ratios and future claim development patterns adopted by Group with reference to the Group's historical data and applicable industry experience;</li><li>performing independent actuarial modelling, recalculating the LIC of insurance contracts measured under the PAA and comparing the results to the Group's estimates, on a sample basis; and</li><li>evaluating the reasonableness of the disclosures on the LIC of insurance contracts measured under the PAA with reference to the requirements of the prevailing accounting standard.</li></ul>

# INDEPENDENT AUDITOR'S REPORT

## Valuation of Level 3 financial instruments

*Refer to Note 3(7) and 47 to the consolidated financial statements*

The Key Audit Matter	How the matter was addressed in our audit
<p>Fair value measurements of financial instruments were categorised as Level 3 of the fair value hierarchy if they were determined using significant unobservable inputs. The Group's financial instruments whose fair value measurements were categorised as Level 3 had a total carrying amount of RMB9 billion, representing 1.8% of the Group's total assets as at 31 December 2024.</p> <p>The valuation of Level 3 financial assets requires significant judgements and estimates to be made in the selection of valuation models and the determination of significant unobservable inputs. The significant unobservable inputs include discount rates for credit risk, the discounts for lack of marketability and valuation multiples of comparable companies.</p> <p>We identified the valuation of level 3 financial instruments as a key audit matter because of the degree of complexity involved in valuing such financial instruments and because of the degree of judgment exercised by management in determining the inputs used in the valuation models.</p>	<p>Our audit procedures to assess the valuation of level 3 financial instruments included the following:</p> <ul style="list-style-type: none"><li>evaluating and testing the design, implementation and operating effectiveness of key internal controls over the valuation of Level 3 financial instruments, including controls in place to review the valuation methodologies and assumptions adopted over the valuation;</li><li>involving our internal valuation specialist to assess the valuation of the Level 3 financial instruments, on a sample basis, by evaluating the appropriateness of the methods with reference to the requirements of the prevailing accounting standard and the reasonableness of the unobservable inputs, or performing independent valuations and comparing these valuations with the valuations of the Group; and</li><li>evaluating the reasonableness of the disclosures relating to the valuation of Level 3 financial instruments with reference to the requirements of the prevailing accounting standard.</li></ul>



# INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

## Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

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

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



# INDEPENDENT AUDITOR'S REPORT

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

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

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

*Certified Public Accountants*

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

28 March 2025

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
<b>Operating income</b>			
Insurance revenue	5	101,363,282	99,755,335
Interest income	6	9,234,723	9,129,703
Investment income/(losses)	7	6,831,989	(1,280,368)
Exchange (losses)/gains, net		(341,763)	673,591
Other income	8	1,044,685	1,116,610
<b>Total income</b>		<b>118,132,916</b>	<b>109,394,871</b>
<b>Operating expense</b>			
Insurance service expenses	26	(94,751,279)	(91,092,334)
Allocation of reinsurance premiums	9	(8,970,439)	(8,356,325)
Amounts recoverable from reinsurers		8,945,012	5,868,447
Finance expenses from insurance contracts issued	10	(5,897,724)	(6,401,825)
Finance income from reinsurance contracts held	10	1,026,578	856,481
Net impairment loss on financial assets	11	(971,872)	138,564
Other finance cost	12	(2,008,325)	(2,323,939)
Other operating and administrative expenses	13	(3,685,055)	(3,718,450)
<b>Total insurance service expenses and others</b>		<b>(106,313,104)</b>	<b>(105,029,381)</b>
Share of profit of associates		1,978,154	1,959,788
<b>Profit before tax</b>		<b>13,797,966</b>	<b>6,325,278</b>
Income tax	16	(2,717,526)	(534,685)
<b>Net profit</b>		<b>11,080,440</b>	<b>5,790,593</b>
<b>Attributable to:</b>			
Equity shareholders of the parent		10,556,993	5,652,446
Non-controlling interests		523,447	138,147
<b>Earnings per share (RMB)</b>	<b>18</b>		
– Basic		0.25	0.13
– Dilution		0.25	0.13

The accompanying notes on pages 160 to 369 form part of these financial statements.



# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	2024	2023
<b>Net profit</b>	<b>11,080,440</b>	<b>5,790,593</b>
Other comprehensive income for the year after tax		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligation	16,077	(15,770)
Equity investments designated at fair value through other comprehensive income	1,287,999	35,146
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates	251,985	124,634
Fair value changes on debt instruments measured at fair value through other comprehensive income	1,739,633	1,703,685
Provision for credit losses on debt instruments measured at fair value through other comprehensive income	(7,392)	(445,251)
Exchange differences on translation of financial statements of foreign operations	281,258	28,233
Finance income/(expenses) from insurance contracts issued	(5,250,454)	(2,530,438)
Finance income/(expenses) on reinsurance contracts held	3,072,797	717,722
<b>Total other comprehensive income after tax</b>	<b>1,391,903</b>	<b>(382,039)</b>
<b>Total comprehensive income for the year</b>	<b>12,472,343</b>	<b>5,408,554</b>
<b>Attributable to:</b>		
Equity shareholders of the parent	11,786,287	5,351,422
Non-controlling interests	686,056	57,132
<b>Total comprehensive income for the year</b>	<b>12,472,343</b>	<b>5,408,554</b>

The accompanying notes on pages 160 to 369 form part of these financial statements.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	31 December 2024	31 December 2023
<b>Assets</b>			
Cash and short-term time deposits	20	13,005,875	14,596,526
Derivative financial assets		164,341	72,318
Financial assets held under resale agreements	21	6,828,588	7,505,037
Financial investments:			
Financial assets measured at fair value through profit or loss	22	118,123,741	104,382,718
Financial assets measured at amortized cost	23	74,377,733	84,093,352
Debt instruments measured at fair value through other comprehensive income	24	139,232,691	108,546,085
Equity investments designated at fair value through other comprehensive income	25	11,784,459	11,278,023
Insurance contract assets	26	510,360	459,221
Reinsurance contract assets	26	31,006,218	24,988,528
Investment contract assets		10,120,665	4,606,628
Time deposits	28	27,391,847	27,758,604
Statutory deposits for insurance operations	30	23,072,127	18,889,763
Investment properties	31	5,599,061	5,818,963
Property and equipment	32	3,492,038	3,670,265
Right-of-use assets	33	861,543	922,361
Intangible assets	34	2,270,611	2,314,198
Investments in associates	35	25,285,234	23,523,867
Goodwill	36	1,649,297	1,642,522
Deferred tax assets	42	7,203,926	7,805,283
Other assets	37	6,366,750	6,853,325
<b>Total assets</b>		<b>508,347,105</b>	<b>459,727,587</b>

The accompanying notes on pages 160 to 369 form part of these financial statements.



# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	31 December 2024	31 December 2023
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Financial liabilities measured at fair value through profit or loss		543,263	444,374
Derivative financial liabilities		437,099	312,108
Financial assets sold under repurchase agreements	38	69,589,907	60,308,770
Income tax payable		2,530,753	2,043,898
Investment contract liabilities		41,804,950	27,129,136
Insurance contract liabilities	26	252,362,582	239,061,469
Reinsurance contract liabilities	26	103,658	40,152
Notes and bonds payable	39	13,153,508	13,152,917
Bank loans	40	—	1,416,540
Lease liabilities	33	815,856	861,815
Deferred tax liabilities	42	1,015,166	575,563
Other liabilities	41	13,325,566	12,201,928
<b>Total liabilities</b>		<b>395,682,308</b>	<b>357,548,670</b>
<b>Equity</b>			
Share capital	43	42,479,808	42,479,808
Reserves		24,333,222	21,956,855
Retained earnings		36,442,631	28,816,384

The accompanying notes on pages 160 to 369 form part of these financial statements.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	31 December 2024	31 December 2023
Total equity attributable to equity shareholders of the parent		103,255,661	93,253,047
Non-controlling interests		9,409,136	8,925,870
<b>Total equity</b>		<b>112,664,797</b>	<b>102,178,917</b>
<b>Total liabilities and equity</b>		<b>508,347,105</b>	<b>459,727,587</b>

Approved and authorised for issue by the board of directors on 28 March 2025.

**He Chunlei**  
Director

**Zhuang Qianzhi**  
Director

**Tian Meipan**  
Chief Actuary

The accompanying notes on pages 160 to 369 form part of these financial statements.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

The accompanying notes on pages 160 to 369 form part of these financial statements.



# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		Attributable to equity shareholders of the parent												
		Reserves												
							Defined benefit obligation		Insurance			Non-controlling interests		
Note	Share capital	Capital reserve	Surplus reserve	General risk reserve	Catastrophic loss reserve	remeasurement reserve	Fair value reserve	finance reserve	Exchange reserve	Retained earnings	Subtotal		Total equity	
As at 31 December 2022														
(Restated)	42,479,808	10,684,516	3,132,644	7,306,057	212,951	(19,844)	(1,972,620)	2,373,105	(243,002)	24,664,393	88,618,008	8,877,884	97,495,892	
Impact of changes in accounting policies		-	-	-	-	-	97,513	-	31,322	(235,060)	(106,225)	(8,732)	(114,957)	
As at 1 January 2023														
Net Profit	-	-	-	-	-	-	-	-	-	5,652,446	5,652,446	138,147	5,790,593	
Other comprehensive income	19	-	-	-	-	(15,770)	1,497,051	(1,809,564)	27,259	-	(301,024)	(81,015)	(382,039)	
Total comprehensive income		-	-	-	-	-	(15,770)	1,497,051	(1,809,564)	27,259	5,652,446	5,351,422	57,132	5,408,554
Appropriations to surplus reserve														
	-	-	123,803	-	-	-	-	-	-	(123,803)	-	-	-	
Appropriations to general risk reserve														
	-	-	-	321,632	-	-	-	-	-	(321,632)	-	-	-	
Appropriations to catastrophic loss reserve														
	-	-	-	-	95,465	-	-	-	-	(95,465)	-	-	-	
Distributions to shareholders of the parent		17	-	-	-	-	-	-	-	(594,717)	(594,717)	-	(594,717)	
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(414)	(414)	
Disposal of equity investments designated at fair value through other comprehensive income		-	-	-	-	-	127,884	-	-	(127,884)	-	-	-	
Others		-	(13,547)	-	-	-	-	-	-	(1,894)	(15,441)	-	(15,441)	
As at 31 December 2023														
	42,479,808	10,670,969	3,256,447	7,627,689	308,416	(35,614)	(250,172)	563,541	(184,421)	28,816,384	93,253,047	8,925,870	102,178,917	

The accompanying notes on pages 160 to 369 form part of these financial statements.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
<b>Operating activities</b>			
Cash generated from operations	45(a)	11,930,645	18,203,912
Income tax paid		(1,583,172)	(1,910,507)
<b>Net cash flows generated from operating activities</b>		<b>10,347,473</b>	<b>16,293,405</b>
<b>Investing activities</b>			
Interest received		9,245,786	9,302,592
Dividends received		2,374,681	3,380,344
Purchases of property and equipment, investment properties and intangible assets		(433,869)	(430,941)
Proceeds from disposal of property and equipment, investment properties and intangible assets		72,485	45,962
Purchases of investments		(312,616,090)	(259,576,290)
Proceeds from disposal of investments		282,799,112	232,450,494
<b>Net cash flows used in investing activities</b>		<b>(18,557,895)</b>	<b>(14,827,839)</b>

The accompanying notes on pages 160 to 369 form part of these financial statements.



# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
<b>Financing activities</b>			
Net changes in third party investors' interests of consolidated structured entities		1,170,253	601,943
Net proceeds from bonds issued	39	–	9,000,000
Redemption of bonds and notes	39	–	(9,037,697)
Net payment of bank loans	40	(1,427,110)	(2,496,462)
Interest paid		(2,006,262)	(2,177,771)
Payments for lease liabilities		(368,247)	(445,902)
Dividends paid to shareholders of the parent		(1,784,152)	(594,717)
Dividends paid to non-controlling interests		(202,790)	(414)
Net proceeds from financial assets sold under repurchase agreements		9,234,073	6,150,220
<b>Net cash flows generated from financing activities</b>		<b>4,615,765</b>	<b>999,200</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,594,657)</b>	<b>2,464,766</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>17,803,419</b>	<b>15,416,186</b>
<b>Effect of foreign exchange rate changes</b>		<b>(90,117)</b>	<b>(77,533)</b>
<b>Cash and cash equivalents at the end of the year</b>	45(b)	<b>14,118,645</b>	<b>17,803,419</b>

The accompanying notes on pages 160 to 369 form part of these financial statements.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 1 CORPORATE INFORMATION

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

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

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

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

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

#### (1) Basis of preparation

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

For the purpose of preparing the consolidated financial statements, the Group has adopted all applicable new and revised IFRSs in issue which are relevant to the Group for the current year’s financial statements, except for any new standards or interpretations that are not yet effective for the year ended 31 December 2024.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (2) Basis of measurement

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

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

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

### (3) New accounting standards and amendments adopted by the Group for the first time for the financial year beginning on 1 January 2024

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liabilities in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Financing Arrangements

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

### Pillar Two Global Anti-Base Erosion 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. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The Group is in the process of assessing its exposure to the Pillar Two legislation when it comes into effect. Based on the assessment, the quantitative impact of the enacted or substantively enacted legislation is not significant. For jurisdictions where Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

#### (4) New accounting standards and amendments that are not yet effective and have not been early adopted by the Group for the financial year beginning on 1 January 2024

1 January 2026	Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
1 January 2027	Amendments to IFRS 18	Presentation and Disclosure in Financial Statements
1 January 2027	Amendments to IFRS 19	Disclosure Initiative-Subsidiaries without Public Accountability: Disclosures
1 January 2025	Amendments to IAS 21	Lack of Exchangeability

#### (5) Subsidiaries and non-controlling interests

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

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (5) Subsidiaries and non-controlling interests (continued)

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

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

For each managed syndicate on which the Group participates, only the relevant proportion of the income, expenses, assets and liabilities of those Lloyd's syndicates are reflected in the consolidated financial statements. As at 31 December 2024, the Group provided 100% of the capital for Syndicate 1084, and provided 57% of the capital for Syndicate 1176, and therefore relevant proportion of the income, expenses, assets and liabilities of those Lloyd's syndicates have been included in the Group's financial statements.

### (6) Structured entities

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (7) Associates and joint ventures

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

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

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

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

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (8) Business combination

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

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

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

Acquisition-related costs are expensed as incurred.

### (9) Goodwill

Goodwill represents the excess of

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

#### (9) Goodwill (continued)

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

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

#### (10) Cash and cash equivalents

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

#### (11) Translation of foreign currencies

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

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (12) Financial Instruments

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

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

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

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

#### *Financial assets*

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (12) Financial Instruments (continued)

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

##### *Financial assets (continued)*

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

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

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

##### *Debt instruments*

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



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (12) Financial Instruments (continued)

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

##### *Debt instruments (continued)*

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

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

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

##### *Equity instruments*

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (12) Financial Instruments (continued)

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

##### *Financial liabilities*

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

#### (b) Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on their categories:

##### *Financial assets and liabilities measured at amortized cost*

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (12) Financial Instruments (continued)

#### (b) Subsequent measurement of financial instruments (continued)

##### *Financial assets at fair value through other comprehensive income*

###### Debt instruments

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

###### Equity instruments

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

##### *Financial assets measured at fair value through profit or loss*

###### Debt instruments

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

###### Equity instruments

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

##### *Financial liabilities measured at fair value through profit or loss*

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (12) Financial Instruments (continued)

#### (c) Impairment of financial instruments

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

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

The Group measures ECL of a financial instrument reflecting:

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (12) Financial Instruments (continued)

#### (c) Impairment of financial instruments (continued)

ECLs are measured on either of the following bases:

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

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

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

### (13) Derivatives

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

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

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

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

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

#### (15) Investment contracts

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

#### (16) Offsetting of financial instruments

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (17) Investment properties

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

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

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

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

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

### (18) Property and equipment

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (18) Property and equipment (continued)

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

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

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

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

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

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

#### (a) Syndicate capacity

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

#### (b) Distribution channel

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

#### (c) Software

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

### (20) Share capital

#### Ordinary shares

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

### (21) Insurance Contracts

#### (a) Classification

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (21) Insurance Contracts (continued)

#### (a) Classification (continued)

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

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

#### (b) Combination and separation

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

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

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

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

#### *Insurance Contracts issued*

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

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

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

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

##### *Reinsurance contracts held*

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

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

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (21) Insurance Contracts (continued)

#### (d) Fulfilment cash flows

Fulfilment cash flows comprise:

##### *Estimates of future cash flows*

The estimates of future cash flows:

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

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

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

##### *A risk adjustment for non-financial risk*

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (21) Insurance Contracts (continued)

#### (e) Contract boundary

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

#### *Insurance Contracts issued*

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

A substantive obligation to provide insurance contract services ends when:

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

#### *Reinsurance contracts held*

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

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

#### (f) Insurance acquisition cash flows

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

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

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

##### (i) Initial measurement

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (21) Insurance Contracts (continued)

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

##### (ii) Subsequent measurement

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

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

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

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

- the CSM of any new contracts that are added to the Group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition;

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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

### (21) Insurance Contracts (continued)

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

##### (ii) Subsequent measurement (continued)

- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised in insurance service expenses and recognised as a loss component in LRC; or
  - any decreases in the fulfilment cash flows adjust the loss component in the LRC and the corresponding amount is recognised in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue for service provided in the period.

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

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

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

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

#### (i) Initial measurement

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

#### (ii) Subsequent measurement

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (21) Insurance Contracts (continued)

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

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

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

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (21) Insurance Contracts (continued)

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

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

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

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

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

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

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

#### (k) Presentation

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

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

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

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

#### (i) Insurance revenue

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

#### (k) Presentation (continued)

##### (i) Insurance revenue (continued)

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

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

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

##### (ii) Insurance service expenses

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (21) Insurance Contracts (continued)

#### (k) Presentation (continued)

##### (ii) Insurance service expenses (continued)

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

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

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

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

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (21) Insurance Contracts (continued)

#### (k) Presentation (continued)

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

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

##### (iv) *Insurance finance income or expenses*

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

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

#### (l) Transition approaches

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

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

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

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



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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

### (22) Notes and bonds payable

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

### (23) Employee benefits

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

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

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

#### (b) Defined benefit retirement plan obligation

The Group operates several defined benefit retirement plans.

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

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (24) Leases

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

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (24) Leases (continued)

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly in office and electronic equipment and small items of office furniture.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (25) Income tax

Income tax comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the reporting period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (25) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### (26) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

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

### (27) Dividends

When the final cash dividends proposed by the directors have been approved by the shareholders and declared, they are recognised as a liability.

### (28) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group;
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

### (29) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

### (1) Significant insurance risk test on reinsurance contracts

The Group performs significant insurance risk test on reinsurance contracts at the inception of a contract.

Insurance risk is significant if, and only if, an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance (i.e. no discernible effect on the economics of the transaction). If an insured event could mean significant additional amounts would be payable in any scenario that has commercial substance, the condition in the previous sentence can be met even if the insured event is extremely unlikely, or even if the expected (i.e. probability-weighted) present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the reinsurance contract.

In addition, a contract transfers significant insurance risk only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis. However, even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

#### (2) Estimates of fulfilment cash flows

Insurance contract assets/liabilities are determined on the basis of the Group's estimates of future claims and benefits, premiums and related expenses, taking into account the risk adjustment for non-financial risk. The mortality rate, morbidity rate, expected loss ratios, lapse rate, discount rate and expense assumption used for the estimation are determined according to the latest empirical analysis and current and future economic conditions. The uncertainty of assets/liabilities arising from uncertain fulfilment cash flows such as future claims and benefits, premiums, and related expenses is reflected through the risk adjustment for non-financial risk.

Assumptions used to develop estimates about future cash flows are reassessed by the Group at each reporting date and adjusted where necessary.

#### Methodology and assumptions

##### *The discount rates*

The discount rates are based on liquid risk-free yield curves available at the reporting date, which are adjusted by applying illiquidity premiums that reflect the liquidity characteristics of the group of insurance contracts that is being measured. The current discount rates derived from the bottom-up approach are as follows:

	Discount rates
31 December 2024	0.430% – 5.360%
31 December 2023	2.069% – 5.290%

##### *The probability of insurance event*

The Group determines the probability of insurance event according to historical experience and the expectation in the future. For mortality and morbidity assumptions, the Group refers to “China Life Insurance Mortality Table (2010 – 2013)” issued by former China Insurance Regulatory Commission and “China Life Insurance Morbidity Table (2020)” issued by former China Banking and Insurance Regulatory Commission in addition to its historical experience. For other assumptions, the Group would mainly refer to its historical experience, the pricing assumption or the industry benchmarks.

##### *Expense and other assumptions*

The Group determines the expense assumption according to its historical experience and the future expectation. The Group would also consider inflation metrics to determine the expense assumption if the assumption is sensitive to inflationary pressures.

The lapse rate and other assumptions are determined using the Group's reliable historical experience, current situations and future expectations.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

#### (2) Estimates of fulfilment cash flows (continued)

##### Methodology and assumptions (continued)

##### *Expected loss ratio and future claim development pattern*

The key assumptions in measuring LIC and LRC of short-term insurance contracts are the expected loss ratios and future claims development pattern, using the Group's experience of historical claims, which can be used to project the trend of future claims and hence ultimate claim costs. Accordingly, management extrapolates the amount of paid and incurred losses, average costs per claim and claim number of insurance contracts, based on the observed development of earlier years to develop the expected loss ratios for estimating LIC and LRC of short-term insurance contracts.

##### *Risk adjustments for non-financial risk*

The Group uses the confidence interval technique to determine the risk adjustment for non-financial risk and considers risk diversification at appropriate level. As at 31 December 2024, the risk adjustment for non-financial risk of insurance contracts and reinsurance contracts held was determined based on the confidence level of 75% (31 December 2023: 75%).

##### *Investment components*

The Group identifies the investment component of an insurance contract by determining the amount that it would be required to repay to the policyholder in all circumstances, regardless of whether an insured event occurs. For contracts with surrender values, the investment component is determined as surrender value when a payment is made.

#### (3) Classification of financial assets

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

The Group determines the business model for financial asset management at the level of different groups of financial assets, and factors to be considered include the methods for evaluating financial asset performance and reporting the financial asset performance to key management personnel, risks affecting financial asset performance and corresponding management methods, and the ways in which related business management personnel are remunerated.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in timing or amount of the principal during the duration due to reasons such as early repayment; whether interest only includes considerations for time value of money, credit risks, other basic lending risks, costs and profits. For example, whether the prepayment amount only reflects the principal outstanding and the interest on the principal outstanding, as well as the reasonable compensation for the early termination of the contract.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

#### (4) Measurement of net impairment loss on financial assets

For financial asset debt instrument investments measured at amortized cost and fair value with changes recognized in other comprehensive income, complex models and numerous assumptions are used in the measurement of net impairment loss on financial assets.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

#### (5) Significant influence when less than 20% of voting power is held

The Group determines whether it can exercise influence over an investee when it holds, directly or indirectly through subsidiaries, less than 20% of the voting power of the investee, but one or more of the following indicators are present:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- provision of essential technical information.

An investee as accounted for as an associate if it is concluded that the Group exercises significant influence over that investee; otherwise, it is accounted for as a financial asset. The reasons for existence of significant influence over some investees, even though the voting power held by the Group is less than 20%, are disclosed in Note 35 to the financial statements.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

#### (6) Determination of control over the structured entities

To determine whether the Group controls the structured entities of which the Group acts as an asset manager, management applies judgment based on all relevant fact and circumstance to determine whether the Group is acting as the principal or agent for the structured entities. If the Group is acting as the principal, it has control over the structured entities. In assessing whether the Group is acting as the principal, the Group considers factors such as scope of the asset manager's decision-making authority, rights held by other parties, remuneration to which it is entitled, and exposure to variable returns results from its additional involvement with structured entities. The Group will perform reassessment once the fact and circumstance changes leading to changes in above factors.

#### (7) Fair value of financial instruments

The Group invests primarily in debt investments, equity investments, time deposits, financial assets held under resale agreements and so on. The Group's significant accounting estimates and judgements regarding investments are related to the recognition of impairment of financial assets and the determination of the fair value. In assessing the impairment, the Group has considered various factors (see Note 2(12)(c)). The fair values of quoted investments are based on current bid prices. The fair value is the price at which two knowing parties transact willingly in a fair trade rather than under on compulsion or in liquidation.

The Group estimates the fair value of financial instruments using the following methods and assumptions:

- Debt investments, notes and bonds payable and bank loans: usually, fair market value is determined on the basis of its recent quoted market price. If there is no recent quoted market price for reference, fair value is determined by the observed recent transaction price, or comparable investment's recent market price. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. Significant unobservable inputs include discount rate for credit risk, the discount for lack of marketability, etc.
- Equity investments: its fair market value is determined on the basis of its recent quoted market price. If there is no recent quoted market price, for the equity investments whose fair value cannot be measured reliably, they can be determined by using valuation techniques. Significant unobservable inputs include discount rate for credit risk, the discount for lack of marketability, and valuation multiples of comparable companies, etc.
- Derivatives: its fair market value is determined on the basis of its recent quoted market price. If there is no recent quoted market price, for the derivatives whose fair value cannot be measured reliably, they can be determined by using valuation techniques. Significant unobservable inputs include discount rate for credit risk, the discount for lack of marketability, and valuation multiples of comparable companies, etc.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

#### (7) Fair value of financial instruments (continued)

- Time deposits, investments classified as financial assets held under resale agreements, financial assets sold under repurchase agreements, short-term borrowing: the book value on the consolidated statements of financial position approximates to fair value.

#### (8) Impairment of goodwill and intangible assets with infinite useful life

The Group performs goodwill and intangible assets with infinite useful life impairment test annually. The recoverable amount of an asset group or a set of asset groups including goodwill and intangible assets with infinite useful life is the higher of its fair value less costs to disposal and its value-in-use, and the principal assumptions used are set out in Note 34 and Note 36 to the financial statements.

#### (9) Deferred tax assets

Deferred tax assets are recognised for unused tax losses and temporary deductible differences to the extent that it is probable that taxable profit will be available against which the used tax losses and temporary deductible differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the estimated timing and level of future taxable profits as well as the applicable tax rates.

There are some uncertainties on the estimation of future taxable profit as it involves a number of estimations for future transactions, including whether the actuarial assumptions and experience are consistent, the performance of future investment market, as well as the impacts of any changes in corporate tax law.

#### (10) Retirement benefit liabilities

The Group measured certain employee retirement benefits using projected unit credit method, when these benefit plans met the definition of defined benefit plans as set out in Note 2(23)(b). Carrying value of these liabilities and the principal assumptions used in measuring these liabilities are set out in Note 41 to the financial statements.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

#### (11) Impairment of non-current assets other than financial assets

The Group makes judgement on whether there is an indication that non-current assets other than financial assets may be impaired as at the end of the reporting period. When any such indication exists, the Group performs impairment testing for the asset or a group of assets and makes estimate of the recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The Group determines the recoverable amount according to the higher of the fair value less costs of disposal and the present value of expected future cash flows. Fair value less costs of disposals is determined with reference to the prices in sales agreements or observable market prices of similar assets in fair transactions. When using the present value of estimated future cash flows, management must use the estimated future cash flows of the asset or a group of assets, and select the appropriate discount rate to determine the present value of the future cash flows.

#### (12) Impairment assessment on investments in associates

The Group assesses whether there are any indicators of impairment for investments in associates at the end of each reporting period. Investments in associates are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of investment in an associate exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. When value in use calculations are undertaken, the Group must estimate the present values of cash flows expected to arise from continuing to hold the investments and choose suitable discount rates in order to calculate the present values of those cash flows. Details of investments in associates are disclosed in Note 35.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 4 SEGMENT INFORMATION

The Group's operating segments are presented in a manner consistent with the internal management reporting provided to management for deciding how to allocate resources and for assessing performance.

For management purposes, the Group is organised into business units based on their products and services and has the following operating and reportable segments:

- The property and casualty reinsurance segment, operated by the Company and subsidiaries of the Company China Property and Casualty Reinsurance Company Ltd. ("China Re P&C"), etc. offers a wide variety of reinsurance products for various property and casualty insurance, such as motor, property, agricultural and liability insurance, and also includes the business operated by China Re UK Limited ("China Re UK") and Chaucer. Chaucer mainly includes China Re International Holdings Limited ("CRIH"), Chaucer Insurance Company Designated Activity Company ("CIC") and China Re Australia HoldCo Pty Ltd ("CRAH").
- The life and health reinsurance segment, operated by the Company and its subsidiary China Life Reinsurance Company Ltd. ("China Re Life"), offers a wide range of reinsurance products, such as life, health and accident insurance.
- The primary property and casualty insurance segment, operated by the subsidiary of the Company China Continent Property and Casualty Insurance Company Ltd. ("China Continent Insurance"), offers a wide variety of insurance products and other businesses including motor, property and liability insurance.
- The asset management segment, operated by the subsidiary of the Company, China Re Asset Management Company Ltd. ("China Re AMC"), offers asset management services and manages assets and liabilities related to notes issued in overseas.
- Other segments and activities primarily consist of the headquarters that manages and supports the business development of the Group with its strategy, risk management, actuary, finance, legal and human resource functions; the insurance agency business and other businesses provided by the Group.

Management monitors the results of the Group's operating segments separately to make decisions about resources allocation and performance assessment. Segment performance is evaluated based on segment profit/(loss).

More than 75% of the Group's revenue is derived from its operations in China.

Inter-segment sales are transacted according to terms and conditions negotiated by the relevant parties within the Group.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 4 SEGMENT INFORMATION (continued)

	2024						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Insurance revenue	46,042,242	9,845,927	46,914,129	–	–	(1,439,016)	101,363,282
Interest income	2,999,154	4,663,637	1,119,348	73,397	379,187	–	9,234,723
Investment income	2,385,982	3,159,243	1,049,187	43,721	1,692,610	(1,498,754)	6,831,989
Exchange gains/(losses), net	(298,153)	(69,838)	10,950	(4,808)	19,635	451	(341,763)
Other income	193,937	26,523	150,768	730,413	579,208	(636,164)	1,044,685
<b>Total income</b>	<b>51,323,162</b>	<b>17,625,492</b>	<b>49,244,382</b>	<b>842,723</b>	<b>2,670,640</b>	<b>(3,573,483)</b>	<b>118,132,916</b>
– External income	50,156,317	17,274,525	49,264,608	362,594	1,074,872	–	118,132,916
– Inter-segment income	1,166,845	350,967	(20,227)	480,130	1,595,768	(3,573,483)	–
Insurance service expenses	(39,791,859)	(10,928,749)	(45,395,430)	–	–	1,364,759	(94,751,279)
Allocation of reinsurance premiums	(5,625,277)	(2,017,992)	(2,701,424)	–	–	1,374,254	(8,970,439)
Amounts recoverable from reinsurers	3,890,938	4,212,963	2,211,521	–	–	(1,370,410)	8,945,012
Finance expenses from insurance contracts issued	(1,700,847)	(3,467,665)	(788,959)	–	–	59,747	(5,897,724)
Finance income/(expenses) from reinsurance contracts held	320,285	656,259	127,224	–	–	(77,190)	1,026,578
Net impairment loss on financial assets	(271,581)	(381,678)	(200,086)	(260)	(118,267)	–	(971,872)
Other finance cost	(710,189)	(947,217)	(209,276)	(8,973)	(132,670)	–	(2,008,325)
Other operating and administrative expenses	(1,068,848)	(667,906)	(442,400)	(535,040)	(1,287,306)	316,445	(3,685,055)
<b>Total insurance service expenses and others</b>	<b>(44,957,378)</b>	<b>(13,541,985)</b>	<b>(47,398,830)</b>	<b>(544,273)</b>	<b>(1,538,243)</b>	<b>1,667,605</b>	<b>(106,313,104)</b>
Share of profit of associates	197,906	982,178	22,709	(501)	845,098	(69,236)	1,978,154
Impairment losses of associates	–	–	–	–	–	–	–
<b>Profit before tax</b>	<b>6,563,690</b>	<b>5,065,685</b>	<b>1,868,261</b>	<b>297,949</b>	<b>1,977,495</b>	<b>(1,975,114)</b>	<b>13,797,966</b>
Income tax	(1,386,361)	(856,956)	(393,182)	(63,254)	(85,256)	67,483	(2,717,526)
<b>Net profit</b>	<b>5,177,329</b>	<b>4,208,729</b>	<b>1,475,079</b>	<b>234,695</b>	<b>1,892,239</b>	<b>(1,907,631)</b>	<b>11,080,440</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 4 SEGMENT INFORMATION (continued)

	2023						Total
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	
Insurance revenue	43,308,562	11,913,885	46,558,131	–	–	(2,025,243)	99,755,335
Interest income	2,761,455	4,743,109	1,209,660	59,240	356,239	–	9,129,703
Investment income/(losses)	(173,208)	(963,767)	(36,518)	59,321	(149,693)	(16,503)	(1,280,368)
Exchange gains/(losses), net	156,240	455,225	881	(621)	61,955	(89)	673,591
Other income	176,937	21,228	162,218	652,327	694,005	(590,105)	1,116,610
<b>Total income</b>	<b>46,229,986</b>	<b>16,169,680</b>	<b>47,894,372</b>	<b>770,267</b>	<b>962,506</b>	<b>(2,631,940)</b>	<b>109,394,871</b>
– External income	45,379,103	14,969,906	47,893,273	299,496	853,093	–	109,394,871
– Inter-segment income	850,883	1,199,774	1,099	470,771	109,413	(2,631,940)	–
Insurance service expenses	(35,586,443)	(12,229,212)	(45,586,902)	–	–	2,310,223	(91,092,334)
Allocation of reinsurance premiums	(5,860,056)	(1,382,774)	(2,991,385)	–	–	1,877,890	(8,356,325)
Amounts recoverable from reinsurers	2,914,586	2,278,125	2,544,315	–	–	(1,868,579)	5,868,447
Finance expenses from insurance contracts issued	(2,249,113)	(3,402,121)	(805,558)	–	–	54,967	(6,401,825)
Finance income/(expenses) from reinsurance contracts held	426,110	374,809	129,198	–	–	(73,636)	856,481
Net impairment loss on financial assets	(90,322)	336,716	(67,228)	(5,137)	(35,465)	–	138,564
Other finance cost	(859,080)	(1,095,936)	(220,421)	(13,365)	(135,137)	–	(2,323,939)
Other operating and administrative expenses	(1,392,984)	(818,507)	(515,167)	(401,240)	(1,092,130)	501,578	(3,718,450)
<b>Total insurance service expenses and others</b>	<b>(42,697,302)</b>	<b>(15,938,900)</b>	<b>(47,513,148)</b>	<b>(419,742)</b>	<b>(1,262,732)</b>	<b>2,802,443</b>	<b>(105,029,381)</b>
Share of profit of associates	238,680	957,291	22,783	(528)	811,255	(69,693)	1,959,788
Impairment losses of associates	–	–	–	–	–	–	–
<b>Profit before tax</b>	<b>3,771,364</b>	<b>1,188,071</b>	<b>404,007</b>	<b>349,997</b>	<b>511,029</b>	<b>100,810</b>	<b>6,325,278</b>
Income tax	(706,173)	105,722	(28,406)	(65,189)	214,768	(55,407)	(534,685)
<b>Net profit</b>	<b>3,065,191</b>	<b>1,293,793</b>	<b>375,601</b>	<b>284,808</b>	<b>725,797</b>	<b>45,403</b>	<b>5,790,593</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 4 SEGMENT INFORMATION (continued)

	2024						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Segment assets	149,443,707	250,439,285	78,892,468	5,475,846	64,011,008	(39,915,209)	508,347,105
Segment liabilities	(107,329,848)	(226,834,939)	(52,901,622)	(834,751)	(10,842,243)	3,061,095	(395,682,308)

	2023						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Segment assets	137,374,974	220,217,927	72,570,642	5,149,167	63,574,573	(39,159,696)	459,727,587
Segment liabilities	(98,455,841)	(200,634,833)	(47,928,590)	(804,465)	(12,539,835)	2,814,894	(357,548,670)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 5 INSURANCE REVENUE

	2024			Total
	Reinsurance contracts issued – property and casualty	Reinsurance contracts issued – life and health	Primary insurance contracts issued – property and casualty	
<b>Contracts not measured under the PAA:</b>				
<b>Amounts relating to changes in liabilities for remaining coverage</b>				
– CSM recognised for the services provided	2,635,431	2,195,631	1,768,172	6,599,234
– Changes in the risk adjustment for non-financial risk	883,483	562,408	779,593	2,225,484
– Expected incurred claims and other directly attributable expenses	7,331,987	6,381,099	6,459,988	20,173,074
– Experience adjustments arising from premiums received in the period other than those relating to future service	925,996	288,179	(155,107)	1,059,068
<b>Insurance acquisition cash flows recovery</b>	<b>1,724,878</b>	<b>85,211</b>	<b>3,110,060</b>	<b>4,920,149</b>
<b>Subtotal of contracts not measured under the PAA</b>	<b>13,501,775</b>	<b>9,512,528</b>	<b>11,962,706</b>	<b>34,977,009</b>
<b>Contracts measured under the PAA</b>	<b>19,776,774</b>	<b>–</b>	<b>46,609,499</b>	<b>66,386,273</b>
<b>Total insurance revenue</b>	<b>33,278,549</b>	<b>9,512,528</b>	<b>58,572,205</b>	<b>101,363,282</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 5 INSURANCE REVENUE (continued)

	2023			
	Reinsurance contracts issued – property and casualty	Reinsurance contracts issued – life and health	Primary insurance contracts issued – property and casualty	Total
<b>Contracts not measured under the PAA:</b>				
<b>Amounts relating to changes in liabilities for remaining coverage</b>				
– CSM recognised for the services provided	1,873,623	1,838,872	1,515,873	5,228,368
– Changes in the risk adjustment for non-financial risk	793,495	721,717	747,524	2,262,736
– Expected incurred claims and other directly attributable expenses	6,281,074	7,475,367	6,095,334	19,851,775
– Experience adjustments arising from premiums received in the period other than those relate to future service	926,251	543,302	436,755	1,906,308
<b>Insurance acquisition cash flows recovery</b>	1,299,314	138,349	2,772,565	4,210,228
<b>Subtotal of contracts not measured under the PAA</b>	11,173,757	10,717,607	11,568,051	33,459,415
<b>Contracts measured under the PAA</b>	20,428,349	–	45,867,571	66,295,920
<b>Total insurance revenue</b>	31,602,106	10,717,607	57,435,622	99,755,335



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 6 INTEREST INCOME

	2024	2023
Interest income		
Current and time deposits	2,050,268	1,933,099
Fixed maturity investments		
– Financial assets measured at amortised cost	3,204,672	3,242,813
– Debt instruments measured at fair value through other comprehensive income	3,899,162	3,901,911
Financial assets held under resale agreements	80,621	51,880
Total	9,234,723	9,129,703

### 7 INVESTMENT INCOME/(LOSSES)

	2024	2023
Interest, dividend and rental income (a)	4,379,684	4,666,964
Realised gains and losses (b)	(2,883,373)	(4,263,295)
Unrealised gains and losses (c)	5,335,678	(1,027,510)
Dilution loss from investments in associates	–	(656,527)
Total	6,831,989	(1,280,368)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 7 INVESTMENT INCOME/(LOSSES) (continued)

#### (a) Interest, dividend and rental income

	2024	2023
<b>Dividend income</b>		
– Financial assets measured at fair value through profit or loss	1,409,271	1,914,395
– Equity investments designated at fair value through other comprehensive income	457,512	955,149
<b>Subtotal</b>	<b>1,866,783</b>	<b>2,869,544</b>
<b>Interest income</b>		
– Financial assets measured at fair value through profit or loss	2,265,441	1,485,497
<b>Subtotal</b>	<b>2,265,441</b>	<b>1,485,497</b>
<b>Rental income from investment properties</b>	<b>247,460</b>	<b>311,923</b>
<b>Total</b>	<b>4,379,684</b>	<b>4,666,964</b>

An analysis of the dividend income from listed and unlisted securities is as follows:

	2024	2023
<b>Dividend income</b>		
– Listed equity securities	1,390,342	2,007,666
– Unlisted equity securities	476,441	861,878
<b>Total</b>	<b>1,866,783</b>	<b>2,869,544</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 7 INVESTMENT INCOME/(LOSSES) (continued)

#### (b) Realised gains/(losses)

	2024	2023
Fixed maturity investments		
– Financial assets measured at fair value through profit or loss	(22,941)	(85,703)
– Financial assets measured at amortised cost	32	–
– Debt investments at fair value through other comprehensive income	9,833	(568,378)
Equity securities		
– Financial assets measured at fair value through profit or loss	(2,784,069)	(3,523,910)
– Investments in associates	195	1,169
Derivative instruments	(86,423)	(86,473)
Total	(2,883,373)	(4,263,295)

#### (c) Unrealised gains/(losses)

	2024	2023
Financial assets measured at fair value through profit or loss	6,989,695	(858,854)
Financial liabilities measured at fair value through profit or loss	(98,889)	(136,312)
Derivative financial assets	77,564	(39,219)
Derivative financial liabilities	(132,026)	(269,380)
Investment contracts measured at fair value	(1,500,666)	276,255
Total	5,335,678	(1,027,510)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 8 OTHER INCOME

	2024	2023
Income relating to insurance brokerages	434,299	586,825
Commission income arising from the tax collection of motor vehicles and vessels	34,428	21,507
Management fee income	324,761	174,095
Others	251,197	334,183
<b>Total</b>	<b>1,044,685</b>	<b>1,116,610</b>

### 9 ALLOCATION OF REINSURANCE PREMIUMS

	2024	2023
<b>Contracts not measured under the PAA:</b>		
<b>Amounts relating to changes in assets for remaining coverage</b>		
– CSM recognised for the services received	1,745,855	1,018,209
– Changes in the risk adjustment for non-financial risk	580,661	666,381
– Recovery of expected incurred claims	4,685,638	5,457,760
– Experience adjustments arising from premiums paid in the period other than those relating to future service	(450,006)	(1,481,579)
<b>Subtotal of contracts not measured under the PAA</b>	<b>6,562,148</b>	<b>5,660,771</b>
<b>Contracts measured under the PAA</b>	<b>2,408,291</b>	<b>2,695,554</b>
<b>Total allocation of reinsurance premiums</b>	<b>8,970,439</b>	<b>8,356,325</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 10 NET INVESTMENT RETURNS AND INSURANCE FINANCE INCOME AND EXPENSES

	2024	2023
<b>Net investment returns</b>		
– Interest income	9,234,723	9,129,703
– Investment income/(losses)	6,831,989	(1,280,368)
– Net impairment loss on financial assets	(971,872)	138,564
– Share of profit of associates	1,978,154	1,959,788
<b>Subtotal</b>	<b>17,072,994</b>	<b>9,947,687</b>
<b>Returns on investment recognised in other comprehensive income</b>	<b>4,316,655</b>	<b>1,748,890</b>
<b>Total</b>	<b>21,389,649</b>	<b>11,696,577</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 10 NET INVESTMENT RETURNS AND INSURANCE FINANCE INCOME AND EXPENSES (continued)

	2024			Total
	Reinsurance contracts – property and casualty	Reinsurance contracts – life and health	Primary insurance contracts – property and casualty	
<b>Finance expenses from insurance contracts issued</b>				
Accreted interest	1,653,310	3,445,060	1,211,010	6,309,380
Effect of changes in interest rates and other financial assumptions	338,120	6,577,333	92,304	7,007,757
Exchange (gains)/losses, net	(101,772)	20,690	(332,371)	(413,453)
<b>Total finance expenses from insurance contracts issued</b>	<b>1,889,658</b>	<b>10,043,083</b>	<b>970,943</b>	<b>12,903,684</b>
Recognised in:				
Profit or loss	1,553,548	3,465,749	878,427	5,897,724
Other comprehensive income	336,110	6,577,334	92,516	7,005,960
<b>Finance income from reinsurance contracts held:</b>				
Interest accreted at locked-in rates	(435,802)	(656,347)	–	(1,092,149)
Effect of changes in interest rates and other financial assumptions	(23,550)	(4,086,527)	–	(4,110,077)
Exchange (gains)/losses, net	65,739	87	–	65,826
<b>Total finance income from reinsurance contracts held</b>	<b>(393,613)</b>	<b>(4,742,787)</b>	<b>–</b>	<b>(5,136,400)</b>
Recognised in:				
Profit or loss	(370,318)	(656,260)	–	(1,026,578)
Other comprehensive income	(23,295)	(4,086,527)	–	(4,109,822)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 10 NET INVESTMENT RETURNS AND INSURANCE FINANCE INCOME AND EXPENSES (continued)

	2023			
	Reinsurance contracts – property and casualty	Reinsurance contracts – life and health	Primary insurance contracts – property and casualty	Total
<b>Finance expenses from insurance contracts issued</b>				
Accreted interest	1,368,139	3,043,398	1,189,446	5,600,983
Effect of changes in interest rates and other financial assumptions	411,500	2,507,225	426,718	3,345,443
Exchange (gains)/losses, net	187,519	355,111	251,083	793,713
<b>Total finance expenses from insurance contracts issued</b>	<b>1,967,158</b>	<b>5,905,734</b>	<b>1,867,247</b>	<b>9,740,139</b>
Recognised in:				
Profit or loss	1,560,213	3,400,521	1,441,091	6,401,825
Other comprehensive income	406,945	2,505,213	426,156	3,338,314
<b>Finance income from reinsurance contracts held:</b>				
Interest accreted at locked-in rates	(341,248)	(395,681)	–	(736,929)
Effect of changes in interest rates and other financial assumptions	(352,412)	(734,506)	–	(1,086,918)
Exchange (gains)/losses, net	(140,076)	20,805	–	(119,271)
<b>Total finance income from reinsurance contracts held</b>	<b>(833,736)</b>	<b>(1,109,382)</b>	<b>–</b>	<b>(1,943,118)</b>
Recognised in:				
Profit or loss	(481,605)	(374,876)	–	(856,481)
Other comprehensive income	(352,131)	(734,506)	–	(1,086,637)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 11 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	2024	2023
Financial investments:		
Financial assets measured at amortised cost	968,318	335,382
Debt instruments measured at fair value through other comprehensive income	(9,403)	(474,598)
Others	12,957	652
Total	971,872	(138,564)

### 12 OTHER FINANCE COST

	2024	2023
Interest expenses		
Financial assets sold under repurchase agreements	1,346,820	1,387,061
Bonds payable	476,591	662,581
Bank loans	86,212	192,575
Letter of credit	75,909	57,210
Lease liabilities	22,793	24,512
Total	2,008,325	2,323,939



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 13 OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	2024	2023
Employee costs	6,376,032	5,841,064
Outsourcing costs	2,438,592	2,949,608
Advertising and promotion expenses	1,739,810	2,068,611
Depreciation and amortisation	1,126,187	1,095,206
Administrative office and travel expenses	731,650	819,412
Taxes and surcharges	524,557	460,686
Impairment losses charges	71	1,442
Interest expenses of policyholders' deposits and investment contracts	280,153	476,465
Insurance guarantee fund	345,615	357,373
Rental expenses	89,298	101,904
Traffic accident rescue expense	21,152	16,708
Asset management fee	121,112	121,807
Bank settlement fee	145,560	141,272
Others	1,643,606	1,491,551
Subtotal	15,583,395	15,943,109
Less: Expenses directly attributable to insurance contracts	(11,898,340)	(12,224,659)
Total	3,685,055	3,718,450

Fees and commissions incurred during the year that have been treated as insurance acquisition cash flows of insurance contracts are not included in the table above.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 14 DIRECTORS' AND SUPERVISORS' REMUNERATION

	2024							
	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director/supervisor	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
<b>Executive directors</b>								
Mr. He Chunlei	–	384	441	99	123	–	–	1,047
Mr. Zhuang Qianzhi	–	384	425	99	123	–	–	1,031
Ms. Zhu Xiaoyun (i)	–	–	–	–	–	–	–	–
<b>Non-executive directors</b>								
Mr. Yang Changsong	–	–	–	–	–	–	–	–
Ms. Jia Xiangxiang (ii)	–	–	–	–	–	–	–	–
Mr. Zhou Zheng (iii)	–	–	–	–	–	–	–	–
Mr. Li Bingquan (iv)	–	–	–	–	–	–	–	–
Mr. Li Wenfeng (v)	–	–	–	–	–	–	–	–
Ms. Wang Xiaoya (vi)	–	–	–	–	–	–	–	–
<b>Independent non-executive directors</b>								
Ms. Jiang Bo	250	–	–	–	–	–	–	250
Mr. Dai Deming	250	–	–	–	–	–	–	250
Ms. Ye Mei	250	–	–	–	–	–	–	250
<b>Supervisors</b>								
Mr. Zhu Hailin	–	384	425	99	123	–	–	1,031
Mr. Zhu Yong (vii)	–	–	–	–	–	–	–	–
Mr. Zeng Cheng	–	–	–	–	–	–	–	–
Mr. Qin Yueguang	–	–	–	–	–	–	–	–
Mr. Li Jingye	–	–	–	–	–	–	–	–
<b>Total</b>	<b>750</b>	<b>1,152</b>	<b>1,291</b>	<b>297</b>	<b>369</b>	<b>–</b>	<b>–</b>	<b>3,859</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 14 DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

Note:

- (i) Ms. Zhu Xiaoyun has been an executive director since 24 February 2025.
- (ii) Ms. Jia Xiangxiang has been a non-executive director since 28 April 2024.
- (iii) Mr. Zhou Zheng has been a non-executive director since 28 April 2024.
- (iv) Mr. Li Bingquan ceased to be a non-executive director from 4 January 2024.
- (v) Mr. Li Wenfeng ceased to be a non-executive director from 7 May 2024.
- (vi) Ms. Wang Xiaoya ceased to be a non-executive director from 2 December 2024.
- (vii) Mr. Zhu Yong ceased to be a supervisor from 19 January 2024.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 14 DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

	2023							
	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director/supervisor	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
<b>Executive directors</b>								
Mr. He Chunlei	–	384	943	94	136	–	–	1,557
Mr. Zhuang Qianzhi	–	384	889	94	132	–	–	1,499
<b>Non-executive directors</b>								
Ms. Wang Xiaoya	–	–	–	–	–	–	–	–
Mr. Li Bingquan (ii)	–	–	–	–	–	–	–	–
Mr. Yang Changsong	–	–	–	–	–	–	–	–
Mr. Li Wenfeng (iv)	–	–	–	–	–	–	–	–
Mr. Liu Xiaopeng (i)	–	–	–	–	–	–	–	–
<b>Independent non-executive directors</b>								
Ms. Jiang Bo	250	–	–	–	–	–	–	250
Mr. Dai Deming (v)	86	–	–	–	–	–	–	86
Ms. Ye Mei (vi)	9	–	–	–	–	–	–	9
Mr. Hao Yansu (iii)	167	–	–	–	–	–	–	167
Mr. Li Sanxi (iii)	167	–	–	–	–	–	–	167
Ms. Mok Kam Sheung (iii)	167	–	–	–	–	–	–	167
<b>Supervisors</b>								
Mr. Zhu Hailin	–	384	691	94	136	–	–	1,305
Mr. Zhu Yong (vii)	–	–	–	–	–	–	–	–
Mr. Zeng Cheng	–	–	–	–	–	–	–	–
Mr. Qin Yueguang	–	–	–	–	–	–	–	–
Mr. Li Jingye	–	–	–	–	–	–	–	–
<b>Total</b>	<b>846</b>	<b>1,152</b>	<b>2,523</b>	<b>282</b>	<b>404</b>	<b>–</b>	<b>–</b>	<b>5,207</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 14 DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

Note:

- (i) Mr. Liu Xiaopeng ceased to be a non-executive director from 29 August 2023.
- (ii) Mr. Li Bingquan ceased to be a non-executive director from 4 January 2024.
- (iii) Mr. Hao Yansu, Mr. Li Sanxi and Ms. Mok Kam Sheung ceased to be non-executive directors from 29 August 2023.
- (iv) Mr. Li Wenfeng has been a non-executive director from 29 August 2023.
- (v) Mr. Dai Deming has been an independent non-executive director from 29 August 2023.
- (vi) Ms. Ye Mei has been an independent non-executive director from 20 December 2023.
- (vii) Mr. Zhu Yong has ceased to serve as a Supervisor, a member of the Performance Supervision and Inspection Committee and a member of the Financial Supervision and Inspection Committee under the Board of Supervisors since 19 January 2024.

The final compensation for these directors and supervisors for the years ended 31 December 2023 and 31 December 2024 is still in the process of confirmation and will be disclosed as required once determined.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 15 INDIVIDUALS WITH HIGHEST EMOLUMENTS

	2024	2023
Salaries, allowances and benefits in kind	15,716	14,288
Discretionary bonuses	93,723	79,106
Employer's contribution to a retirement benefit scheme	2,049	1,935
Total	111,488	95,329

None of the five individuals with the highest emoluments are directors or supervisors. The number of these individuals whose remuneration fell within the following bands is as follows:

	2024	2023
RMB5,000,001 to RMB15,000,000	–	1
RMB15,000,001 to RMB25,000,000	4	4
RMB25,000,001 to RMB35,000,000	1	–
Total	5	5

The above emoluments are pre tax. In 2024, the five individuals with the highest emoluments are employees of Chaucer.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 16 INCOME TAX

	2024	2023
Current income tax	2,054,131	1,884,966
Deferred income tax	663,395	(1,350,281)
Total	2,717,526	534,685

Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2024	2023
Profit before tax	13,797,966	6,325,278
Tax at the applicable tax rate of 25%	3,449,492	1,581,319
The effect of different tax rates of other countries and regions (i)	(183,615)	(137,995)
Tax effect of non-deductible expenses	98,513	32,579
Tax effect of non-taxable income	(661,781)	(912,770)
Tax effect of current-year losses for which no deferred tax asset is recognised	511	1,481
Recognition of previously unrecognised deductible temporary differences	(1,242)	(2,462)
Recognition of previously unrecognised tax losses	(684)	–
Income tax adjustment relating to prior year	8,694	(34,638)
Withheld income tax on dividends received from associates	7,638	7,171
Income tax	2,717,526	534,685

- (i) The income tax rate applied to the Company and its major subsidiaries in the Chinese mainland is 25% for the year ended 31 December 2024 (2023: 25%). Taxation for overseas subsidiaries and branches is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 17 DIVIDENDS

	2024	2023
In respect of previous year:		
2023 final dividend (declared in 2024):		
RMB0.042 per ordinary share	1,784,152	–
2022 final dividend (declared in 2023):		
RMB0.014 per ordinary share	–	594,717

### 18 EARNINGS PER SHARE

	2024	2023
Net profit attributable to shareholders of the parent company	10,556,993	5,652,446
Weighted average number of ordinary shares issued (in thousands)	42,479,808	42,479,808
Basic earnings per share (in RMB)	0.25	0.13
Diluted earnings per share (in RMB)	0.25	0.13

Basic and diluted earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders of the parent company for the year by the weighted average number of ordinary shares issued.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 OTHER COMPREHENSIVE INCOME FOR THE YEAR AFTER TAX

	2024	2023
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	27,746	(19,609)
Less: Income tax	(11,669)	3,839
Equity investments designated at fair value through other comprehensive income	1,656,462	50,866
Less: Income tax	(368,463)	(15,720)
<b>Subtotal</b>	<b>1,304,076</b>	<b>19,376</b>
<b>Items that may be reclassified subsequently to profit or loss</b>		
Share of other comprehensive income of associates	332,865	137,792
Less: Income tax	(80,880)	(13,158)
Fair value changes on debt instruments at fair value through other comprehensive income	2,346,564	2,603,208
Less: Reclassification adjustments for amounts transferred to profit or loss	(9,833)	(568,378)
Less: Income tax	(597,098)	(331,145)
Provision for credit losses on debt instruments measured at fair value through other comprehensive income	(9,403)	(474,598)
Less: Income tax	2,011	29,347
Finance expenses from insurance contracts issued	(7,005,960)	(3,338,314)
Less: Income tax	1,755,506	807,876
Finance income from reinsurance contracts held	4,109,822	1,086,637
Less: Income tax	(1,037,025)	(368,915)
<b>Subtotal</b>	<b>(193,431)</b>	<b>(429,648)</b>
Exchange gains and losses on translation of financial statements of foreign operations	281,258	28,233
<b>Total</b>	<b>1,391,903</b>	<b>(382,039)</b>
Equity shareholders of the parent	1,229,294	(301,024)
Non-controlling interests	162,609	(81,015)
<b>Total</b>	<b>1,391,903</b>	<b>(382,039)</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 20 CASH AND SHORT-TERM TIME DEPOSITS

	31 December 2024	31 December 2023
Cash at banks and on hand	6,805,476	9,733,781
Time deposits with original maturity of no more than three months	325,607	480,606
Other deposits	5,873,617	4,381,898
Interest receivable	3,016	3,143
Subtotal	13,007,716	14,599,428
Less: loss allowance	(1,841)	(2,902)
Amortised costs	13,005,875	14,596,526

As at 31 December 2024, cash and short-term time deposits of RMB5,716,595 thousand (31 December 2023: RMB4,300,366 thousand) were restricted from use, which were mainly trading deposits and securities settlement deposits.

### 21 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	2024	2023
Securities – bonds traded in		
Stock exchange	3,801,540	5,694,500
Inter-bank market	3,029,000	1,813,000
Interest receivable	207	(142)
Subtotal	6,830,747	7,507,358
Less: loss allowance	(2,159)	(2,321)
Total	6,828,588	7,505,037

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 22 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2024	31 December 2023
<b>Listed</b>		
<b>Debt securities</b>		
Government bonds	32,741	10,402
Financial bonds	1,079,629	580,435
Corporate bonds	16,300,105	19,752,383
Subordinated bonds	6,945,038	3,366,285
Assets backed securities	120,999	230,939
<b>Equity securities</b>		
Funds	16,870,333	8,653,463
Stocks	17,830,065	17,345,257
<b>Subtotal</b>	<b>59,178,910</b>	<b>49,939,164</b>
<b>Unlisted</b>		
<b>Debt securities</b>		
Government bonds	394,783	434,493
Financial bonds	302,851	1,479,845
Corporate bonds	1,489,792	1,572,335
Subordinated bonds	36,216,899	20,003,364
Debt investment plans	2,185,793	2,142,164
Trust schemes	2,781,547	3,162,548
Assets backed plans	—	183,359
<b>Equity securities</b>		
Investment funds	14,796,414	23,693,346
Unlisted shares	416,935	476,229
Other investment schemes	359,817	1,295,871
<b>Subtotal</b>	<b>58,944,831</b>	<b>54,443,554</b>
<b>Total</b>	<b>118,123,741</b>	<b>104,382,718</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 23 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	31 December 2024	31 December 2023
<b>Listed</b>		
Government bonds	9,710,695	8,111,675
Financial bonds	1,164,668	603,225
Corporate bonds	20,395,756	24,523,980
Subordinated bonds	1,755,156	2,251,389
<b>Subtotal</b>	<b>33,026,275</b>	<b>35,490,269</b>
<b>Unlisted</b>		
Government bonds	841,694	1,256,368
Financial bonds	4,366,512	2,267,066
Corporate bonds	6,747,139	6,829,096
Subordinated bonds	1,520,711	3,568,682
Debt investment plans	20,605,966	22,794,513
Trust schemes	10,584,631	14,234,140
<b>Subtotal</b>	<b>44,666,653</b>	<b>50,949,865</b>
<b>Gross carrying amount</b>	<b>77,692,928</b>	<b>86,440,134</b>
<b>Less: loss allowance</b>	<b>(3,315,195)</b>	<b>(2,346,782)</b>
<b>Amortised costs</b>	<b>74,377,733</b>	<b>84,093,352</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 24 DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024	31 December 2023
<b>Listed</b>		
Government bonds	19,726,577	6,156,474
Financial bonds	4,274,448	4,132,374
Corporate bonds	54,941,409	54,346,458
Subordinated bonds	3,013,421	2,585,371
<b>Subtotal</b>	<b>81,955,855</b>	<b>67,220,677</b>
<b>Unlisted</b>		
Government bonds	14,412,379	8,622,981
Financial bonds	24,739,037	13,962,905
Corporate bonds	11,895,861	13,082,363
Subordinated bonds	6,229,559	5,657,159
<b>Subtotal</b>	<b>57,276,836</b>	<b>41,325,408</b>
<b>Total</b>	<b>139,232,691</b>	<b>108,546,085</b>
<b>Comprising:</b>		
Amortised cost	135,897,319	108,054,213
Accumulated changes in fair value	3,335,372	491,872



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 25 EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024	31 December 2023
<b>Listed</b>		
Stocks	9,257,925	7,971,588
Perpetual bonds	2,410,175	3,200,327
Subtotal	11,668,100	11,171,915
<b>Unlisted</b>		
Unlisted shares	116,359	106,108
Subtotal	116,359	106,108
<b>Total</b>	<b>11,784,459</b>	<b>11,278,023</b>
Comprising:		
Cost	14,086,324	15,391,823
Accumulated changes in fair value	(2,301,865)	(4,113,800)

For the equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognize them in this category at initial recognition.

In 2024, for the consideration of optimizing asset allocation and asset-liability management, the Group disposed of equity financial assets at fair value through other comprehensive income amounted to RMB8,323 million (2023: RMB8,960 million), and the net cumulative losses of RMB241 million (2023: net cumulative losses of RMB128 million) on disposal was transferred from other comprehensive income to retained profits.

The dividend income of equity investments designated at fair value through other comprehensive income recognized during the year are disclosed in Note 7.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims

	Reinsurance contracts issued – property and casualty										
	Contracts not measured under the PAA					Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims				
	Liability for incurred claims						Estimates of the present value of future cash flows		Risk adjustment for non-financial risk		
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components				Total	Total
2024											
Insurance contract liabilities at the beginning of the year	(1,381,433)	83,999	26,118,968	24,821,534	(4,684,893)	454,770	27,753,467	1,669,254	25,192,598	50,014,132	
Insurance contract assets at the beginning of the year	(53,055)	3	(126,949)	(180,001)	(7,414)	4	29,961	10,467	33,018	(146,983)	
Net insurance contract liabilities/assets at the beginning of the year	(1,434,488)	84,002	25,992,019	24,641,533	(4,692,307)	454,774	27,783,428	1,679,721	25,225,616	49,867,149	
Contracts under the modified retrospective approach (MRA)	–	–	–	–	–	–	–	–	–	–	–
Contracts under the fair value approach (FVA)	(204,779)	–	–	(204,779)	–	–	–	–	–	(204,779)	
Other contracts	(13,296,996)	–	–	(13,296,996)	(19,776,774)	–	–	–	(19,776,774)	(33,073,770)	
Insurance revenue	(13,501,775)	–	–	(13,501,775)	(19,776,774)	–	–	–	(19,776,774)	(33,278,549)	
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	–	(271,798)	8,299,811	8,028,013	–	–	17,720,415	301,746	18,022,161	26,050,174	
Amortisation of insurance acquisition cash flows	1,724,878	–	–	1,724,878	157,750	–	–	–	157,750	1,882,628	
Recognition and reversals of losses on onerous contracts	–	271,617	–	271,617	–	(175,783)	–	–	(175,783)	95,834	
Changes in fulfilment cash flows relating to the liability for incurred claims	–	–	344,799	344,799	–	–	504,611	(353,414)	151,197	495,996	
Other expenses	(18,176)	–	–	(18,176)	15,702	–	–	–	15,702	(2,474)	

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty										
	Contracts not measured under the PAA					Contracts measured under the PAA					
	Liability for remaining coverage			Total	Liability for remaining coverage		Liability for incurred claims			Total	Total
	Non-loss components	Loss components	Liability for incurred claims		Non-loss components	Loss components	Estimates of the present value of future cash flows		Risk adjustment for non-financial risk		
2024											
Insurance service expenses	1,706,702	(181)	8,644,610	10,351,131	173,452	(175,783)	18,225,026	(51,668)	18,171,027	28,522,158	
Insurance service result	(11,795,073)	(181)	8,644,610	(3,150,644)	(19,603,322)	(175,783)	18,225,026	(51,668)	(1,605,747)	(4,756,391)	
Finance income/(expenses) from insurance contracts issued	247,549	7,747	615,504	870,800	94,458	–	859,113	65,287	1,018,858	1,889,658	
Comprising: Amounts recognised in profit or loss	226,726	7,649	557,112	791,487	94,458	–	623,472	44,131	762,061	1,553,548	
Amounts recognised in other comprehensive income	20,823	98	58,392	79,313	–	–	235,641	21,156	256,797	336,110	
Other changes recognised in profit or loss	(15,891)	11	94,754	78,874	5,064	782	8,154	406	14,406	93,280	
Other changes recognised in other comprehensive income	(78,257)	10	168,843	90,596	–	–	–	–	–	90,596	
Total changes in the statement of profit or loss and other comprehensive income	(11,641,672)	7,587	9,523,711	(2,110,374)	(19,503,800)	(175,001)	19,092,293	14,025	(572,483)	(2,682,857)	
Investment components	(433,905)	–	433,905	–	(4,869,171)	–	4,869,171	–	–	–	
Premiums received	11,965,281	–	–	11,965,281	26,468,922	–	–	–	26,468,922	38,434,203	
Insurance acquisition cash flows paid	(1,764,915)	–	–	(1,764,915)	(231,211)	–	–	–	(231,211)	(1,996,126)	
Claims and other insurance service expenses paid, including investment components	–	–	(6,871,465)	(6,871,465)	–	–	(24,938,927)	–	(24,938,927)	(31,810,392)	
Other cash flows	–	–	–	–	–	–	–	–	–	–	
Total cash flows	10,200,366	–	(6,871,465)	3,328,901	26,237,711	–	(24,938,927)	–	1,298,784	4,627,685	



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Other changes	-	-	-	-	-	-	-	-	-	-
Net liabilities/assets of insurance contract at the end of the year	(3,309,699)	91,589	29,078,170	25,860,060	(2,827,567)	279,773	26,805,965	1,693,746	25,951,917	51,811,977
Insurance contract assets at the end of the year	(9,617)	100	(3,209)	(12,726)	(29)	29	-	-	-	(12,726)
Insurance contract liabilities at the end of the year	(3,300,082)	91,489	29,081,379	25,872,786	(2,827,538)	279,744	26,805,965	1,693,746	25,951,917	51,824,703



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023										
Insurance contract liabilities at the beginning of the year	(3,551,708)	231,844	27,492,683	24,172,819	(3,944,314)	419,759	20,466,109	1,230,528	18,172,082	42,344,901
Insurance contract assets at the beginning of the year	(9,894)	405	(242,791)	(252,280)	(107,509)	4,771	91,119	6,024	(5,595)	(257,875)
Net insurance contract liabilities/assets at the beginning of the year	(3,561,602)	232,249	27,249,892	23,920,539	(4,051,823)	424,530	20,557,228	1,236,552	18,166,487	42,087,026
Contracts under the modified retrospective approach (MRA)	–	–	–	–	–	–	–	–	–	–
Contracts under the fair value approach (FVA)	(495,431)	–	–	(495,431)	–	–	–	–	–	(495,431)
Other contracts	(10,678,327)	–	–	(10,678,327)	(20,428,349)	–	–	–	(20,428,349)	(31,106,676)
Insurance revenue	(11,173,758)	–	–	(11,173,758)	(20,428,349)	–	–	–	(20,428,349)	(31,602,107)
Incurring claims and other insurance service expenses, excluding insurance acquisition cash flows	–	(439,991)	7,319,481	6,879,490	–	–	18,968,588	615,533	19,584,121	26,463,611
Amortisation of insurance acquisition cash flows	1,362,617	–	–	1,362,617	98,548	–	–	–	98,548	1,461,165
Recognition and reversals of losses on onerous contracts	–	279,499	–	279,499	–	30,179	–	–	30,179	309,678
Changes in fulfilment cash flows relating to the liability for incurred claims	–	–	(1,206,894)	(1,206,894)	–	–	50,712	(211,883)	(161,171)	(1,368,065)
Other expenses	17,586	–	–	17,586	(5,368)	–	–	–	(5,368)	12,218

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023										
Insurance service expenses	1,380,203	(160,492)	6,112,587	7,332,298	93,180	30,179	19,019,300	403,650	19,546,309	26,878,607
Insurance service result	(9,793,555)	(160,492)	6,112,587	(3,841,460)	(20,335,169)	30,179	19,019,300	403,650	(882,040)	(4,723,500)
Finance income/(expenses) from insurance contracts issued	283,924	10,620	982,644	1,277,188	76,693	65	573,695	39,519	689,972	1,967,160
Comprising: Amounts recognised in profit or loss	203,572	11,118	702,502	917,192	76,693	65	530,271	35,992	643,021	1,560,213
Amounts recognised in other comprehensive income	80,352	(498)	280,142	359,996	–	–	43,424	3,527	46,951	406,947
Other changes recognised in profit or loss	–	–	–	–	–	–	–	–	–	–
Other changes recognised in other comprehensive income	(3,730)	1,625	217,568	215,463	–	–	–	–	–	215,463
Total changes in the statement of profit or loss and other comprehensive income	(9,513,361)	(148,247)	7,312,799	(2,348,809)	(20,258,476)	30,244	19,592,995	443,169	(192,068)	(2,540,877)
Investment components	(429,351)	–	429,351	–	(8,150,604)	–	8,150,604	–	–	–
Premiums received	13,353,044	–	–	13,353,044	27,980,356	–	–	–	27,980,356	41,333,400
Insurance acquisition cash flows paid	(1,283,218)	–	–	(1,283,218)	(211,760)	–	–	–	(211,760)	(1,494,978)
Claims and other insurance service expenses paid, including investment components	–	–	(9,000,023)	(9,000,023)	–	–	(20,517,399)	–	(20,517,399)	(29,517,422)
Other cash flows	–	–	–	–	–	–	–	–	–	–
Total cash flows	12,069,826	–	(9,000,023)	3,069,803	27,768,596	–	(20,517,399)	–	7,251,197	10,321,000

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage				Liability for remaining coverage		Liability for incurred claims			
	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total
2023										
Other changes	–	–	–	–	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	(1,434,488)	84,002	25,992,019	24,641,533	(4,692,307)	454,774	27,783,428	1,679,721	25,225,616	49,867,149
Insurance contract assets at the end of the year	(53,055)	3	(126,949)	(180,001)	(7,414)	4	29,961	10,467	33,018	(146,983)
Insurance contract liabilities at the end of the year	(1,381,433)	83,999	26,118,968	24,821,534	(4,684,893)	454,770	27,753,467	1,669,254	25,192,598	50,014,132



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty										
	Contracts not measured under the PAA				Contracts measured under the PAA						
	Asset for remaining coverage			Total	Asset for remaining coverage		Asset for incurred claims			Total	Total
	Non loss-recovery component	Loss-recovery component	Asset for incurred claims		Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk			
2024	Non loss-recovery component	Loss-recovery component	Asset for incurred claims	Total	Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total	
Reinsurance contract assets at the beginning of the year	(2,023,113)	255,092	11,721,589	9,953,568	(723,278)	117,260	2,806,689	137,127	2,337,798	12,291,366	
Reinsurance contract liabilities at the beginning of the year	(8,983)	–	(4,668)	(13,651)	(108,198)	108	106,308	193	(1,589)	(15,240)	
Net assets/liabilities of reinsurance contract at the beginning of the year	(2,032,096)	255,092	11,716,921	9,939,917	(831,476)	117,368	2,912,997	137,320	2,336,209	12,276,126	
Allocation of reinsurance premiums	(4,544,156)	–	–	(4,544,156)	(2,408,291)	–	–	–	(2,408,291)	(6,952,447)	
Recovery of claims incurred in the period	–	(111,126)	1,891,393	1,780,267	–	–	2,358,081	131,399	2,489,480	4,269,747	
Recognition and reversals of the loss-recovery component	–	(132,056)	–	(132,056)	–	(65,192)	–	–	(65,192)	(197,248)	
Changes in fulfilment cash flows that relate to the asset for incurred claims	–	–	853,925	853,925	–	–	(151,099)	(38,129)	(189,228)	664,697	
Changes in non-performance risk of reinsurers	73	–	(3,254)	(3,181)	–	–	(1,966)	–	(1,966)	(5,147)	
Others	–	–	–	–	–	–	–	–	–	–	
Amounts recoverable from reinsurers	73	(243,182)	2,742,064	2,498,955	–	(65,192)	2,205,016	93,270	2,233,094	4,732,049	
Net income/(expenses) from reinsurance contracts held	(4,544,083)	(243,182)	2,742,064	(2,045,201)	(2,408,291)	(65,192)	2,205,016	93,270	(175,197)	(2,220,398)	
Finance income/(expenses) from reinsurance contracts held	190,841	(5)	90,195	281,031	27,893	(2)	78,250	6,441	112,582	393,613	
Comprising: Amounts recognised in profit or loss	140,274	196	151,381	291,851	27,893	(2)	46,775	3,801	78,467	370,318	
Amounts recognised in other comprehensive income	50,567	(201)	(61,186)	(10,820)	–	–	31,475	2,640	34,115	23,295	
Other changes recognised in profit or loss	(645)	3	3,137	2,495	(498)	29	1,685	68	1,284	3,779	
Other changes recognised in other comprehensive income	(26,153)	3,052	150,322	127,221	–	–	–	–	–	127,221	
Total changes in the statement of profit or loss and other comprehensive income	(4,380,040)	(240,132)	2,985,718	(1,634,454)	(2,380,896)	(65,165)	2,284,951	99,779	(61,331)	(1,695,785)	



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Asset for remaining coverage				Asset for remaining coverage		Asset for incurred claims			
	Non loss-recovery component	Loss-recovery component	Asset for incurred claims	Total	Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total
2024										
Investment components	(50,114)	–	50,114	–	(335,695)	–	335,695	–	–	–
Reinsurance premium paid	4,336,767	–	–	4,336,767	2,568,271	–	–	–	2,568,271	6,905,038
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	–	–	(2,262,471)	(2,262,471)	–	–	(1,680,451)	–	(1,680,451)	(3,942,922)
Other cash flows	–	–	–	–	–	–	–	–	–	–
Total cash flows	4,336,767	–	(2,262,471)	2,074,296	2,568,271	–	(1,680,451)	–	887,820	2,962,116
Other changes	–	–	–	–	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	(2,125,483)	14,960	12,490,282	10,379,759	(979,796)	52,203	3,853,192	237,099	3,162,698	13,542,457
Reinsurance contract assets at the end of the year	(2,123,012)	14,960	12,552,150	10,444,098	(979,796)	52,203	3,852,326	237,099	3,161,832	13,605,930
Reinsurance contract liabilities at the end of the year	(2,471)	–	(61,868)	(64,339)	–	–	866	–	866	(63,473)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims		Total	Total
	Non loss-recovery component	Loss-recovery component			Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023										
Reinsurance contract assets at the beginning of the year	(2,742,369)	123,841	11,441,570	8,823,042	(397,097)	115,535	2,068,748	111,710	1,898,896	10,721,938
Reinsurance contract liabilities at the beginning of the year	(11,659)	–	(4,186)	(15,845)	(44,624)	324	40,925	195	(3,180)	(19,025)
Net assets/liabilities of reinsurance contract at the beginning of the year	(2,754,028)	123,841	11,437,384	8,807,197	(441,721)	115,859	2,109,673	111,905	1,895,716	10,702,913
Allocation of reinsurance premiums	(4,277,997)	–	–	(4,277,997)	(2,695,554)	–	–	–	(2,695,554)	(6,973,551)
Recovery of claims incurred in the period	–	(61,389)	2,120,042	2,058,653	–	–	1,939,576	76,911	2,016,487	4,075,140
Recognition and reversals of the loss-recovery component	–	192,003	–	192,003	–	1,502	–	–	1,502	193,505
Changes in fulfilment cash flows that relate to the asset for incurred claims	–	–	(358,249)	(358,249)	–	–	(265,880)	(54,645)	(320,525)	(678,774)
Changes in non-performance risk of reinsurers	1,373	–	583	1,956	–	–	(1,504)	–	(1,504)	452
Others	–	–	–	–	–	–	–	–	–	–
Amounts recoverable from reinsurers	1,373	130,614	1,762,376	1,894,363	–	1,502	1,672,192	22,266	1,695,960	3,590,323
Net income/(expenses) from reinsurance contracts held	(4,276,624)	130,614	1,762,376	(2,383,634)	(2,695,554)	1,502	1,672,192	22,266	(999,594)	(3,383,228)
Finance income/(expenses) from reinsurance contracts held	223,129	(726)	530,212	752,615	33,950	7	44,014	3,149	81,120	833,735
Comprising: Amounts recognised in profit or loss	114,538	259	292,276	407,073	33,950	7	37,803	2,772	74,532	481,605
Amounts recognised in other comprehensive income	108,591	(985)	237,936	345,542	–	–	6,211	377	6,588	352,130
Other changes recognised in profit or loss	–	–	–	–	–	–	–	–	–	–
Other changes recognised in other comprehensive income	(35,744)	1,363	169,972	135,591	–	–	–	–	–	135,591
Total changes in the statement of profit or loss and other comprehensive income	(4,089,239)	131,251	2,462,560	(1,495,428)	(2,661,604)	1,509	1,716,206	25,415	(918,474)	(2,413,902)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – property and casualty									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims		Total	Total
	Non loss-recovery component	Loss-recovery component			Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023										
Investment components	(41,073)	–	41,073	–	(223,823)	–	223,823	–	–	–
Reinsurance premium paid	4,852,244	–	–	4,852,244	2,495,672	–	–	–	2,495,672	7,347,916
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	–	–	(2,224,096)	(2,224,096)	–	–	(1,136,705)	–	(1,136,705)	(3,360,801)
Other cash flows	–	–	–	–	–	–	–	–	–	–
Total cash flows	4,852,244	–	(2,224,096)	2,628,148	2,495,672	–	(1,136,705)	–	1,358,967	3,987,115
Other changes	–	–	–	–	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	(2,032,096)	255,092	11,716,921	9,939,917	(831,476)	117,368	2,912,997	137,320	2,336,209	12,276,126
Reinsurance contract assets at the end of the year	(2,023,113)	255,092	11,721,589	9,953,568	(723,278)	117,260	2,806,689	137,127	2,337,798	12,291,366
Reinsurance contract liabilities at the end of the year	(8,983)	–	(4,668)	(13,651)	(108,198)	108	106,308	193	(1,589)	(15,240)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	
2024										
Insurance contract liabilities at the beginning of the year	100,859,028	7,160,020	29,782,842	137,801,890	–	–	–	–	–	137,801,890
Insurance contract assets at the beginning of the year	(429,177)	20,562	118,500	(290,115)	–	–	–	–	–	(290,115)
Net insurance contract liabilities/assets at the beginning of the year	100,429,851	7,180,582	29,901,342	137,511,775	–	–	–	–	–	137,511,775
Contracts under the modified retrospective approach (MRA)	–	–	–	–	–	–	–	–	–	–
Contracts under the fair value approach (FVA)	(4,651,097)	–	–	(4,651,097)	–	–	–	–	–	(4,651,097)
Other contracts	(4,861,431)	–	–	(4,861,431)	–	–	–	–	–	(4,861,431)
Insurance revenue	(9,512,528)	–	–	(9,512,528)	–	–	–	–	–	(9,512,528)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	–	(1,285,650)	8,858,718	7,573,068	–	–	–	–	–	7,573,068
Amortisation of insurance acquisition cash flows	85,211	–	–	85,211	–	–	–	–	–	85,211
Recognition and reversals of losses on onerous contracts	–	3,422,338	–	3,422,338	–	–	–	–	–	3,422,338
Changes in fulfilment cash flows relating to the liability for incurred claims	–	–	(614,211)	(614,211)	–	–	–	–	–	(614,211)
Other expenses	–	–	–	–	–	–	–	–	–	–
Insurance service expenses	85,211	2,136,688	8,244,507	10,466,406	–	–	–	–	–	10,466,406
Insurance service result	(9,427,317)	2,136,688	8,244,507	953,878	–	–	–	–	–	953,878
Finance income/(expenses) from insurance contracts issued	9,074,327	968,756	–	10,043,083	–	–	–	–	–	10,043,083
Comprising: Amounts recognised in profit or loss	3,257,223	208,526	–	3,465,749	–	–	–	–	–	3,465,749
Amounts recognised in other comprehensive income	5,817,104	760,230	–	6,577,334	–	–	–	–	–	6,577,334
Other changes recognised in profit or loss	110,369	34,946	48,346	193,661	–	–	–	–	–	193,661
Other changes recognised in other comprehensive income	292,361	(9,251)	700	283,810	–	–	–	–	–	283,810



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Total changes in the statement of profit or loss and other comprehensive income	49,740	3,131,139	8,293,553	11,474,432	–	–	–	–	–	11,474,432
Investment components	(38,058,087)	–	38,058,087	–	–	–	–	–	–	–
Premiums received	52,798,412	–	–	52,798,412	–	–	–	–	–	52,798,412
Insurance acquisition cash flows paid	(138,217)	–	–	(138,217)	–	–	–	–	–	(138,217)
Claims and other insurance service expenses paid, including investment components	–	–	(36,095,655)	(36,095,655)	–	–	–	–	–	(36,095,655)
Other cash flows	(21,777,344)	–	86,729	(21,690,615)	–	–	–	–	–	(21,690,615)
Total cash flows	30,882,851	–	(36,008,926)	(5,126,075)	–	–	–	–	–	(5,126,075)
Other changes	–	–	–	–	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	93,304,355	10,311,721	40,244,056	143,860,132	–	–	–	–	–	143,860,132
Insurance contract assets at the end of the year	(2,001,130)	1,023	1,502,473	(497,634)	–	–	–	–	–	(497,634)
Insurance contract liabilities at the end of the year	95,305,485	10,310,698	38,741,583	144,357,766	–	–	–	–	–	144,357,766

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – Life and health										
	Contracts not measured under the PAA					Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims		Total	Total	
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk			
2023											
Insurance contract liabilities at the beginning of the year	80,445,353	4,595,457	39,615,479	124,656,289	–	–	–	–	–	124,656,289	
Insurance contract assets at the beginning of the year	(276,659)	2,014	37,030	(237,615)	–	–	–	–	–	(237,615)	
Net insurance contract liabilities/assets at the beginning of the year	80,168,694	4,597,471	39,652,509	124,418,674	–	–	–	–	–	124,418,674	
Contracts under the modified retrospective approach (MRA)	–	–	–	–	–	–	–	–	–	–	
Contracts under the fair value approach (FVA)	(4,541,309)	–	–	(4,541,309)	–	–	–	–	–	(4,541,309)	
Other contracts	(6,176,297)	–	–	(6,176,297)	–	–	–	–	–	(6,176,297)	
Insurance revenue	(10,717,606)	–	–	(10,717,606)	–	–	–	–	–	(10,717,606)	
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	–	(593,621)	8,697,663	8,104,042	–	–	–	–	–	8,104,042	
Amortisation of insurance acquisition cash flows	138,349	–	–	138,349	–	–	–	–	–	138,349	
Recognition and reversals of losses on onerous contracts	–	2,805,740	–	2,805,740	–	–	–	–	–	2,805,740	
Changes in fulfilment cash flows relating to the liability for incurred claims	–	–	(148,907)	(148,907)	–	–	–	–	–	(148,907)	
Other expenses	–	–	–	–	–	–	–	–	–	–	
Insurance service expenses	138,349	2,212,119	8,548,756	10,899,224	–	–	–	–	–	10,899,224	
Insurance service result	(10,579,257)	2,212,119	8,548,756	181,618	–	–	–	–	–	181,618	
Finance income/(expenses) from insurance contracts issued	5,517,198	368,045	20,491	5,905,734	–	–	–	–	–	5,905,734	
Comprising: Amounts recognised in profit or loss	3,240,776	139,254	20,491	3,400,521	–	–	–	–	–	3,400,521	
Amounts recognised in other comprehensive income	2,276,422	228,791	–	2,505,213	–	–	–	–	–	2,505,213	
Other changes recognised in profit or loss	–	–	–	–	–	–	–	–	–	–	
Other changes recognised in other comprehensive income	296,281	2,947	(2,006)	297,222	–	–	–	–	–	297,222	

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Reinsurance contracts issued – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023										
Total changes in the statement of profit or loss and other comprehensive income	(4,765,778)	2,583,111	8,567,241	6,384,574	–	–	–	–	–	6,384,574
Investment components	(42,507,967)	–	42,507,967	–	–	–	–	–	–	–
Premiums received	56,803,045	–	–	56,803,045	–	–	–	–	–	56,803,045
Insurance acquisition cash flows paid	(94,550)	–	–	(94,550)	–	–	–	–	–	(94,550)
Claims and other insurance service expenses paid, including investment components	–	–	(60,850,039)	(60,850,039)	–	–	–	–	–	(60,850,039)
Other cash flows	10,826,407	–	23,664	10,850,071	–	–	–	–	–	10,850,071
Total cash flows	67,534,902	–	(60,826,375)	6,708,527	–	–	–	–	–	6,708,527
Other changes	–	–	–	–	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	100,429,851	7,180,582	29,901,342	137,511,775	–	–	–	–	–	137,511,775
Insurance contract assets at the end of the year	(429,177)	20,562	118,500	(290,115)	–	–	–	–	–	(290,115)
Insurance contract liabilities at the end of the year	100,859,028	7,160,020	29,782,842	137,801,890	–	–	–	–	–	137,801,890



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Asset for remaining coverage		Asset for incurred claims	Total		Asset for remaining coverage		Asset for incurred claims		Total
	Non loss-recovery component	Loss-recovery component				Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
2024										
Reinsurance contract assets at the beginning of the year	2,001,476	1,827,844	8,867,842	12,697,162		–	–	–	–	– 12,697,162
Reinsurance contract liabilities at the beginning of the year	(703,156)	–	678,244	(24,912)		–	–	–	–	(24,912)
Net assets/liabilities of reinsurance contract at the beginning of the year	1,298,320	1,827,844	9,546,086	12,672,250		–	–	–	–	12,672,250
Allocation of reinsurance premiums	(2,017,992)	–	–	(2,017,992)		–	–	–	–	(2,017,992)
Recovery of claims incurred in the period	–	(113,887)	1,690,633	1,576,746		–	–	–	–	1,576,746
Recognition and reversals of the loss-recovery component	–	2,487,395	–	2,487,395		–	–	–	–	2,487,395
Changes in fulfilment cash flows that relate to the asset for incurred claims	–	–	149,091	149,091		–	–	–	–	149,091
Changes in non-performance risk of reinsurers	(177)	–	(92)	(269)		–	–	–	–	(269)
Others	–	–	–	–		–	–	–	–	–
Amounts recoverable from reinsurers	(177)	2,373,508	1,839,632	4,212,963		–	–	–	–	4,212,963
Net income/(expenses) from reinsurance contracts held	(2,018,169)	2,373,508	1,839,632	2,194,971		–	–	–	–	2,194,971
Finance income/(expenses) from reinsurance contracts held	4,296,844	445,943	–	4,742,787		–	–	–	–	4,742,787
Comprising: Amounts recognised in profit or loss	210,317	445,943	–	656,260		–	–	–	–	656,260
Amounts recognised in other comprehensive income	4,086,527	–	–	4,086,527		–	–	–	–	4,086,527
Other changes recognised in profit or loss	(46,009)	–	(17,628)	(63,637)		–	–	–	–	(63,637)
Other changes recognised in other comprehensive income	61,182	–	17,752	78,934		–	–	–	–	78,934
Total changes in the statement of profit or loss and other comprehensive income	2,293,848	2,819,451	1,839,756	6,953,055		–	–	–	–	6,953,055



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Asset for remaining coverage			Asset for incurred claims	Asset for remaining coverage		Asset for incurred claims			
	Non loss-recovery component	Loss-recovery component	Non loss-recovery component		Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total	
2024				Total						
Investment components	(6,640,103)	–	6,640,103	–	–	–	–	–	–	–
Reinsurance premium paid	9,877,772	–	–	9,877,772	–	–	–	–	–	9,877,772
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	–	–	(11,013,246)	(11,013,246)	–	–	–	–	–	(11,013,246)
Other cash flows	(1,118,958)	–	(10,770)	(1,129,728)	–	–	–	–	–	(1,129,728)
Total cash flows	8,758,814	–	(11,024,016)	(2,265,202)	–	–	–	–	–	(2,265,202)
Other changes	–	–	–	–	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	5,710,879	4,647,295	7,001,929	17,360,103	–	–	–	–	–	17,360,103
Reinsurance contract assets at the end of the year	5,956,508	4,647,295	6,796,485	17,400,288	–	–	–	–	–	17,400,288
Reinsurance contract liabilities at the end of the year	(245,629)	–	205,444	(40,185)	–	–	–	–	–	(40,185)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims		Total	Total
	Non loss-recovery component	Loss-recovery component			Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023										
Reinsurance contract assets at the beginning of the year	1,346,128	637,449	7,549,510	9,533,087	–	–	–	–	–	9,533,087
Reinsurance contract liabilities at the beginning of the year	(133,251)	–	119,311	(13,940)	–	–	–	–	–	(13,940)
Net assets/liabilities of reinsurance contract at the beginning of the year	1,212,877	637,449	7,668,821	9,519,147	–	–	–	–	–	9,519,147
Allocation of reinsurance premiums	(1,382,774)	–	–	(1,382,774)	–	–	–	–	–	(1,382,774)
Recovery of claims incurred in the period	–	(60,775)	1,403,466	1,342,691	–	–	–	–	–	1,342,691
Recognition and reversals of the loss-recovery component	–	1,152,313	–	1,152,313	–	–	–	–	–	1,152,313
Changes in fulfilment cash flows that relate to the asset for incurred claims	–	–	(216,845)	(216,845)	–	–	–	–	–	(216,845)
Changes in non-performance risk of reinsurers	(179)	–	144	(35)	–	–	–	–	–	(35)
Others	–	–	–	–	–	–	–	–	–	–
Amounts recoverable from reinsurers	(179)	1,091,538	1,186,765	2,278,124	–	–	–	–	–	2,278,124
Net income/(expenses) from reinsurance contracts held	(1,382,953)	1,091,538	1,186,765	895,350	–	–	–	–	–	895,350
Finance income/(expenses) from reinsurance contracts held	1,010,840	98,857	(315)	1,109,382	–	–	–	–	–	1,109,382
Comprising: Amounts recognised in profit or loss	276,334	98,857	(315)	374,876	–	–	–	–	–	374,876
Amounts recognised in other comprehensive income	734,506	–	–	734,506	–	–	–	–	–	734,506
Other changes recognised in profit or loss	–	–	–	–	–	–	–	–	–	–
Other changes recognised in other comprehensive income	45,961	–	403	46,364	–	–	–	–	–	46,364
Total changes in the statement of profit or loss and other comprehensive income	(326,152)	1,190,395	1,186,853	2,051,096	–	–	–	–	–	2,051,096

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Retrocession contracts held – Life and health									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Asset for remaining coverage		Asset for incurred claims	Total		Asset for remaining coverage		Asset for incurred claims		Total
	Non loss-recovery component	Loss-recovery component				Non loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
2023										
Investment components	(4,528,514)	–	4,528,514	–		–	–	–	–	–
Reinsurance premium paid	4,949,930	–	–	4,949,930		–	–	–	–	4,949,930
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	–	–	(3,968,964)	(3,968,964)		–	–	–	–	(3,968,964)
Other cash flows	(9,821)	–	130,862	121,041		–	–	–	–	121,041
<b>Total cash flows</b>	<b>4,940,109</b>	<b>–</b>	<b>(3,838,102)</b>	<b>1,102,007</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,102,007</b>
Other changes	–	–	–	–		–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	1,298,320	1,827,844	9,546,086	12,672,250		–	–	–	–	12,672,250
Reinsurance contract assets at the end of the year	2,001,476	1,827,844	8,867,842	12,697,162		–	–	–	–	12,697,162
Reinsurance contract liabilities at the end of the year	(703,156)	–	678,244	(24,912)		–	–	–	–	(24,912)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2024										
Insurance contract liabilities at the beginning of the year	1,224,349	431,090	19,096,460	20,751,899	10,687,247	2,800,889	16,177,532	827,880	30,493,548	51,245,447
Insurance contract assets at the beginning of the year	(10,161)	2,232	3,709	(4,220)	(542,713)	149,943	351,525	23,342	(17,903)	(22,123)
Net insurance contract liabilities/assets at the beginning of the year	1,214,188	433,322	19,100,169	20,747,679	10,144,534	2,950,832	16,529,057	851,222	30,475,645	51,223,324
Contracts under the modified retrospective approach (MRA)	–	–	–	–	–	–	–	–	–	–
Contracts under the fair value approach (FVA)	(289,780)	–	–	(289,780)	–	–	–	–	–	(289,780)
Other contracts	(11,672,926)	–	–	(11,672,926)	(46,609,499)	–	–	–	(46,609,499)	(58,282,425)
Insurance revenue	(11,962,706)	–	–	(11,962,706)	(46,609,499)	–	–	–	(46,609,499)	(58,572,205)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	–	(205,412)	6,738,091	6,532,679	–	–	36,576,885	705,221	37,282,106	43,814,785
Amortisation of insurance acquisition cash flows	3,110,060	–	–	3,110,060	11,973,387	–	–	–	11,973,387	15,083,447
Recognition and reversals of losses on onerous contracts	–	(62,397)	–	(62,397)	–	(797,784)	–	–	(797,784)	(860,181)
Changes in fulfilment cash flows relating to the liability for incurred claims	–	–	701,332	701,332	–	–	(2,412,253)	(564,415)	(2,976,668)	(2,275,336)
Other expenses	–	–	–	–	–	–	–	–	–	–
Insurance service expenses	3,110,060	(267,809)	7,439,423	10,281,674	11,973,387	(797,784)	34,164,632	140,806	45,481,041	55,762,715
Insurance service result	(8,852,646)	(267,809)	7,439,423	(1,681,032)	(34,636,112)	(797,784)	34,164,632	140,806	(1,128,458)	(2,809,490)
Finance income/(expenses) from insurance contracts issued	9,738	1,571	153,792	165,101	348,061	(7)	435,202	22,586	805,842	970,943
Comprising: Amounts recognised in profit or loss	(27,545)	10,331	191,057	173,843	348,061	(7)	339,747	16,783	704,584	878,427
Amounts recognised in other comprehensive income	37,283	(8,760)	(37,265)	(8,742)	–	–	95,455	5,803	101,258	92,516
Other changes recognised in profit or loss	–	–	–	–	–	–	–	–	–	–
Other changes recognised in other comprehensive income	(70,769)	6,890	320,969	257,090	–	–	–	–	–	257,090



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA				Contracts measured under the PAA					
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims			Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	
2024										
Total changes in the statement of profit or loss and other comprehensive income	(8,913,677)	(259,348)	7,914,184	(1,258,841)	(34,288,051)	(797,791)	34,599,834	163,392	(322,616)	(1,581,457)
Investment components	(27,198)	–	27,198	–	(4,304,971)	–	4,304,971	–	–	–
Premiums received	12,425,037	–	–	12,425,037	51,039,207	–	–	–	51,039,207	63,464,244
Insurance acquisition cash flows paid	(3,341,294)	–	–	(3,341,294)	(11,234,234)	–	–	–	(11,234,234)	(14,575,528)
Claims and other insurance service expenses paid, including investment components	–	–	(5,457,471)	(5,457,471)	–	–	(36,892,999)	–	(36,892,999)	(42,350,470)
Other cash flows	–	–	–	–	–	–	–	–	–	–
Total cash flows	9,083,743	–	(5,457,471)	3,626,272	39,804,973	–	(36,892,999)	–	2,911,974	6,538,246
Other changes	–	–	–	–	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	1,357,056	173,974	21,584,080	23,115,110	11,356,485	2,153,041	18,540,863	1,014,614	33,065,003	56,180,113
Insurance contract assets at the end of the year	–	–	–	–	–	–	–	–	–	–
Insurance contract liabilities at the end of the year	1,357,056	173,974	21,584,080	23,115,110	11,356,485	2,153,041	18,540,863	1,014,614	33,065,003	56,180,113

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage		Liability for incurred claims		Total	Total
	Non-loss components	Loss components			Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023	Non-loss components	Loss components	Liability for incurred claims	Total	Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total	Total
Insurance contract liabilities at the beginning of the year	905,672	366,895	19,777,769	21,050,336	9,422,351	2,794,655	14,393,956	696,662	27,307,624	48,357,960
Insurance contract assets at the beginning of the year	–	–	–	–	–	–	–	–	–	–
Net insurance contract liabilities/assets at the beginning of the year	905,672	366,895	19,777,769	21,050,336	9,422,351	2,794,655	14,393,956	696,662	27,307,624	48,357,960
Contracts under the modified retrospective approach (MRA)	–	–	–	–	–	–	–	–	–	–
Contracts under the fair value approach (FVA)	(750,921)	–	–	(750,921)	–	–	–	–	–	(750,921)
Other contracts	(10,817,130)	–	–	(10,817,130)	(45,867,571)	–	–	–	(45,867,571)	(56,684,701)
Insurance revenue	(11,568,051)	–	–	(11,568,051)	(45,867,571)	–	–	–	(45,867,571)	(57,435,622)
Incurred claims and other insurance service expenses, excluding insurance acquisition cash flows	–	(187,781)	5,924,875	5,737,094	–	–	35,778,732	645,137	36,423,869	42,160,963
Amortisation of insurance acquisition cash flows	2,793,712	–	–	2,793,712	12,341,317	–	–	–	12,341,317	15,135,029
Recognition and reversals of losses on onerous contracts	–	240,309	–	240,309	–	156,177	–	–	156,177	396,486
Changes in fulfilment cash flows relating to the liability for incurred claims	–	–	(1,322,955)	(1,322,955)	–	–	(2,549,217)	(505,803)	(3,055,020)	(4,377,975)
Other expenses	–	–	–	–	–	–	–	–	–	–
Insurance service expenses	2,793,712	52,528	4,601,920	7,448,160	12,341,317	156,177	33,229,515	139,334	45,866,343	53,314,503
Insurance service result	(8,774,339)	52,528	4,601,920	(4,119,891)	(33,526,254)	156,177	33,229,515	139,334	(1,228)	(4,121,119)
Finance income/(expenses) from insurance contracts issued	138,406	8,421	1,005,426	1,152,253	369,920	–	329,845	15,226	714,991	1,867,244
Comprising: Amounts recognised in profit or loss	26,752	27,088	696,781	750,621	369,920	–	306,523	14,027	690,470	1,441,091
Amounts recognised in other comprehensive income	111,654	(18,667)	308,645	401,632	–	–	23,322	1,199	24,521	426,153
Other changes recognised in profit or loss	–	–	–	–	–	–	–	–	–	–
Other changes recognised in other comprehensive income	29,628	5,478	281,612	316,718	–	–	–	–	–	316,718

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (1) Reconciliation of the liability/asset for remaining coverage and the liability/asset for incurred claims (continued)

	Primary insurance contracts issued – property and casualty									
	Contracts not measured under the PAA					Contracts measured under the PAA				
	Liability for remaining coverage			Total	Liability for remaining coverage		Liability for incurred claims			
	Non-loss components	Loss components	Liability for incurred claims		Non-loss components	Loss components	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		
2023									Total	Total
Total changes in the statement of profit or loss and other comprehensive income	(8,606,305)	66,427	5,888,958	(2,650,920)	(33,156,334)	156,177	33,559,360	154,560	713,763	(1,937,157)
Investment components	(30,075)	–	30,075	–	(2,803,061)	–	2,803,061	–	–	–
Premiums received	11,654,105	–	–	11,654,105	48,945,622	–	–	–	48,945,622	60,599,727
Insurance acquisition cash flows paid	(2,709,209)	–	–	(2,709,209)	(12,264,044)	–	–	–	(12,264,044)	(14,973,253)
Claims and other insurance service expenses paid, including investment components	–	–	(6,596,633)	(6,596,633)	–	–	(34,227,320)	–	(34,227,320)	(40,823,953)
Other cash flows	–	–	–	–	–	–	–	–	–	–
Total cash flows	8,944,896	–	(6,596,633)	2,348,263	36,681,578	–	(34,227,320)	–	2,454,258	4,802,521
Other changes	–	–	–	–	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	1,214,188	433,322	19,100,169	20,747,679	10,144,534	2,950,832	16,529,057	851,222	30,475,645	51,223,324
Insurance contract assets at the end of the year	(10,161)	2,232	3,709	(4,220)	(542,713)	149,943	351,525	23,342	(17,903)	(22,123)
Insurance contract liabilities at the end of the year	1,224,349	431,090	19,096,460	20,751,899	10,687,247	2,800,889	16,177,532	827,880	30,493,548	51,245,447



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA

	Reinsurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Insurance contract liabilities at the beginning of the year	21,400,603	2,773,157	16,749	631,025	647,774	24,821,534
Insurance contract assets at the beginning of the year	(217,969)	(1,497)	218	39,249	39,467	(179,999)
Net liabilities/assets of insurance contracts at the beginning of the year	21,182,634	2,771,660	16,967	670,274	687,241	24,641,535
CSM recognized for services provided	–	–	(7,448)	(2,627,983)	(2,635,431)	(2,635,431)
Changes in the risk adjustment for non-financial risk	–	(43,027)	–	–	–	(43,027)
Experience adjustments	(1,039,445)	–	–	–	–	(1,039,445)
Changes that relate to current services	(1,039,445)	(43,027)	(7,448)	(2,627,983)	(2,635,431)	(3,717,903)
Effect of insurance contracts initially recognised in the period	(3,781,987)	1,006,200	–	2,986,732	2,986,732	210,945
Changes in estimates that adjust the CSM	251,316	(138,852)	2,338	(114,802)	(112,464)	–
Changes in estimates that do not adjust the CSM	(94,172)	154,844	–	–	–	60,672
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(3,624,843)	1,022,192	2,338	2,871,930	2,874,268	271,617
Changes in fulfilment cash flows relating to the liability for incurred claims	732,268	(387,469)	–	–	–	344,799
Other changes that relate to past services	(49,157)	–	–	–	–	(49,157)
Changes that relate to past services	683,111	(387,469)	–	–	–	295,642
Insurance service result	(3,981,177)	591,696	(5,110)	243,947	238,837	(3,150,644)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Finance income/(expenses) from insurance contracts issued	671,085	72,879	432	126,404	126,836	870,800
Comprising: Amounts recognised in profit or loss	581,479	83,172	432	126,404	126,836	791,487
Amounts recognised in other comprehensive income	89,606	(10,293)	–	–	–	79,313
Other changes recognised in profit or loss	65,317	12,092	17	1,448	1,465	78,874
Other changes recognised in other comprehensive income	58,620	20,502	(6)	11,480	11,474	90,596
<b>Total changes in the statement of profit or loss and other comprehensive income</b>	<b>(3,186,155)</b>	<b>697,169</b>	<b>(4,667)</b>	<b>383,279</b>	<b>378,612</b>	<b>(2,110,374)</b>
Premiums received	11,965,279	–	–	–	–	11,965,279
Insurance acquisition cash flows paid	(1,764,915)	–	–	–	–	(1,764,915)
Claims and other insurance service expenses paid, including investment components	(6,871,465)	–	–	–	–	(6,871,465)
Other cash flows	–	–	–	–	–	–
<b>Total cash flows</b>	<b>3,328,899</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,328,899</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	21,325,378	3,468,829	12,300	1,053,553	1,065,853	25,860,060
Insurance contract assets at the end of the year	(16,569)	1,967	–	1,876	1,876	(12,726)
Insurance contract liabilities at the end of the year	21,341,947	3,466,862	12,300	1,051,677	1,063,977	25,872,786

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Insurance contract liabilities at the beginning of the year	20,926,736	2,810,544	55,576	379,962	435,538	24,172,818
Insurance contract assets at the beginning of the year	(249,890)	(2,856)	131	336	467	(252,279)
Net liabilities/assets of insurance contracts at the beginning of the year	20,676,846	2,807,688	55,707	380,298	436,005	23,920,539
CSM recognized for services provided	–	–	(169,811)	(1,703,812)	(1,873,623)	(1,873,623)
Changes in the risk adjustment for non-financial risk	–	(363,635)	–	–	–	(363,635)
Experience adjustments	(648,434)	–	–	–	–	(648,434)
Changes that relate to current services	(648,434)	(363,635)	(169,811)	(1,703,812)	(1,873,623)	(2,885,692)
Effect of insurance contracts initially recognised in the period	(2,210,045)	839,497	–	1,673,551	1,673,551	303,003
Changes in estimates that adjust the CSM	(345,599)	(27,468)	129,532	243,535	373,067	–
Changes in estimates that do not adjust the CSM	(15,995)	(7,508)	–	–	–	(23,503)
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(2,571,639)	804,521	129,532	1,917,086	2,046,618	279,500
Changes in fulfilment cash flows relating to the liability for incurred claims	(578,646)	(628,248)	–	–	–	(1,206,894)
Other changes that relate to past services	(28,374)	–	–	–	–	(28,374)
Changes that relate to past services	(607,020)	(628,248)	–	–	–	(1,235,268)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
<b>Insurance service result</b>	(3,827,093)	(187,362)	(40,279)	213,274	172,995	(3,841,460)
Finance income/(expenses) from insurance contracts issued	1,079,076	127,127	1,330	69,655	70,985	1,277,188
Comprising: Amounts recognised in profit or loss	749,309	96,898	1,330	69,655	70,985	917,192
Amounts recognised in other comprehensive income	329,767	30,229	–	–	–	359,996
Other changes recognised in profit or loss	–	–	–	–	–	–
Other changes recognised in other comprehensive income	184,002	24,207	209	7,047	7,256	215,465
<b>Total changes in the statement of profit or loss and other comprehensive income</b>	(2,564,015)	(36,028)	(38,740)	289,976	251,236	(2,348,807)
Premiums received	13,353,044	–	–	–	–	13,353,044
Insurance acquisition cash flows paid	(1,283,218)	–	–	–	–	(1,283,218)
Claims and other insurance service expenses paid, including investment components	(9,000,023)	–	–	–	–	(9,000,023)
Other cash flows	–	–	–	–	–	–
<b>Total cash flows</b>	3,069,803	–	–	–	–	3,069,803



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	21,182,634	2,771,660	16,967	670,274	687,241	24,641,535
Insurance contract assets at the end of the year	(217,969)	(1,497)	218	39,249	39,467	(179,999)
Insurance contract liabilities at the end of the year	21,400,603	2,773,157	16,749	631,025	647,774	24,821,534

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty					
	Contracts not measured under the PAA					
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Reinsurance contract assets at the beginning of the year	8,338,470	1,195,153	30,389	389,558	419,947	9,953,570
Reinsurance contract liabilities at the beginning of the year	(14,030)	372	–	–	–	(13,658)
Net assets/liabilities of reinsurance contracts at the beginning of the year	8,324,440	1,195,525	30,389	389,558	419,947	9,939,912
CSM recognized for services provided	–	–	65,843	(1,418,810)	(1,352,967)	(1,352,967)
Changes in the risk adjustment for non-financial risk	–	(75,098)	–	–	–	(75,098)
Experience adjustments	(1,504,255)	–	–	–	–	(1,504,255)
Changes that relate to current services	(1,504,255)	(75,098)	65,843	(1,418,810)	(1,352,967)	(2,932,320)
Effect of reinsurance contract initially recognised in the period	(2,260,176)	327,669	–	1,932,507	1,932,507	–
Changes in estimates that adjust the CSM	279,606	65,511	34,479	(379,596)	(345,117)	–
Changes in estimates that do not adjust the CSM	1,715	(730)	–	–	–	985
Recognition and reversals of the loss-recovery component	–	–	(135,722)	2,682	(133,040)	(133,040)
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(1,978,855)	392,450	(101,243)	1,555,593	1,454,350	(132,055)
Changes in fulfilment cash flows that relate to the asset for incurred claims	778,557	75,369	–	–	–	853,926
Other changes that relate to past services	168,431	–	–	–	–	168,431
Changes that relate to past services	946,988	75,369	–	–	–	1,022,357

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Changes in non-performance risk of reinsurers	(3,181)	–	–	–	–	(3,181)
Net income/(expenses) from reinsurance contracts held	(2,539,303)	392,721	(35,400)	136,783	101,383	(2,045,199)
Finance income/(expenses) from reinsurance contracts held	164,322	11,046	330	105,335	105,665	281,033
Comprising: Amounts recognised in profit or loss	153,135	32,851	531	105,335	105,866	291,852
Amounts recognised in other comprehensive income	11,187	(21,805)	(201)	–	(201)	(10,819)
Other changes recognised in profit or loss	2,279	24	(1)	193	192	2,495
Other changes recognised in other comprehensive income	95,360	19,174	644	12,044	12,688	127,222
Total changes in the statement of profit or loss and other comprehensive income	(2,277,342)	422,965	(34,427)	254,355	219,928	(1,634,449)
Reinsurance premium paid	4,336,767	–	–	–	–	4,336,767
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(2,262,471)	–	–	–	–	(2,262,471)
Other cash flows	–	–	–	–	–	–
Total cash flows	2,074,296	–	–	–	–	2,074,296



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	8,121,394	1,618,490	(4,038)	643,913	639,875	10,379,759
Reinsurance contract assets at the end of the year	8,183,196	1,621,028	(4,038)	643,912	639,874	10,444,098
Reinsurance contract liabilities at the end of the year	(61,802)	(2,538)	–	1	1	(64,339)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Reinsurance contract assets at the beginning of the year	7,388,715	1,262,056	15,160	157,109	172,269	8,823,040
Reinsurance contract liabilities at the beginning of the year	(16,218)	371	–	–	–	(15,847)
Net assets/liabilities of reinsurance contracts at the beginning of the year	7,372,497	1,262,427	15,160	157,109	172,269	8,807,193
CSM recognized for services provided	–	–	24,689	(983,665)	(958,976)	(958,976)
Changes in the risk adjustment for non-financial risk	–	(241,924)	–	–	–	(241,924)
Experience adjustments	(831,201)	–	–	–	–	(831,201)
Changes that relate to current services	(831,201)	(241,924)	24,689	(983,665)	(958,976)	(2,032,101)
Effect of reinsurance contract initially recognised in the period	(1,673,060)	339,257	–	1,333,803	1,333,803	–
Changes in estimates that adjust the CSM	365,319	14,042	(200,569)	(178,792)	(379,361)	–
Changes in estimates that do not adjust the CSM	(612)	178	–	–	–	(434)
Recognition and reversals of the loss-recovery component	–	–	191,880	556	192,436	192,436
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(1,308,353)	353,477	(8,689)	1,155,567	1,146,878	192,002
Changes in fulfilment cash flows that relate to the asset for incurred claims	(94,266)	(263,985)	–	–	–	(358,251)
Other changes that relate to past services	(187,242)	–	–	–	–	(187,242)
Changes that relate to past services	(281,508)	(263,985)	–	–	–	(545,493)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Changes in non-performance risk of reinsurers	1,956	–	–	–	–	1,956
Net income/(expenses) from reinsurance contracts held	(2,419,106)	(152,432)	16,000	171,902	187,902	(2,383,636)
Finance income/(expenses) from reinsurance contracts held	614,303	70,501	(270)	68,080	67,810	752,614
Comprising: Amounts recognised in profit or loss	292,772	45,505	715	68,080	68,795	407,072
Amounts recognised in other comprehensive income	321,531	24,996	(985)	–	(985)	345,542
Other changes recognised in profit or loss	–	–	–	–	–	–
Other changes recognised in other comprehensive income	128,598	15,029	(501)	(7,533)	(8,034)	135,593
Total changes in the statement of profit or loss and other comprehensive income	(1,676,205)	(66,902)	15,229	232,449	247,678	(1,495,429)
Reinsurance premium paid	4,852,244	–	–	–	–	4,852,244
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(2,224,096)	–	–	–	–	(2,224,096)
Other cash flows	–	–	–	–	–	–
Total cash flows	2,628,148	–	–	–	–	2,628,148



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Retrocession contracts held – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	8,324,440	1,195,525	30,389	389,558	419,947	9,939,912
Reinsurance contract assets at the end of the year	8,338,470	1,195,153	30,389	389,558	419,947	9,953,570
Reinsurance contract liabilities at the end of the year	(14,030)	372	–	–	–	(13,658)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Insurance contract liabilities at the beginning of the year	123,855,916	5,171,038	3,243,059	5,531,878	8,774,937	137,801,891
Insurance contract assets at the beginning of the year	(360,106)	(5,646)	–	75,637	75,637	(290,115)
Net liabilities/assets of insurance contracts at the beginning of the year	123,495,810	5,165,392	3,243,059	5,607,515	8,850,574	137,511,776
CSM recognized for services provided	–	–	(988,018)	(1,207,613)	(2,195,631)	(2,195,631)
Changes in the risk adjustment for non-financial risk	–	(376,145)	–	–	–	(376,145)
Experience adjustments	536,274	–	–	–	–	536,274
Changes that relate to current services	536,274	(376,145)	(988,018)	(1,207,613)	(2,195,631)	(2,035,502)
Effect of insurance contracts initially recognised in the period	1,987,171	286,284	–	628,116	628,116	2,901,571
Changes in estimates that adjust the CSM	(1,608,753)	162,117	893,170	553,466	1,446,636	–
Changes in estimates that do not adjust the CSM	121,123	399,644	–	–	–	520,767
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	499,541	848,045	893,170	1,181,582	2,074,752	3,422,338
Changes in fulfilment cash flows relating to the liability for incurred claims	(624,245)	10,034	–	–	–	(614,211)
Other changes that relate to past services	181,252	–	–	–	–	181,252
Changes that relate to past services	(442,993)	10,034	–	–	–	(432,959)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Insurance service result	592,822	481,934	(94,848)	(26,031)	(120,879)	953,877
Finance income/(expenses) from insurance contracts issued	9,159,000	564,391	111,628	208,064	319,692	10,043,083
Comprising: Amounts recognised in profit or loss	3,029,570	116,487	111,628	208,064	319,692	3,465,749
Amounts recognised in other comprehensive income	6,129,430	447,904	–	–	–	6,577,334
Other changes recognised in profit or loss	189,337	353	140	3,831	3,971	193,661
Other changes recognised in other comprehensive income	282,538	33	–	1,239	1,239	283,810
<b>Total changes in the statement of profit or loss and other comprehensive income</b>	<b>10,223,697</b>	<b>1,046,711</b>	<b>16,920</b>	<b>187,103</b>	<b>204,023</b>	<b>11,474,431</b>
Premiums received	52,798,412	–	–	–	–	52,798,412
Insurance acquisition cash flows paid	(138,217)	–	–	–	–	(138,217)
Claims and other insurance service expenses paid, including investment components	(36,095,655)	–	–	–	–	(36,095,655)
Other cash flows	(21,690,615)	–	–	–	–	(21,690,615)
<b>Total cash flows</b>	<b>(5,126,075)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(5,126,075)</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	128,593,432	6,212,103	3,259,979	5,794,618	9,054,597	143,860,132
Insurance contract assets at the end of the year	(1,210,702)	357,945	282,834	72,289	355,123	(497,634)
Insurance contract liabilities at the end of the year	129,804,134	5,854,158	2,977,145	5,722,329	8,699,474	144,357,766

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Insurance contract liabilities at the beginning of the year	110,098,066	5,481,655	3,339,279	5,737,288	9,076,567	124,656,288
Insurance contract assets at the beginning of the year	(453,679)	36,948	19,296	159,819	179,115	(237,616)
Net liabilities/assets of insurance contracts at the beginning of the year	109,644,387	5,518,603	3,358,575	5,897,107	9,255,682	124,418,672
CSM recognized for services provided	–	–	(521,752)	(1,317,120)	(1,838,872)	(1,838,872)
Changes in the risk adjustment for non-financial risk	–	(578,190)	–	–	–	(578,190)
Experience adjustments	(12,235)	–	–	–	–	(12,235)
Changes that relate to current services	(12,235)	(578,190)	(521,752)	(1,317,120)	(1,838,872)	(2,429,297)
Effect of insurance contracts initially recognised in the period	543,134	630,444	–	1,309,467	1,309,467	2,483,045
Changes in estimates that adjust the CSM	559,754	(370,493)	320,544	(509,805)	(189,261)	–
Changes in estimates that do not adjust the CSM	491,921	(169,226)	–	–	–	322,695
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	1,594,809	90,725	320,544	799,662	1,120,206	2,805,740
Changes in fulfilment cash flows relating to the liability for incurred claims	(26,668)	(122,239)	–	–	–	(148,907)
Other changes that relate to past services	(45,917)	–	–	–	–	(45,917)
Changes that relate to past services	(72,585)	(122,239)	–	–	–	(194,824)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
<b>Insurance service result</b>	1,509,989	(609,704)	(201,208)	(517,458)	(718,666)	181,619
Finance income/(expenses) from insurance contracts issued	5,310,749	256,410	85,692	252,883	338,575	5,905,734
Comprising: Amounts recognised in profit or loss	2,932,141	129,805	85,692	252,883	338,575	3,400,521
Amounts recognised in other comprehensive income	2,378,608	126,605	–	–	–	2,505,213
Other changes recognised in profit or loss	–	–	–	–	–	–
Other changes recognised in other comprehensive income	322,158	83	–	(25,017)	(25,017)	297,224
<b>Total changes in the statement of profit or loss and other comprehensive income</b>	7,142,896	(353,211)	(115,516)	(289,592)	(405,108)	6,384,577
Premiums received	56,803,045	–	–	–	–	56,803,045
Insurance acquisition cash flows paid	(94,550)	–	–	–	–	(94,550)
Claims and other insurance service expenses paid, including investment components	(60,850,039)	–	–	–	–	(60,850,039)
Other cash flows	10,850,071	–	–	–	–	10,850,071
<b>Total cash flows</b>	6,708,527	–	–	–	–	6,708,527



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts issued – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	123,495,810	5,165,392	3,243,059	5,607,515	8,850,574	137,511,776
Insurance contract assets at the end of the year	(360,106)	(5,646)	–	75,637	75,637	(290,115)
Insurance contract liabilities at the end of the year	123,855,916	5,171,038	3,243,059	5,531,878	8,774,937	137,801,891

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts held – Life and health					
	Contracts not measured under the PAA					
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Reinsurance contract assets at the beginning of the year	13,843,343	1,361,497	532,766	(3,040,446)	(2,507,680)	12,697,160
Reinsurance contract liabilities at the beginning of the year	(26,456)	3,193	–	(1,642)	(1,642)	(24,905)
Net assets/liabilities of reinsurance contracts at the beginning of the year	13,816,887	1,364,690	532,766	(3,042,088)	(2,509,322)	12,672,255
CSM recognized for services provided	–	–	(245,421)	(147,465)	(392,886)	(392,886)
Changes in the risk adjustment for non-financial risk	–	(183,501)	–	–	–	(183,501)
Experience adjustments	342,043	–	–	–	–	342,043
Changes that relate to current services	342,043	(183,501)	(245,421)	(147,465)	(392,886)	(234,344)
Effect of reinsurance contract initially recognised in the period	1,424,733	143,999	–	(1,568,732)	(1,568,732)	–
Changes in estimates that adjust the CSM	(768,695)	(1,367,695)	38,981	2,097,409	2,136,390	–
Changes in estimates that do not adjust the CSM	215,641	2,259,458	–	–	–	2,475,099
Recognition and reversals of the loss-recovery component	–	–	–	12,296	12,296	12,296
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	871,679	1,035,762	38,981	540,973	579,954	2,487,395

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts held – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Changes in fulfilment cash flows that relate to the asset for incurred claims	150,788	(1,697)	–	–	–	149,091
Other changes that relate to past services	(206,901)	–	–	–	–	(206,901)
Changes that relate to past services	(56,113)	(1,697)	–	–	–	(57,810)
Changes in non-performance risk of reinsurers	(269)	–	–	–	–	(269)
Net income/(expenses) from reinsurance contracts held	1,157,340	850,564	(206,440)	393,508	187,068	2,194,972
Finance income/(expenses) from reinsurance contracts held	4,242,246	196,373	16,760	287,408	304,168	4,742,787
Comprising: Amounts recognised in profit or loss	317,063	35,028	16,760	287,408	304,168	656,259
Amounts recognised in other comprehensive income	3,925,183	161,345	–	–	–	4,086,528
Other changes recognised in profit or loss	(64,722)	–	–	1,085	1,085	(63,637)
Other changes recognised in other comprehensive income	80,763	1	–	(1,830)	(1,830)	78,934
Total changes in the statement of profit or loss and other comprehensive income	5,415,627	1,046,938	(189,680)	680,171	490,491	6,953,056



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts held – Life and health					
	Contracts not measured under the PAA					
	Present value of future cash flows	Risk adjustment for non- financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Reinsurance premium paid	9,877,770	–	–	–	–	9,877,770
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(11,013,248)	–	–	–	–	(11,013,248)
Other cash flows	(1,129,730)	–	–	–	–	(1,129,730)
<b>Total cash flows</b>	<b>(2,265,208)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,265,208)</b>
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	16,967,306	2,411,628	343,086	(2,361,917)	(2,018,831)	17,360,103
Reinsurance contract assets at the end of the year	16,985,331	2,410,629	343,086	(2,338,758)	(1,995,672)	17,400,288
Reinsurance contract liabilities at the end of the year	(18,025)	999	–	(23,159)	(23,159)	(40,185)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts held – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Reinsurance contract assets at the beginning of the year	7,340,108	1,412,587	514,709	265,685	780,394	9,533,089
Reinsurance contract liabilities at the beginning of the year	(17,494)	3,282	–	274	274	(13,938)
Net assets/liabilities of reinsurance contracts at the beginning of the year	7,322,614	1,415,869	514,709	265,959	780,668	9,519,151
CSM recognized for services provided	–	–	(93,499)	34,266	(59,233)	(59,233)
Changes in the risk adjustment for non-financial risk	–	(248,934)	–	–	–	(248,934)
Experience adjustments	(78,879)	–	–	–	–	(78,879)
Changes that relate to current services	(78,879)	(248,934)	(93,499)	34,266	(59,233)	(387,046)
Effect of reinsurance contract initially recognised in the period	4,307,719	85,367	–	(4,393,086)	(4,393,086)	–
Changes in estimates that adjust the CSM	(588,254)	26,367	162,536	399,351	561,887	–
Changes in estimates that do not adjust the CSM	588,699	21,669	–	–	–	610,368
Recognition and reversals of the loss-recovery component	–	–	(64,523)	606,469	541,946	541,946
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	4,308,164	133,403	98,013	(3,387,266)	(3,289,253)	1,152,314
Changes in fulfilment cash flows that relate to the asset for incurred claims	(205,810)	(11,033)	–	–	–	(216,843)
Other changes that relate to past services	346,962	–	–	–	–	346,962
Changes that relate to past services	141,152	(11,033)	–	–	–	130,119

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts held – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Changes in non-performance risk of reinsurers	(35)	–	–	–	–	(35)
Net income/(expenses) from reinsurance contracts held	4,370,402	(126,564)	4,514	(3,353,000)	(3,348,486)	895,352
Finance income/(expenses) from reinsurance contracts held	977,228	75,385	13,543	43,227	56,770	1,109,383
Comprising: Amounts recognised in profit or loss	282,958	35,149	13,543	43,227	56,770	374,877
Amounts recognised in other comprehensive income	694,270	40,236	–	–	–	734,506
Other changes recognised in profit or loss	–	–	–	–	–	–
Other changes recognised in other comprehensive income	44,636	–	–	1,726	1,726	46,362
<b>Total changes in the statement of profit or loss and other comprehensive income</b>	<b>5,392,266</b>	<b>(51,179)</b>	<b>18,057</b>	<b>(3,308,047)</b>	<b>(3,289,990)</b>	<b>2,051,097</b>
Reinsurance premium paid	4,949,930	–	–	–	–	4,949,930
Amounts received from reinsurers relating to incurred claims and other expenses (including investment components)	(3,968,964)	–	–	–	–	(3,968,964)
Other cash flows	121,041	–	–	–	–	121,041
<b>Total cash flows</b>	<b>1,102,007</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,102,007</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Reinsurance contracts held – Life and health					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Other changes	–	–	–	–	–	–
Net assets/liabilities of reinsurance contract at the end of the year	13,816,887	1,364,690	532,766	(3,042,088)	(2,509,322)	12,672,255
Reinsurance contract assets at the end of the year	13,843,343	1,361,497	532,766	(3,040,446)	(2,507,680)	12,697,160
Reinsurance contract liabilities at the end of the year	(26,456)	3,193	–	(1,642)	(1,642)	(24,905)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	Present value of future cash flows	Risk adjustments for non- financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Insurance contract liabilities at the beginning of the year	16,820,344	2,478,635	186,803	1,266,116	1,452,919	20,751,898
Insurance contract assets at the beginning of the year	(4,244)	22	–	–	–	(4,222)
Net liabilities/assets of insurance contracts at the beginning of the year	16,816,100	2,478,657	186,803	1,266,116	1,452,919	20,747,676
CSM recognized for services provided	–	–	(78,216)	(1,689,956)	(1,768,172)	(1,768,172)
Changes in the risk adjustment for non-financial risk	–	(64,310)	–	–	–	(64,310)
Experience adjustments	(485,366)	–	–	–	–	(485,366)
Changes that relate to current services	(485,366)	(64,310)	(78,216)	(1,689,956)	(1,768,172)	(2,317,848)
Effect of insurance contracts initially recognised in the period	(2,475,938)	801,319	–	1,674,619	1,674,619	–
Changes in estimates that adjust the CSM	(238,153)	57,105	42,195	138,853	181,048	–
Changes in estimates that do not adjust the CSM	(50,275)	(12,122)	–	–	–	(62,397)
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(2,764,366)	846,302	42,195	1,813,472	1,855,667	(62,397)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	Present value of future cash flows	Risk adjustments for non- financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Changes in fulfilment cash flows relating to the liability for incurred claims	695,494	5,843	–	–	–	701,337
Other changes that relate to past services	(2,121)	–	–	–	–	(2,121)
<b>Changes that relate to past services</b>	<b>693,373</b>	<b>5,843</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>699,216</b>
<b>Insurance service result</b>	<b>(2,556,359)</b>	<b>787,835</b>	<b>(36,021)</b>	<b>123,516</b>	<b>87,495</b>	<b>(1,681,029)</b>
Finance income/(expenses) from insurance contracts issued	57,874	12,256	6,039	88,932	94,971	165,101
Comprising: Amounts recognised in profit or loss	45,001	33,871	6,039	88,932	94,971	173,843
Amounts recognised in other comprehensive income	12,873	(21,615)	–	–	–	(8,742)
Other changes recognised in profit or loss	–	–	–	–	–	–
Other changes recognised in other comprehensive income	194,831	42,590	327	19,342	19,669	257,090
<b>Total changes in the statement of profit or loss and other comprehensive income</b>	<b>(2,303,654)</b>	<b>842,681</b>	<b>(29,655)</b>	<b>231,790</b>	<b>202,135</b>	<b>(1,258,838)</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	Present value of future cash flows	Risk adjustments for non- financial risk	CSM			Total
			Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2024						
Premiums received	12,425,037	–	–	–	–	12,425,037
Insurance acquisition cash flows paid	(3,341,294)	–	–	–	–	(3,341,294)
Claims and other insurance service expenses paid, including investment components	(5,457,471)	–	–	–	–	(5,457,471)
Other cash flows	–	–	–	–	–	–
<b>Total cash flows</b>	<b>3,626,272</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,626,272</b>
Other changes	–	–	–	–	–	–
Net liabilities/assets of insurance contract at the end of the year	18,138,718	3,321,338	157,148	1,497,906	1,655,054	23,115,110
Insurance contract assets at the end of the year	–	–	–	–	–	–
Insurance contract liabilities at the end of the year	18,138,718	3,321,338	157,148	1,497,906	1,655,054	23,115,110

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustments for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Insurance contract liabilities at the beginning of the year	17,510,932	2,422,520	182,389	934,497	1,116,886	21,050,338
Insurance contract assets at the beginning of the year	–	–	–	–	–	–
Net liabilities/assets of insurance contracts at the beginning of the year	17,510,932	2,422,520	182,389	934,497	1,116,886	21,050,338
CSM recognized for services provided	–	–	(126,709)	(1,389,165)	(1,515,874)	(1,515,874)
Changes in the risk adjustment for non-financial risk	–	(276,865)	–	–	–	(276,865)
Experience adjustments	(1,242,501)	–	–	–	–	(1,242,501)
Changes that relate to current services	(1,242,501)	(276,865)	(126,709)	(1,389,165)	(1,515,874)	(3,035,240)
Effect of insurance contracts initially recognised in the period	(2,160,586)	689,819	–	1,471,064	1,471,064	297
Changes in estimates that adjust the CSM	(268,571)	(15,480)	120,475	163,576	284,051	–
Changes in estimates that do not adjust the CSM	217,068	22,944	–	–	–	240,012
Other changes that relate to future services	–	–	–	–	–	–
Changes that relate to future services	(2,212,089)	697,283	120,475	1,634,640	1,755,115	240,309



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

2023	Primary insurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustments for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
Changes in fulfilment cash flows relating to the liability for incurred claims	(778,389)	(544,566)	–	–	–	(1,322,955)
Other changes that relate to past services	(2,006)	–	–	–	–	(2,006)
<b>Changes that relate to past services</b>	<b>(780,395)</b>	<b>(544,566)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,324,961)</b>
<b>Insurance service result</b>	<b>(4,234,985)</b>	<b>(124,148)</b>	<b>(6,234)</b>	<b>245,475</b>	<b>239,241</b>	<b>(4,119,892)</b>
Finance income/(expenses) from insurance contracts issued	931,901	138,199	10,402	71,751	82,153	1,152,253
Comprising: Amounts recognised in profit or loss	565,825	102,643	10,402	71,751	82,153	750,621
Amounts recognised in other comprehensive income	366,076	35,556	–	–	–	401,632
Other changes recognised in profit or loss	–	–	–	–	–	–
Other changes recognised in other comprehensive income	259,989	42,086	246	14,393	14,639	316,714
<b>Total changes in the statement of profit or loss and other comprehensive income</b>	<b>(3,043,095)</b>	<b>56,137</b>	<b>4,414</b>	<b>331,619</b>	<b>336,033</b>	<b>(2,650,925)</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (2) Analysis of the measurement components of insurance contracts not measured under the PAA (continued)

	Primary insurance contracts issued – property and casualty					
	Contracts not measured under the PAA					
	CSM					Total
	Present value of future cash flows	Risk adjustments for non-financial risk	Contracts under the fair value approach (FVA)	Other contracts	Total CSM	
2023						
Premiums received	11,654,105	–	–	–	–	11,654,105
Insurance acquisition cash flows paid	(2,709,209)	–	–	–	–	(2,709,209)
Claims and other insurance service expenses paid, including investment components	(6,596,633)	–	–	–	–	(6,596,633)
Other cash flows	–	–	–	–	–	–
<b>Total cash flows</b>	<b>2,348,263</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,348,263</b>
Other changes	–	–	–	–	–	–
<b>Net liabilities/assets of insurance contract at the end of the year</b>	<b>16,816,100</b>	<b>2,478,657</b>	<b>186,803</b>	<b>1,266,116</b>	<b>1,452,919</b>	<b>20,747,676</b>
<b>Insurance contract assets at the end of the year</b>	<b>(4,244)</b>	<b>22</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(4,222)</b>
<b>Insurance contract liabilities at the end of the year</b>	<b>16,820,344</b>	<b>2,478,635</b>	<b>186,803</b>	<b>1,266,116</b>	<b>1,452,919</b>	<b>20,751,898</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year

The following table summarises the effect of the initial recognition of contracts not measured under the PAA on the measurement components of insurance contracts issued and reinsurance contracts held at initial recognition.

#### Insurance contracts issued

	Reinsurance contracts issued – property and casualty				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2024					
Estimates of present value (“PV”) of future cash outflows – Insurance acquisition cash flows	1,752,376	58,838	–	–	1,811,214
Estimates of PV of future cash outflows – Other	7,865,204	1,563,011	–	–	9,428,215
<b>Estimates of PV of future cash outflows – Subtotal</b>	<b>9,617,580</b>	<b>1,621,849</b>	<b>–</b>	<b>–</b>	<b>11,239,429</b>
Estimates of PV of future cash inflows	(13,437,556)	(1,583,860)	–	–	(15,021,416)
Risk adjustment for non-financial risk	833,244	172,956	–	–	1,006,200
CSM	2,986,732	–	–	–	2,986,732
<b>Effect of contracts initially recognised in the year</b>	<b>–</b>	<b>210,945</b>	<b>–</b>	<b>–</b>	<b>210,945</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year (continued)

#### Insurance contracts issued (continued)

	Reinsurance contracts issued – property and casualty				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2023					
Estimates of present value (“PV”) of future cash outflows – Insurance acquisition cash flows	1,053,199	150,390	–	–	1,203,589
Estimates of PV of future cash outflows – Other	4,617,298	2,451,456	–	–	7,068,754
<b>Estimates of PV of future cash outflows – Subtotal</b>	<b>5,670,497</b>	<b>2,601,846</b>	<b>–</b>	<b>–</b>	<b>8,272,343</b>
Estimates of PV of future cash inflows	(7,883,001)	(2,599,386)	–	–	(10,482,387)
Risk adjustment for non-financial risk	538,953	300,546	–	–	839,499
CSM	1,673,551	–	–	–	1,673,551
<b>Effect of contracts initially recognised in the year</b>	<b>–</b>	<b>303,006</b>	<b>–</b>	<b>–</b>	<b>303,006</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year (continued)

#### Reinsurance contracts held

	Retrocession contracts held – Property and casualty				
			Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2024					
Estimates of PV of future cash inflows	11,038	2,634,945	–	–	2,645,983
Estimates of PV of future cash outflows	(11,100)	(4,895,059)	–	–	(4,906,159)
Risk adjustment for non-financial risk	585	327,084	–	–	327,669
CSM	(523)	1,933,030	–	–	1,932,507
Effect of contracts initially recognised in the year	–	–	–	–	–

	Retrocession contracts held – Property and casualty				
			Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2023					
Estimates of PV of future cash inflows	131,412	2,570,516	–	–	2,701,928
Estimates of PV of future cash outflows	(57,931)	(4,317,057)	–	–	(4,374,988)
Risk adjustment for non-financial risk	19,492	319,765	–	–	339,257
CSM	(92,973)	1,426,776	–	–	1,333,803
Effect of contracts initially recognised in the year	–	–	–	–	–



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year (continued)

#### Insurance contracts issued

	Reinsurance contracts issued – life and health				
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	Total
2024					
Estimates of PV of future cash outflows – Insurance acquisition cash flows	40,006	18,298	–	–	58,304
Estimates of PV of future cash outflows – Other	6,657,093	54,009,153	–	–	60,666,246
Estimates of PV of future cash outflows – Subtotal	6,697,099	54,027,451	–	–	60,724,550
Estimates of PV of future cash inflows	(7,471,037)	(51,266,342)	–	–	(58,737,379)
Risk adjustment for non-financial risk	145,822	140,462	–	–	286,284
CSM	628,116	–	–	–	628,116
Effect of contracts initially recognised in the year	–	2,901,571	–	–	2,901,571

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year (continued)

#### Insurance contracts issued (continued)

	Reinsurance contracts issued – life and health				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2023					
Estimates of PV of future cash outflows – Insurance acquisition cash flows	41,845	36,436	–	–	78,281
Estimates of PV of future cash outflows – Other	11,253,782	45,064,362	–	–	56,318,144
Estimates of PV of future cash outflows – Subtotal	11,295,627	45,100,798	–	–	56,396,425
Estimates of PV of future cash inflows	(12,836,171)	(43,017,120)	–	–	(55,853,291)
Risk adjustment for non-financial risk	231,077	399,366	–	–	630,443
CSM	1,309,467	–	–	–	1,309,467
Effect of contracts initially recognised in the year	–	2,483,044	–	–	2,483,044

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year (continued)

#### Reinsurance contracts held

	Retrocession contracts held – life and health				
			Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2024	Net gain	Net cost			
Estimates of PV of future cash inflows	31,544,138	15,144,462	–	–	46,688,600
Estimates of PV of future cash outflows	(29,328,178)	(15,935,689)	–	–	(45,263,867)
Risk adjustment for non-financial risk	118,502	25,497	–	–	143,999
CSM	(2,334,462)	765,730	–	–	(1,568,732)
Effect of contracts initially recognised in the year	–	–	–	–	–

	Retrocession contracts held – life and health				
			Net gain contracts from consolidation and contract assignment	Net cost contracts from consolidation and contract assignment	Total
2023	Net gain	Net cost			
Estimates of PV of future cash inflows	31,073,535	640,586	–	–	31,714,121
Estimates of PV of future cash outflows	(26,711,248)	(695,154)	–	–	(27,406,402)
Risk adjustment for non-financial risk	81,644	3,723	–	–	85,367
CSM	(4,443,931)	50,845	–	–	(4,393,086)
Effect of contracts initially recognised in the year	–	–	–	–	–



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year (continued)

#### Insurance contracts issued

	Primary insurance contracts issued – property and casualty				
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	Total
2024					
Estimates of PV of future cash outflows – Insurance acquisition cash flows	3,129,824	–	–	–	3,129,824
Estimates of PV of future cash outflows – Other	6,911,080	–	–	–	6,911,080
Estimates of PV of future cash outflows – Subtotal	10,040,904	–	–	–	10,040,904
Estimates of PV of future cash inflows	(12,516,842)	–	–	–	(12,516,842)
Risk adjustment for non-financial risk	801,319	–	–	–	801,319
CSM	1,674,619	–	–	–	1,674,619
Effect of contracts initially recognised in the year	–	–	–	–	–



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 26 INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD (continued)

### (3) Effect of contracts initially recognised in the year (continued)

#### Insurance contracts issued (continued)

	Primary insurance contracts issued – property and casualty				Total
	Profitable contracts	Onerous contracts	Profitable contracts from consolidation and contract assignment	Onerous contracts from consolidation and contract assignment	
2023					
Estimates of PV of future cash outflows – Insurance acquisition cash flows	2,718,481	615	–	–	2,719,096
Estimates of PV of future cash outflows – Other	5,935,163	250	–	–	5,935,413
Estimates of PV of future cash outflows – Subtotal	8,653,644	865	–	–	8,654,509
Estimates of PV of future cash inflows	(10,814,504)	(592)	–	–	(10,815,096)
Risk adjustment for non-financial risk	689,796	22	–	–	689,818
CSM	1,471,064	–	–	–	1,471,064
Effect of contracts initially recognised in the year	–	295	–	–	295

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 27 CONTRACTUAL SERVICE MARGIN (CSM)

Expected release of the CSM for insurance contracts not measured under the PAA:

#### Insurance and Reinsurance contracts issued

31 December 2024	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Total
Within 1 year	947,628	1,069,673	1,086,451	3,103,752
1 to 3 years	41,343	1,412,603	165,829	1,619,775
3 to 5 years	16,474	896,150	118,562	1,031,186
5 to 10 years	36,121	1,804,685	209,628	2,050,434
Over 10 years	24,287	3,871,486	74,584	3,970,357
Total	1,065,853	9,054,597	1,655,054	11,775,504

31 December 2023	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Total
Within 1 year	627,427	1,469,799	904,746	3,001,972
1 to 3 years	37,042	1,560,336	174,189	1,771,567
3 to 5 years	12,475	823,053	115,361	950,889
5 to 10 years	9,425	1,614,776	182,591	1,806,792
Over 10 years	872	3,382,610	76,032	3,459,514
Total	687,241	8,850,574	1,452,919	10,990,734

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 27 CONTRACTUAL SERVICE MARGIN (CSM) (continued)

#### Retrocession contracts held

	Property and casualty retrocession	Life and health retrocession	Total
31 December 2024			
Within 1 year	(539,082)	24,456	(514,626)
1 to 3 years	(59,444)	50,749	(8,695)
3 to 5 years	(23,740)	188,736	164,996
5 to 10 years	(16,562)	512,538	495,976
Over 10 years	(1,047)	1,242,352	1,241,305
Total	(639,875)	2,018,831	1,378,956
31 December 2023			
Within 1 year	(316,036)	(1,669)	(317,705)
1 to 3 years	(60,112)	(41,065)	(101,177)
3 to 5 years	(26,476)	181,117	154,641
5 to 10 years	(15,232)	653,489	638,257
Over 10 years	(2,091)	1,717,450	1,715,359
Total	(419,947)	2,509,322	2,089,375



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 28 TIME DEPOSITS

Remaining maturity	31 December 2024	31 December 2023
Within 3 months (inclusive)	7,113,264	240,797
3 months to 1 year (inclusive)	5,233,557	6,120,405
1 to 2 years (inclusive)	4,662,532	9,861,951
2 to 3 years (inclusive)	3,288,173	4,660,515
3 to 4 years (inclusive)	5,830,605	—
4 to 5 years (inclusive)	—	5,759,574
Interest receivable	1,280,268	1,129,821
Subtotal	27,408,399	27,773,063
Less: loss allowance	(16,552)	(14,459)
Total	27,391,847	27,758,604



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 SCOPE OF CONSOLIDATION

- (a) Particulars of the Company's primary subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ place of operation
			Direct	Indirect	
China Re P&C	Beijing	Registered share capital of RMB11,482,250,000	100.00%	–	Property and casualty reinsurance, China
China Re Life	Beijing	Registered share capital of RMB8,170,000,000	100.00%	–	Life and health reinsurance, China
China Continent Insurance	Shanghai	Registered share capital of RMB15,115,918,986	64.30%	–	Primary property and casualty insurance, China
China Re AMC	Beijing	Registered share capital of RMB1,500,000,000	70.00%	26.43%	Management of insurance investments, China
Huatai Insurance Agency and Consultant Service Limited ("Huatai Insurance Agency")	Beijing	Registered share capital of RMB50,000,000	52.50%	–	Insurance brokerage, risk evaluation and management, China
China Re UK Limited	London	Paid-in capital of GBP95,300,000	100.00%	–	Property and casualty reinsurance, UK
China Re Underwriting Agency Limited	London	Paid-in capital of GBP18,000,000	100.00%	–	Underwriting agency, UK
China Re Hong Kong Company Limited	Hong Kong	Paid-in capital of USD700,000,000	100.00%	–	Investment holding, HK
China Reinsurance Digital Technology Company Limited	Beijing	Registered share capital of RMB200,000,000	100.00%	–	Service of information technology, China
China Re Asset Management (Hong Kong) Company Limited	Hong Kong	Paid-in capital of HKD100,000,000	–	96.43%	Investment management, HK

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 SCOPE OF CONSOLIDATION (continued)

(a) Particulars of the Company's primary subsidiaries as at 31 December 2024 are as follows: (continued)

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ place of operation
			Direct	Indirect	
China Continent Insurance E-commerce Co., Ltd	Ningbo	Registered share capital of RMB1,200,000,000	–	64.30%	E-commerce, China
China Continent Insurance Agent Co., Ltd	Shanghai	Registered share capital of RMB150,000,000	–	64.30%	Insurance brokerage, China
China Re Catastrophe Risk Management Company Ltd	Chongqing	Registered share capital of RMB100,000,000	–	70.00%	Risk advisory, management consulting, China
China Re International Company Limited	London	Paid-in capital of USD320,000,000	–	100.00%	Investment holding, UK
CRIH	London	Paid-in capital of USD475,919,560	–	100.00%	Investment holding, UK
Chaucer Holdings Limited ("Chaucer")	London	Paid-in capital of GBP139,296,892	–	100.00%	Property and casualty reinsurance, Primary property and casualty insurance, UK
China Reinsurance (Hong Kong) Company Limited	Hong Kong	Paid-in capital of HKD4,000,000,000	–	100.00%	Life and annuity reinsurance, HK
CIC	Dublin	Paid-in capital of USD1,000,001	–	100.00%	Specialty insurance, Ireland
CRAH	Sydney	Paid-in capital of AUD16,574,495	–	100.00%	Insurance agent, broker services, Australia
China Reinsurance Finance Corporation Limited	British Virgin Islands	Paid-in capital of HKD60,000,000	–	96.43%	Bond issue and investment, HK

Note: As at 31 December 2024, all the Company's primary subsidiaries registered in the Chinese mainland are companies with limited liabilities.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 SCOPE OF CONSOLIDATION (continued)

(b) As at 31 December 2024, the Company consolidated the following structured entities:

Name	Paid-in capital	Attributable equity interests	Principal activities
Guangxin Guangxin Youzhai No.221 Collective Fund Trust Plan	RMB 300,000,000	100.00%	Loan Investment
Huaxin Trust Haorui No.36 Guangde Collective Fund Trust Plan	RMB 141,435,534	100.00%	Loan Investment
Huaxin Trust Haorui No.36 Hongdao Collective Fund Trust Plan	RMB 115,416,873	100.00%	Loan Investment
Huaxin Trust Haorui No.36 Tongtian Collective Fund Trust Plan	RMB 128,061,089	100.00%	Loan Investment
Huaxin Trust Haorui No.36 Xining Collective Fund Trust Plan	RMB 122,344,146	100.00%	Loan Investment
Jianxin Asset Management Pujiang Anxin No.29	RMB 260,000,000	100.00%	Bond Investment
China Re Bairong Shimao Mall Real Estate Debt Investment Plan	RMB 7,432,200,000	100.00%	Loan Investment
China Re Beijing Subway Line 16 Equity Investment Plan	RMB 6,000,000,000	75.83%	Loan Investment
China Re Fangzheng Hangzhou Zheshang Real Estate Debt Investment Plan	RMB 114,270,027	100.00%	Loan Investment
China Re Fuzhou Sanjiangkou Infrastructure Bond Investment Plan	RMB 450,000,000	42.86%	Loan Investment
China Re Alternative Fund	RMB 512,794,321	100.00%	Equity Investment
China Re Min Highway Punan Infrastructure Debt Investment Plan	RMB 2,000,000,000	43.00%	Loan Investment
China Re Asset Management FOF Active Allocation No.1	RMB 326,000,050	100.00%	Equity Investment
China Re Asset Management FOF Flexible Allocation No.1	RMB 311,500,025	100.00%	Equity Investment
China Re Asset Management Fengge Rotation Product	RMB 196,855,137	33.84%	Bond & Equity Investment
China Re Asset Management Infrastructure Powerhouse No.2 REITs Theme Product	RMB 3,000,006	100.00%	Bond Investment



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 SCOPE OF CONSOLIDATION (continued)

- (b) As at 31 December 2024, the Company consolidated the following structured entities:  
(continued)

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Asset Management Infrastructure Powerhouse REITs Theme Product	RMB 1,040,808,171	87.96%	Bond Investment
China Re Asset Management Value Growth Product	RMB 158,311,001	100.00%	Equity Investment
China Re Asset Management Value Dividend Product	RMB 100,000,417	100.00%	Equity Investment
China Re Asset Management Healthy Living Product	RMB 203,275,476	100.00%	Equity Investment
China Re Asset Management Tech Prosperity Product	RMB 50,000,011	100.00%	Equity Investment
China Re Asset Management Ruicheng No.1	RMB 3,000,050	100.00%	Bond Investment
China Re Asset Management Ruicheng No.2	RMB 158,955,259	93.76%	Bond & Equity Investment
China Re Asset Management Ruicheng No.4	RMB 3,000,050	100.00%	Bond Investment
China Re Asset Management Ruicheng No.6	RMB 1,614,548,392	97.06%	Bond & Equity Investment
China Re Asset Management Ruicheng No.7	RMB 3,000,050	100.00%	Bond Investment
China Re Asset Management Ruicheng No.10	RMB 1,890,019	100.00%	Bond Investment
China Re Asset Management Ruiqi No.2	RMB 237,573,519	83.45%	Bond Investment
China Re Asset Management Ruiqi No.3	RMB 1,139,467,449	100.00%	Bond & Equity Investment
China Re Asset Management Ruiqi No.5	RMB 162,491,231	100.00%	Bond Investment
China Re Asset Management Ruiqi No.6	RMB 914,961,900	100.00%	Bond & Equity Investment
China Re Asset Management Ruiqi No.7	RMB 123,277,836	100.00%	Bond & Equity Investment
China Re Asset Management Ruiqi No.9	RMB 449,832,897	97.78%	Bond Investment

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 SCOPE OF CONSOLIDATION (continued)

- (b) As at 31 December 2024, the Company consolidated the following structured entities:  
(continued)

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Asset Management Ruiqi No.10	RMB 211,987,557	100.00%	Bond & Equity Investment
China Re Asset Management Ruiqi No.11	RMB 434,065,773	100.00%	Bond Investment
China Re Asset Management Ruiqi No.12	RMB 494,558,417	100.00%	Bond & Equity Investment
China Re Asset Management Ruiqi Bond Type Product	RMB 335,869,169	100.00%	Bond & Debt Investment Plan
China Re Asset Management Ruitong No.1	RMB 593,819,109	77.64%	Equity Investment
China Re Asset Management Wenying No.1	RMB 263,500,030	100.00%	Bond & Equity Investment
China Re Asset Management Credit Selection No.6	RMB 284,000,000	100.00%	Bond Investment
China Re Asset Management Credit Selection No.7	RMB 218,000,000	100.00%	Bond Investment
China Re Asset Management Industry Cycle and Hedge Product	RMB 167,455,141	100.00%	Equity Investment
China Re Asset Management Elderly Healthcare Product	RMB 52,000,011	100.00%	Equity Investment
China Re Asset Management Long-term Selection Product	RMB 40,666,427	100.00%	Equity Investment
China Re Asset Management Medium & Long-term Interest Rate Bond Closed-end No.5	RMB 10,000,028	33.33%	Bond Investment
China Re Asset Management Medium & Long-term Interest Rate Bond Closed-end Product	RMB 310,000,000	100.00%	Bond Investment



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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### 30 STATUTORY DEPOSITS FOR INSURANCE OPERATIONS

In accordance with relevant provision of Insurance Law of the PRC, the Company, China Re P&C, China Re Life and China Continent Insurance should place 20% of its issued share capital as restricted statutory deposits, respectively.

Details of the Group's statutory deposits are as follows:

	31 December 2024	31 December 2023
The Company	10,121,318	9,821,318
China Re P&C	4,025,000	3,000,000
China Re Life	4,250,000	2,600,000
China Continent Insurance	3,806,157	3,096,157
Interest receivable	891,532	387,318
Subtotal	23,094,007	18,904,793
Less: loss allowance	(21,880)	(15,030)
Total	23,072,127	18,889,763



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 31 INVESTMENT PROPERTIES

	Buildings
<b>Cost</b>	
Balance at 1 January 2023	6,865,135
Additions during the year	–
Balance at 31 December 2023	6,865,135
Additions during the year	–
Balance at 31 December 2024	6,865,135
<b>Less: Accumulated depreciation</b>	
Balance at 1 January 2023	(826,270)
Charge for the year	(219,902)
Balance at 31 December 2023	(1,046,172)
Charge for the year	(219,902)
Balance at 31 December 2024	(1,266,074)
<b>Carrying amount</b>	
Balance at 31 December 2024	5,599,061
Balance at 31 December 2023	5,818,963

The fair values of the investment properties were estimated by the Group, based on valuation performed by JLL (Beijing) Real Estate Appraisal & Consultancy Co., Ltd., independent valuer. It falls under level 3 in the fair value hierarchy. As at 31 December 2024, the fair value of investment properties was RMB6,643 million (31 December 2023: RMB7,362 million).

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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### 32 PROPERTY AND EQUIPMENT

	Buildings	Machinery and equipment	Motor vehicles	Office and electronic equipment	Construction in progress	Leasehold improvement	Total
<b>Cost</b>							
Balance at 1 January 2023	4,507,532	99,510	298,946	1,172,789	7,845	632,971	6,719,593
Additions during the year	–	2,567	8,118	90,968	35,620	29,979	167,252
Transfer from/(to) construction in progress	24,481	–	–	369	(24,850)	–	–
Disposals during the year	–	(5,331)	(19,560)	(128,392)	(5,200)	–	(158,483)
Balance at 31 December 2023	4,532,013	96,746	287,504	1,135,734	13,415	662,950	6,728,362
Additions during the year	–	2,197	10,833	78,197	12,346	58,646	162,219
Transfer from/(to) construction in progress	11,635	–	–	2,964	(14,599)	–	–
Disposals during the year	–	(3,159)	(22,408)	(30,675)	(4,330)	–	(60,572)
Balance at 31 December 2024	4,543,648	95,784	275,929	1,186,220	6,832	721,596	6,830,009
<b>Less: Accumulated depreciation</b>							
Balance at 1 January 2023	(1,208,025)	(74,863)	(227,956)	(821,059)	–	(511,175)	(2,843,078)
Charge for the year	(146,745)	(7,797)	(18,963)	(126,470)	–	(59,526)	(359,501)
Disposals during the year	–	4,888	18,714	121,053	–	(173)	144,482
Balance at 31 December 2023	(1,354,770)	(77,772)	(228,205)	(826,476)	–	(570,874)	(3,058,097)
Charge for the year	(146,577)	(5,549)	(14,688)	(106,985)	–	(56,606)	(330,405)
Disposals during the year	–	2,964	20,803	26,764	–	–	50,531
Balance at 31 December 2024	(1,501,347)	(80,357)	(222,090)	(906,697)	–	(627,480)	(3,337,971)
<b>Carrying amount</b>							
Balance at 31 December 2024	3,042,301	15,427	53,839	279,523	6,832	94,116	3,492,038
Balance at 31 December 2023	3,177,243	18,974	59,299	309,258	13,415	92,076	3,670,265

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 32 PROPERTY AND EQUIPMENT (continued)

As at 31 December 2024, the Group was in the process of completing the ownership documentation of certain buildings with a net carrying amount of RMB14 million (31 December 2023: RMB15 million). The management are of the opinion that the Group is entitled to legally and effectively occupy or use the above-mentioned buildings.

### 33 LEASES

	2024	2023
<b>Right-of-use assets</b>		
Premises	843,710	902,171
Equipment	743	1,054
Vehicles	6,109	7,327
Others	10,981	11,809
<b>Total</b>	<b>861,543</b>	<b>922,361</b>
<b>Lease liabilities</b>	<b>815,856</b>	<b>861,815</b>
	2024	2023
<b>Additions to right-of-use assets</b>		
Premises	338,689	298,232
Equipment	–	257
Vehicles	3,942	6,091
Others	763	1,103
<b>Total</b>	<b>343,394</b>	<b>305,683</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 33 LEASES (continued)

#### Amounts recognised in the statement of profit or loss

	2024	2023
<b>Depreciation charge of right-of-use assets</b>		
Premises	350,044	423,411
Equipment	307	468
Vehicles	4,198	3,611
Others	1,479	1,869
<b>Total</b>	<b>356,028</b>	<b>429,359</b>
	2024	2023
Interest expense on lease liabilities	22,793	24,512
Expense relating to leases of low-value assets and short-term leases applied the simplified approach	169,163	174,738
<b>Total cash outflow for lease</b>	<b>468,459</b>	<b>550,819</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 34 INTANGIBLE ASSETS

	Syndicate underwriting capacity	Lloyd's distribution channels	Trademark	Software	Total
<b>Cost</b>					
Balance at 1 January 2023	948,094	611,394	15,322	1,957,304	3,532,114
Additions and exchange rate effects during the year	16,077	10,368	260	244,206	270,911
Reductions and impairment provisions during the year	–	–	–	(13,576)	(13,576)
Balance at 31 December 2023	964,171	621,762	15,582	2,187,934	3,789,449
Additions and exchange rate effects during the year	14,389	9,279	233	326,709	350,610
Reductions and impairment provisions during the year	–	–	–	(72,609)	(72,609)
Balance at 31 December 2024	978,560	631,041	15,815	2,442,034	4,067,450
<b>Less: Accumulated depreciation</b>					
Balance at 1 January 2023	–	(185,525)	(3,526)	(989,399)	(1,178,450)
Additions and exchange rate effects during the year	–	(50,314)	(1,016)	(245,530)	(296,860)
Reductions during the year	–	–	–	59	59
Balance at 31 December 2023	–	(235,839)	(4,542)	(1,234,870)	(1,475,251)
Additions and exchange rate effects during the year	–	(51,391)	(1,038)	(278,177)	(330,606)
Reductions during the year	–	–	–	9,018	9,018
Balance at 31 December 2024	–	(287,230)	(5,580)	(1,504,029)	(1,796,839)
<b>Carrying amount</b>					
Balance at 31 December 2024	978,560	343,811	10,235	938,005	2,270,611
Balance at 31 December 2023	964,171	385,923	11,040	953,064	2,314,198

The Group performs impairment assessment over Syndicate underwriting capacity on an annual basis. Syndicate underwriting capacity was recognised from the business combination of CRIH along with the goodwill which was recognised in the same cash-generating units (CGUs). The recoverable amount of CGU is determined using the VIU calculation method. For details, please refer to Note 36.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 35 INVESTMENTS IN ASSOCIATES

	31 December 2024	31 December 2023
Carrying amount before impairment		
– Listed shares	22,537,842	20,886,609
– Unlisted shares	2,747,392	2,637,258
Total	25,285,234	23,523,867
Less: loss allowance	–	–
Carrying amount	25,285,234	23,523,867
	2024	2023
At 1 January	23,523,867	22,639,532
Profit or loss adjustment	1,978,154	1,959,788
Declared and distributed dividends	(550,012)	(567,011)
Other comprehensive income	332,587	137,792
Other equity changes	638	10,293
Equity dilution in associates	–	(656,527)
At 31 December	25,285,234	23,523,867



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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### 35 INVESTMENTS IN ASSOCIATES (continued)

(a) Particulars of the Group's major associates are as follows:

Name of associates	Place of incorporation and business	Registered capital (in RMB millions)	Principal activities
China Everbright Bank Company Limited ("CEB")	China	59,086	Commercial banking
Proportion of ownership interests			
	The Group's effective interest	Held by the Company	Held by a subsidiary
31 December 2024	3.93%	1.34%	2.59%
31 December 2023	3.93%	1.34%	2.59%

The Group has significant influence over CEB through a group representative being a director of CEB with the power to participate in the financial and operating policy decisions of CEB.

As such, the interests in this associate are accounted for using the equity method. Whereby the investment is initially recognised at cost and adjusted change in the Group's share of CEB's net assets. An impairment test is required if there is any indication of impairment.

As at 31 December 2024, the market value of the Group's investment in CEB was RMB6,931 million (31 December 2023: RMB5,207 million).

As 31 December 2024, the fair value of the Group's investment in CEB was below the carrying amount. As a result, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment at 31 December 2024 as the recoverable amount as determined by a VIU calculation was higher than the carrying value.

The impairment test was performed by comparing the recoverable amount of CEB, determined by a VIU calculation, with its carrying amount. The VIU calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36. Significant management judgement is required in arriving at the best estimate.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 35 INVESTMENTS IN ASSOCIATES (continued)

(a) **Particulars of the Group's major associates are as follows: (continued)**

Management used a number of key assumptions in our VIU calculation:

	31 December 2024	31 December 2023
Discount rate	8.0%	11.0%
Sustainable growth rate	2.0%	2.0%
Capital adequacy ratio	11.5%	11.5%

The following table sets out the key financial statements of the Group's major associates adjusted for fair value adjustments at the time of acquisition and the differences in adopting accounting policies of the Group.

	CEB (in RMB millions)	
	2024	2023
<b>Gross amounts of the associate</b>		
Operating income	135,415	145,685
Profit before tax	51,474	49,757
Net profit (i)	41,696	40,792
Other comprehensive income (i)	8,646	2,835
Total comprehensive income (i)	50,342	43,627
Total assets	6,957,740	6,771,515
Total liabilities	6,368,790	6,218,011
Net assets attributable to ordinary shareholders	481,520	446,211
Non-controlling interests	2,531	2,394
<b>Reconciliation of investments in associates and the Group's share of net assets of associates</b>		
Net assets attributable to ordinary shareholders	481,520	446,211
The Group's effective interest	3.93%	3.93%
The Group's share of net assets of the associate	18,909	17,524
Carrying amount in the financial statements	18,909	17,524
Dividends received from the associate for the year	401	441

(i) Amount attributable to shareholders of the associate.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 35 INVESTMENTS IN ASSOCIATES (continued)

#### (b) Summarized information of immaterial associates accounted for using the equity method

	2024	2023
Aggregate carrying amount of investments	6,375,873	5,999,477
Aggregate amount of share of:		
– Net profits	516,627	521,459
– Other comprehensive income	7,803	31,077
– Change in capital reserve	638	10,293
Total	525,068	562,829

### 36 GOODWILL

	31 December 2024	31 December 2023
Cost		
– China Re P&C	650,529	650,529
– China Re Life	463,630	463,630
– China Continent Insurance	74,379	74,379
– CRIH	436,220	429,806
– CRAH	21,064	20,754
– CIC	3,475	3,424
Total	1,649,297	1,642,522
Less: Impairment loss	–	–
Net book value	1,649,297	1,642,522



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 36 GOODWILL (continued)

When assessing the impairment of goodwill and the intangible asset of Syndicate underwriting capacity with indefinite life, the Group determines the recoverable amount of the major asset groups and asset groups by using the VIU and fair value of the asset groups less disposal costs. VIU has been used to conduct the goodwill impairment test for the Syndicate underwriting capacity, China Re P&C, China Continent Insurance, CRIH and CIC. The Group conducts goodwill impairment test on the fair value of the asset groups of China Re Life less disposal costs. Expected future cash flows used in the estimation of the VIU and fair value are based on their Group's five years business plans, and cash flows beyond five years are extrapolated using a steady growth rate and terminal value. Key assumptions used include:

	2024	2023
Discount rate	8.5% – 11.0%	10.0% – 12.0%
Investment yield	2.5% – 4.5%	3.0% – 4.9%
Sustainable growth rate	1.5% – 2.0%	1.5% – 2.0%

### 37 OTHER ASSETS

	31 December 2024	31 December 2023
Receivables from investment liquidation and subscription receivables	1,332,718	1,843,237
Overseas business guarantee deposits	1,069,338	1,169,335
Insurance business related advanced value-added tax	895,673	944,804
Tax prepaid	759,001	743,105
Receivables from investment contracts	678,971	522,400
Guarantee deposits	648,486	521,767
Interest receivable	322,407	318,505
Prepayment	258,745	294,518
Receivables from co-insurers	226,793	234,035
Receivable Management Fees	99,249	92,902
Deferred expenses	14,838	28,913
Dividends receivable	3,516	2,615
Others	655,008	733,437
Total	6,964,743	7,449,573
Less: loss allowance	(597,993)	(596,248)
Total	6,366,750	6,853,325

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 38 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	2024	2023
Financial assets sold under repurchase agreements		
– Stock exchange	52,628,255	43,652,485
– Inter-bank market	16,856,788	16,530,919
Interest receivable	104,864	125,366
Total	69,589,907	60,308,770

As at 31 December 2024, bonds with a carrying amount of RMB19,207 million (as at 31 December 2023: RMB18,017 million) were pledged as collateral for financial assets sold under repurchase agreements resulting from repurchase transactions entered into by the Group in the interbank market.

For debt repurchase transactions through the stock exchange, the Group is required to deposit certain exchange-traded bonds into a collateral pool with fair value converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balance of the related repurchase transaction. As at 31 December 2024, the carrying amount of securities deposited in the collateral pool was RMB71,831 million (as at 31 December 2023: RMB60,095 million). The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

### 39 NOTES AND BONDS PAYABLE

	31 December 2024	31 December 2023
Bonds payable	13,153,508	13,152,917
Total	13,153,508	13,152,917

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 39 NOTES AND BONDS PAYABLE (continued)

The following table indicates the balances of supplementary capital bonds issued by the Group as at 31 December 2024:

Issuer	Type	Face value	Coupon rate	Issue year	Maturity
China Re Life	Supplementary capital bonds	5,000 (in RMB millions)	First 5 years: 3.24% Next 5 years: 4.24% (if not redeemed)	2023	2033
China Re P&C	Supplementary capital bonds	4,000 (in RMB millions)	First 5 years: 4.40% Next 5 years: 5.40% (if not redeemed)	2020	2030
China Re P&C	Supplementary capital bonds	4,000 (in RMB millions)	First 5 years: 3.45% Next 5 years: 4.45% (if not redeemed)	2023	2033

### 40 BANK LOANS

	31 December 2024	31 December 2023
Bank loans	—	1,416,540
Total	—	1,416,540

As at 31 December 2023, the Group held bank loans of USD200 million, with a maturity date of 28 December 2024.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 41 OTHER LIABILITIES

	31 December 2024	31 December 2023
Payables to investors of consolidated structured entities	3,722,795	3,272,022
Salaries and welfare payable	3,082,015	2,715,959
Suspense and unallocated cash	2,193,903	2,209,083
Premiums received in advance	654,228	497,392
Withholding vehicle and vessel use tax	364,302	339,340
Accounts payable for coinsurance and reinsurance	356,752	465,098
Taxes payable	331,897	542,136
Securities clearance payable	303,798	191,183
Payables to contractors for equipment and suppliers	218,898	315,316
Defined benefit obligations (a)	168,287	194,694
Payable to the insurance guarantee fund	89,019	80,856
Others	1,839,672	1,378,849
<b>Total</b>	<b>13,325,566</b>	<b>12,201,928</b>

#### (a) Post-employment benefits – Defined benefit obligations

The Group offers the following two defined benefit obligations as post-employment benefits to its retired and early retired staff:

- (i) pension benefits for retired staff and pension benefits for early retired staff after they actually retire; and
- (ii) medical allowances.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 41 OTHER LIABILITIES (continued)

#### (a) Post-employment benefits – Defined benefit obligations (continued)

- 1) The amounts of defined benefit plan obligations recognised in the financial statements and their changes are as follows:

	2024	2023
At the beginning of the year	194,694	171,436
Defined benefit cost recognised in profit or loss for the current period		
– Net interest	6,095	6,235
Effects of exchange rate	(1,030)	3,001
Defined benefit cost recognised in other comprehensive income		
– Actuarial (losses)/gains	(27,746)	19,609
Prepaid benefits	(6,110)	(5,587)
At the end of the year	165,903	194,694

Chaucer defined benefit pension retirement plan on 31 December 2024 is a surplus, which is listed in other assets of the Group's financial statements.

#### 2) Actuarial assumptions and sensitivity analysis

	2024	2023
Discount rate	1.75%	2.75%
Mortality rate	Note (1)	Note (1)
Expected average life	89	88
Annual growth rate of pension benefits	4.00%	4.00%
Annual growth rate of medical allowances	7.00%	7.00%

Note (1) The mortality rate used in 2024 was determined based on the China Life Insurance Mortality Table-CL5/CL6 (2010 – 2013) issued by the former CIRC in 2016 (2023: same).



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 41 OTHER LIABILITIES (continued)

#### (a) Post-employment benefits – Defined benefit obligations (continued)

##### Chaucer defined benefit pension retirement plan

Chaucer provides defined benefit pension retirement plan to certain of its employees. The defined benefit pension retirement plan provides employees with a fixed benefit based on the employee's length of service and the final retirement salary. The trustee holds and controls the funds of the defined benefit pension retirement plan. As at 31 December 2001, the defined benefit pension plan was closed to new members, and starting from 31 December 2016, the plan stopped accruing for future salary increases.

Weighted-average actuarial assumptions used to determine Chaucer defined benefit pension retirement plan liabilities are as follows:

	2024	2023
Discount rate	5.66%	4.75%
Rate of salary increases Note (2)	NA	NA
Rate of 5% Retail Price Index ("RPI") pension increases	3.13%	3.04%
Rate of 2.5% Retail Price Index ("RPI") pension increases	2.13%	2.09%
Rate of 5% Consumer Price Index ("CPI") pension increases	2.75%	2.61%
RPI Inflation	3.28%	3.16%
CPI Inflation	2.74%	2.58%

Note (2) Chaucer defined benefit pension retirement plan have no longer accumulated future salary increases from 31 December 2016, so a rate of salary increases is no longer required.

The amounts of Chaucer defined benefit pension retirement plan obligations recognised in the balance sheet are as follows:

	2024	2023
Present value of defined benefit plan obligations	588,419	645,794
Fair value of plan assets for defined benefit plans	(590,803)	(603,828)
Defined benefit plan (income)/loss	(2,384)	41,966

According to the actuarial valuation report, the fair value of the assets under Chaucer defined benefit pension retirement plan as at 31 December 2024 was RMB590,803 thousand (as at 31 December 2023: RMB603,828 thousand), the fair value of those assets accounts for 100.41% of the benefits provided to eligible employees (31 December 2023: 93.50%).



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 42 DEFERRED TAX ASSETS AND LIABILITIES

	2024	2023
Deferred tax:		
Deferred tax assets	7,203,926	7,805,283
Deferred tax liabilities	(1,015,166)	(575,563)
Total	6,188,760	7,229,720

	1 January 2024	Credited to profit or loss	Credited to other comprehensive income	31 December 2024
The Group				
Financial assets	1,297,197	19,989	(963,550)	353,636
Insurance contracts	7,581,577	629,250	718,481	8,929,308
Investment in associates	(2,021,700)	(1,011,373)	(80,880)	(3,113,953)
Payables to employees	681,990	(239,221)	(11,669)	431,100
Others	(309,344)	(101,987)	–	(411,331)
Total	7,229,720	(703,342)	(337,618)	6,188,760

	1 January 2023	Credited to profit or loss	Credited to other comprehensive income	31 December 2023
The Group				
Financial assets	1,214,294	400,421	(317,518)	1,297,197
Insurance contracts	5,726,622	1,415,994	438,961	7,581,577
Investment in associates	(1,801,675)	(206,867)	(13,158)	(2,021,700)
Payables to employees	539,093	139,058	3,839	681,990
Others	(7,935)	(358,045)	56,636	(309,344)
Total	5,670,399	1,390,561	168,760	7,229,720

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 43 SHARE CAPITAL

(Unit: RMB'000)

	31 December 2024	31 December 2023
Issued and fully paid ordinary shares of RMB1 each		
Domestic shares	35,800,391	35,800,391
H shares	6,679,417	6,679,417
Total	42,479,808	42,479,808

The Company completed its initial public offering of overseas-listed foreign shares (“H-shares”) and was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 26 October 2015. In this offering, the Company issued 6,072 million H shares in total (including over-allotment of 302 million H shares) with a nominal value of RMB1.00 per share each and an issuance price of HKD2.70 per share. This public offering had raised a total amount of RMB13,443 million. As at 31 December 2024, a total of RMB6,072 million was recorded in share premiums after deducting the share capital of RMB7,002 million and the stock issuance fee.

Pursuant to the relevant PRC regulations of the Interim Regulation of the State Council on Transfers of State-owned Shares (Guo Fa (2001) No.22) and the related regulatory approvals, 607,219,700 domestic shares held by the state-owned shareholders were converted into H shares during the initial public offering of the Company.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 44 INTERESTS HELD IN UNCONSOLIDATED STRUCTURED ENTITIES

#### (a) Interests held in structured entities managed by third-party institutions

The Group invests in certain structured entities managed by third-party institutions. Such structured entities mainly include investment funds, asset backed securities, equity investment plan, debt investment plan, and trust schemes. The Group does not consolidate these structured entities. These structured entities are financed through the contracts.

The carrying value of interests held by the Group in structured entities managed by third-party institutions through direct investments of the Group is set out below:

	31 December 2024			
	Financial assets measured at amortized cost	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss
Investment funds	–	–	–	30,994,769
Debt investment plans	4,346,547	–	–	1,605,232
Trust schemes	10,239,802	–	–	2,675,787
Assets backed securities	–	–	–	120,999
Assets backed plans	–	–	–	–
Products from insurance asset managers	–	–	–	307,699
<b>Total</b>	<b>14,586,349</b>	<b>–</b>	<b>–</b>	<b>35,704,486</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 44 INTERESTS HELD IN UNCONSOLIDATED STRUCTURED ENTITIES (continued)

#### (a) Interests held in structured entities managed by third-party institutions (continued)

31 December 2023				
	Financial assets measured at amortized cost	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss
Investment funds	–	–	–	30,712,091
Debt investment plans	7,065,156	–	–	1,585,389
Trust schemes	14,177,466	–	–	3,162,548
Assets backed securities	–	–	–	230,939
Assets backed plans	–	–	–	183,359
Products from insurance asset managers	–	–	–	611,976
Total	21,242,622	–	–	36,486,302

The maximum loss exposures of the interests held in structured entities managed by third-party institutions are their carrying amounts at the end of the reporting period.

#### (b) Interests held in the unconsolidated structured entities managed by the Group

Unconsolidated structured entities managed by the Group mainly include the asset management products and third-party entrusted asset management business products sponsored by the Group (debt investment plans). The nature and purpose of these structured entities is to generate asset management fees for the Group by providing investment management services for external investors. As at 31 December 2024, the balances of assets under management held by the asset management products amounted to RMB327,451 million (31 December 2023: RMB349,521 million). As at 31 December 2024, the Group's direct investments in these asset management products amounted to RMB134 million (31 December 2023: RMB1,591 million). As at 31 December 2024, the balances of assets under management held by the debt investment plans amounted to RMB6,519 million (31 December 2023: RMB6,880 million). As at 31 December 2024, the Group's direct investments in these debt investment plans amounted to RMB561 million (31 December 2023: RMB1,400 million). The asset management fee income generated from these unconsolidated structured entities amounted to RMB170 million (31 December 2023: RMB111 million).

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 45 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Reconciliation of profit before tax to cash generated from operations:

	2024	2023
<b>Profit before tax</b>	<b>13,797,966</b>	<b>6,325,278</b>
Adjustments for:		
Interest income and Investment income	(16,066,712)	(7,849,335)
Exchange (losses)/gains, net	341,763	(673,591)
Financial expenses	2,008,325	2,323,939
Share of profit or loss of associates	(1,978,154)	(1,959,788)
Impairment provisions charges	971,943	(137,122)
Depreciation of property and equipment	330,405	359,501
Depreciation of right-of-use assets	356,028	429,359
Depreciation of investment property	219,902	219,902
Amortisation of intangible assets	330,606	296,860
Losses on disposal of property and equipment and intangible assets, net	1,147	1,985
Increase in insurance contract liabilities/assets	5,612,518	19,570,882
Increase in reinsurance contract assets/liabilities	(1,638,207)	(3,457,728)
Increase in investment contracts liabilities/assets	9,161,777	1,909,354
Increase in other assets	(21,787)	(416,666)
(Decrease)/increase in other liabilities	(1,496,875)	1,261,082
<b>Cash generated from operations</b>	<b>11,930,645</b>	<b>18,203,912</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 45 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

#### (b) Analysis of balances of cash and cash equivalents:

	2024	2023
Cash and short-term time deposits	13,004,700	14,596,285
Add: Financial assets held under resale agreements with original maturity of no more than three months	6,830,540	7,507,500
Less: Restricted cash at banks	(5,716,595)	(4,300,366)
Cash and cash equivalents at end of the year	14,118,645	17,803,419

#### (c) Net Debt Reconciliation

This section sets out an analysis of net debt and movements in net debt for the current year.

	Borrowings	Notes and bonds payable	Financial assets sold under repurchase agreements	Leases	Total
Balance as at 1 January 2024	(1,416,540)	(13,152,916)	(60,308,769)	(861,815)	(75,740,040)
Cash flows	1,427,110	–	(9,234,073)	368,247	(7,438,716)
Acquisition-leases	–	–	–	(299,495)	(299,495)
Foreign exchange adjustments	(10,570)	–	–	–	(10,570)
Other non-cash movements	–	(592)	(47,065)	(22,793)	(70,450)
Balance as at 31 December 2024	–	(13,153,508)	(69,589,907)	(815,856)	(83,559,271)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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## 45 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

### (c) Net Debt Reconciliation (continued)

	Borrowings	Notes and bonds payable	Financial assets sold under repurchase agreements	Leases	Total
Balance as at 1 January 2023	(3,826,334)	(13,105,985)	(51,002,086)	(1,027,728)	(68,962,133)
Cash flows	2,496,462	(37,697)	(6,150,221)	445,902	(3,245,554)
Acquisition-leases	–	–	–	(255,477)	(255,477)
Foreign exchange adjustments	(86,668)	–	–	–	(86,668)
Other non-cash movements	–	(9,234)	(3,156,462)	(24,512)	(3,190,208)
Balance as at 31 December 2023	(1,416,540)	(13,152,916)	(60,308,769)	(861,815)	(75,740,040)

## 46 RISK MANAGEMENT

### 46.1 Insurance risk

An insurance policy's risk lies in uncertainty of insured events and the corresponding paid loss. From the perspective of fundamental nature of each policy, the above risk occurs randomly, and the actual paid amount will differ from the estimated data based on statistical methods for each period. For those policy portfolios using probability theory for pricing and reserve estimation, the main risk the Group faces is that the actual payment exceeds the carrying amount of insurance liability, which will occur when the actual loss occurrence or severity exceeds expected values. Such risk is likely to occur in the following situations:

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

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

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

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

Experience shows that the larger the insurance contracts portfolio of the same nature, the smaller the variability of expected results. In addition, a more diversified portfolio is less likely to be impacted by any sub-portfolio's change. The Group has already established insurance underwriting strategy to diversify underwriting risks, and has maintained a sufficient number of policies for different types of insurance risk. Therefore uncertainty of expected results will be reduced.

For the Group's property and casualty insurance and reinsurance contracts, claims are often affected by natural disasters, catastrophes, terrorist attacks and other factors. For the Group's health and accident reinsurance contracts, infectious diseases, huge lifestyle changes, natural disasters and accidents are all important factors that may increase the loss ratio, which may lead to earlier or more claims than expected. For the Group's life reinsurance contracts, the most important factor is that continuous improvement of medical standards and social conditions help to extend life expectancy. Furthermore, policyholders' terminating contracts, reducing and refusing to pay premiums also impact insurance risk, which means that insurance risk is affected by policyholders' behaviours and decisions.

According to the risk characters, the Group's different departments and subsidiaries manage corresponding insurance risk by determining insurance products' underwriting standards and strategy, and prescribing counterparty risk limits, reinsurance arrangements and claim processing. The Group's assumed insurance liability also incorporates international business underwritten by the former PICC (Group) Company, including asbestos, pollution, health hazard and other potential long-tail risks. Due to such high level of inherent uncertainty in the above business, consisting of relevant payment instability and insurance liability's cognisant uncertainty, the Group cannot completely rule out such significant loss possibilities such as if other reinsurance companies underwrite this kind of business. The Group reduces the uncertainty posted by such business through contacting with ceding companies actively and seeking to settle the liability.

The Group's insurance business mainly comes from Mainland China. The Group's concentration of insurance risk is reflected by its major lines of business as analysed by insurance revenue in Note 5.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business

##### *Sensitivity analysis*

Changes of paid loss and other factors of property and casualty, short-term life and health insurance and reinsurance business may impact changes of assumptions and further LRC estimates.

Several variables' sensitivity cannot be quantified, such as legal changes, uncertainty of loss estimation and so on. In addition, time delay exists among claims occurrence, reporting and closing.

	Change in assumptions	2024			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Loss ratio	+1%	(1,131,173)	(1,048,535)	(1,080,033)	(1,009,360)
Loss ratio	-1%	1,131,173	1,048,535	1,080,033	1,009,360

	Change in assumptions	2023			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Loss ratio	+1%	(1,078,791)	(1,046,943)	(1,078,113)	(1,006,314)
Loss ratio	-1%	1,078,791	1,046,943	1,078,113	1,006,314



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

##### Information sheet on the progress of claims

- (i) Primary insurance contracts\*

Before reinsurance

	2019 and before	2020	2021	2022	2023	2024	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	161,738,373	27,370,710	29,763,809	30,890,959	34,881,966	37,058,972	
1 year later	161,373,089	26,281,395	28,598,353	29,049,100	33,734,433		
2 year later	161,521,944	25,639,466	28,222,400	28,334,487			
3 year later	161,515,949	25,529,589	28,062,458				
4 year later	161,476,977	25,528,539					
5 year later	161,434,872						
Estimated accumulated claims	161,434,872	25,528,539	28,062,458	28,334,487	33,734,433	37,058,972	314,153,761
Less: Accumulated paid claims	161,087,934	25,128,187	27,591,012	26,732,102	29,702,022	23,047,143	293,288,400
Add: Impact of ULAE, adjustment and discount of non-financial risk							1,499,101
Unpaid claims							22,364,462
Add: Receivables and payables in liability for incurred claims							(1,459,198)
Less: Incurred claim liabilities from intra-group assumed business from CCIC							29,235
Total liability for incurred claims							20,876,029

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

##### Information sheet on the progress of claims (continued)

- (i) Primary insurance contracts\* (continued)

After reinsurance

	2019 and before	2020	2021	2022	2023	2024	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	140,457,613	24,606,091	27,037,334	28,254,998	31,878,504	34,018,139	
1 year later	140,357,749	23,766,707	26,058,586	26,525,255	30,946,872		
2 year later	140,343,284	23,299,400	25,605,431	25,800,181			
3 year later	140,413,835	23,197,594	25,450,164				
4 year later	140,359,784	23,174,103					
5 year later	140,320,885						
Estimated accumulated claims	140,320,885	23,174,103	25,450,164	25,800,181	30,946,872	34,018,139	279,710,344
Less: Accumulated paid claims	140,052,509	22,926,525	25,091,305	24,575,737	27,622,751	21,633,222	261,902,049
Add: Impact of ULAE, adjustment and discount of non-financial risk							1,280,995
Unpaid claims							19,089,290
Add: Receivables and payables in liability for incurred claims							(3,131,665)
Less: Incurred claim liabilities from intra-group assumed business from CCIC							(1,866,646)
Net amount of liability for incurred claims							17,824,271
Total reinsurance recovery of the asset for incurred claims							(3,051,758)
Total liability for incurred claims							20,876,029

\* The above primary insurance contracts include a small number of the assumed reinsurance business undertaken by China Continent Insurance.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

##### Information sheet on the progress of claims (continued)

- (ii) Reinsurance contracts

Before reinsurance

	2019 and before	2020	2021	2022	2023	2024	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	342,102,404	36,473,235	42,640,931	47,772,494	47,313,018	40,019,007	
1 year later	344,560,231	41,418,181	49,260,085	55,060,616	55,287,624		
2 year later	341,111,362	42,195,045	49,224,445	54,570,378			
3 year later	341,771,209	41,938,105	48,910,925				
4 year later	340,736,439	41,770,655					
5 year later	339,758,333						
Estimated accumulated claims	339,758,333	41,770,655	48,910,925	54,570,378	55,287,624	40,019,007	580,316,922
Less: Accumulated paid claims	333,232,463	36,131,426	42,341,915	41,513,710	31,203,938	5,253,109	489,676,561
Unearned claims							18,254,338
Add: Impact of ULAE, adjustment and discount of non-financial risk							3,515,102
Unpaid claims							75,901,125
Add: Receivables and payables in liability for incurred claims							1,675,469
Total liability for incurred claims							77,576,594

Note: The above information sheet on the progress of claims does not include long-term life reinsurance business. The amount of total liability for incurred claims before reinsurance for such business is RMB8,839 million.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

##### Information sheet on the progress of claims (continued)

- (ii) Reinsurance contracts (continued)

After reinsurance

	2019 and before	2020	2021	2022	2023	2024	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	324,537,731	31,911,806	38,371,270	43,191,978	43,220,283	36,308,838	
1 year later	326,563,105	35,994,638	43,913,662	49,519,023	50,073,753		
2 year later	323,010,046	36,599,253	43,631,622	49,053,328			
3 year later	324,802,271	35,158,818	42,567,778				
4 year later	323,833,600	34,134,247					
5 year later	323,357,199						
Estimated accumulated claims	323,357,199	34,134,247	42,567,778	49,053,328	50,073,753	36,308,838	535,495,143
Less: Accumulated paid claims	317,044,178	29,721,427	37,066,767	37,507,643	28,823,212	4,792,148	454,955,375
Unearned claims	68,785	29,171	368,839	437,911	616,930	16,075,241	17,596,877
Add: Impact of ULAE, adjustment and discount of non-financial risk							3,193,821
Unpaid claims							66,136,712
Add: Receivables and payables in liability for incurred claims							1,540,327
Net amount of liability for incurred claims							67,677,039
Total reinsurance recovery of the asset for incurred claims							(9,899,555)
Total liability for incurred claims							77,576,594

Note: The above information sheet on the progress of claims does not include long-term life reinsurance business. The amount of total reinsurance recovery of the asset for incurred claims for such business is RMB71 million.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

##### Information sheet on the progress of claims (continued)

- (iii) CRIH and CIC business

Before reinsurance

	2019 and before	2020	2021	2022	2023	2024	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	32,594,247	3,333,553	3,734,542	4,899,565	4,397,395	5,778,154	
1 year later	36,202,840	5,600,552	7,704,951	8,454,624	8,277,953		
2 year later	34,949,141	6,216,651	8,079,877	8,986,932			
3 year later	38,867,865	6,418,917	8,893,470				
4 year later	39,259,530	6,536,997					
5 year later	39,912,889						
Estimated accumulated claims	39,912,889	6,536,997	8,893,470	8,986,932	8,277,953	5,778,154	78,386,395
Less: Accumulated paid claims	33,634,511	3,989,355	4,496,143	3,898,612	1,738,114	510,405	48,267,140
Unearned claims	50,768	72,210	67,891	146,173	690,345	5,029,949	6,057,336
Add: Impact of ULAE, adjustment and discount of non-financial risk							7,607,694
Unpaid claims							31,669,613
Total liability for incurred claims							31,669,613

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

- (a) Primary property and casualty insurance, property and casualty reinsurance and short-term life and health reinsurance business (continued)

##### Information sheet on the progress of claims (continued)

- (iii) CRIH and CIC business (continued)

After reinsurance

	2019 and before	2020	2021	2022	2023	2024	Total
Estimated net amount of accumulated undiscounted claims							
At the end of business year	20,359,266	2,374,179	2,349,487	2,828,990	2,701,092	3,332,544	
1 year later	22,889,066	3,956,565	4,854,800	5,515,396	5,414,343		
2 year later	22,422,026	4,414,191	5,052,160	5,656,356			
3 year later	24,545,339	4,502,035	5,551,437				
4 year later	24,802,159	4,561,149					
5 year later	25,046,216						
Estimated accumulated claims	25,046,216	4,561,149	5,551,437	5,656,356	5,414,343	3,332,544	49,562,045
Less: Accumulated paid claims	21,449,726	3,437,332	3,210,444	2,729,194	1,286,018	505,788	32,618,502
Unearned claims	18,891	25,739	19,100	68,120	398,822	2,561,626	3,092,298
Add: Impact of ULAE, adjustment and discount of non-financial risk							4,141,996
Unpaid claims							17,993,241
Less: Incurred claim liabilities from intra-group assumed business from CRIH and CIC							(3,115,728)
Net amount of liability for incurred claims							21,108,969
Total reinsurance recovery of the asset for incurred claims							(10,560,644)
Total liability for incurred claims							31,669,613

Note: The Company completed its acquisition of CRIH, a specialist underwriting group that operates through Lloyd's on 28 December 2018. The Company completed the acquisition of CIC on 14 February 2019. These amounts reflected statistics of CRIH and CIC.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.1 Insurance risk (continued)

##### (b) Long-term life and health insurance contract assumptions and sensitivity analysis

	Change in assumptions	2024			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Mortality and morbidity assumptions	+10%	(890,128)	(173,840)	(973,257)	(256,974)
Mortality and morbidity assumptions	-10%	852,089	97,696	939,199	184,810
Lapse rate assumptions	+10%	(63,474)	(41,182)	55,796	62,484
Lapse rate assumptions	-10%	95,904	57,072	(13,852)	(35,943)

	Change in assumptions	2023			
		Impact of pre-reinsurance on profit before tax	Impact of post-reinsurance on profit before tax	Impact on equity before reinsurance	Impact on equity after reinsurance
Mortality and morbidity assumptions	+10%	(248,434)	(238,516)	(264,891)	(254,973)
Mortality and morbidity assumptions	-10%	241,333	230,491	257,497	246,656
Lapse rate assumptions	+10%	85,951	33,252	117,920	59,803
Lapse rate assumptions	-10%	(63,639)	(13,865)	(93,243)	(37,740)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk

##### (a) Credit risk management

Credit risks refer to the risk of losses incurred by the inability of debtors or counterparties to fulfill their contractual obligations or by the adverse changes in their credit conditions. The main credit risks faced by the Group are related to deposits held in commercial banks, bond investments, margin financing, non-standard debt assets, insurance contract assets, and reinsurance contract assets. The Group manages credit risk through the use of various control measures to identify, measure, monitor, and report on credit risk.

As at December 31, 2024, the maximum credit risk exposures of the Group's insurance and reinsurance contract assets were RMB16,718 million and RMB61,229 million, respectively (December 31, 2023: RMB16,721 million and RMB45,582 million).

The Group evaluates its credit risks in investments by both qualitative and quantitative analysis, including studying the relevant industry, enterprise management, financial factors, company prospects, as well as the use of internal credit models. The Group mitigates credit risk by using a variety of methods including impositions of aggregate counterparty exposure limits and increasing the diversification of fixed income investment portfolios. The Group evaluated the credit rating of the reinsurance companies before signing the reinsurance contracts, and chose the reinsurance companies with higher credit quality to reduce the credit risk.

As at 31 December 2024, 100% (31 December 2023: 100%) of the financial institution bonds held by the Group either had a credit rating of A or above, or were issued by national commercial banks. As at 31 December 2024, 100% (31 December 2023: 100%) of the domestic corporate bonds and short term corporate financing bonds held by the Group had a credit rating of AA or above, 76% (31 December 2023: 42%) of the overseas corporate bonds and short term corporate financing bonds held by the Group had a credit rating of A – or above. The credit rating of domestic and overseas debt investment is provided by qualified external rating agencies at home and abroad; if there is no qualified external rating agency providing credit rating, the Group's internal rating is used. As at 31 December 2024, 60% (31 December 2023: 60%) of the debt investment plan were guaranteed by third parties or collateralized, 33% (31 December 2023: 48%) of the trust schemes were guaranteed by third parties. For the debt investment plans held by the Group without third party guarantees or collaterals, they all comply with the regulations of the regulatory authority of exemption from credit enhancement.

As at 31 December 2024, there was material breach for few debt investments held by the group. The Group had taken legal measures to preserve and recover the assets of the debt investments and the collateral.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

##### (b) Measurement of ECL

The Group has implemented IFRS 9 for financial instruments since 1 January, 2023. The Group applies the ECL model to calculate loss allowances for its debt financial instruments measured at amortized cost and FVOCI, as well as loan commitments and financial guarantee contracts.

Methods applied by the Group in assessing the expected credit losses of its financial assets include risk parameters model and the discounted cash flow (“DCF”) model. Financial assets at Stage I and Stage II are assessed using risk parameters, while Stage III assets are subject to the discounted cash flow method.

The Group assesses ECL in light of forward-looking information and uses models and assumptions in calculating the expected credit losses. These models and assumptions relate to the future macroeconomic conditions and the debtors’ creditworthiness. In assessing the expected credit risks in accordance with accounting standards, the Group uses the judgements, assumptions and estimates where appropriate, including:

- Parameters for measuring ECL.
- Criteria for significant increase in credit risk and default definition.
- Definition of credit-impaired financial assets.
- Forward-looking information

##### *Parameters for measuring ECL*

According to whether there is a significant increase in credit risk and whether a financial asset has become credit-impaired, the Group recognizes an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime respectively. The relevant parameters of ECL measurement include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group establishes its PD models, LGD models and EAD models based on the internal and external rating based system as currently used for its risk management purpose, in accordance with the requirements of IFRS 9, in light of forward-looking information.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

##### (b) Measurement of ECL (continued)

###### *Parameters for measuring ECL (continued)*

The parameters are defined as follows:

- PD represents the likelihood of a debtor defaulting on its financial obligation, either over the next 12 months (“12m PD”), or over the remaining lifetime (“Lifetime PD”) of the obligation; The Group’s PD is adjusted on the basis of the results of the Group’s internal rating model, incorporating forward-looking information to reflect the point-in-time PD of the debtor in the current macroeconomic environment;
- EAD is based on the amounts the Group expects to be reimbursed at the time of default;
- LGD represents the Group’s expectation of the extent of loss on defaulted exposure. It varies depending on the type of counterparty, method of recourse and priority, and the availability of collateral or other credit support, as well as the nature of the collateral. LGD is expressed as a percentage loss per unit of exposure at the time of default.

###### *Criteria for Judging Significant Increase in Credit Risk*

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each reporting date. For the purpose of staging assessment of its financial assets, the Group thoroughly considers various reasonable and supportable information that may reflect whether there has been a significant change in their credit risk, including forward-looking information. Key factors considered include regulatory and operating environments, internal and external credit ratings, solvency, viability as a going concern, repayment behaviors, among others. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group sets quantitative and qualitative criteria to determine whether the credit risk of a financial instrument has increased significantly since its initial recognition. The criteria includes changes in its credit risk classification, overdue status and other factors. In particular, the five-category classification of asset is downgraded to Special mention; internal debt ratings of assets are downgraded to speculative grade; external debt ratings of assets are downgraded to speculative grade or below the regulatory access level, but no credit impairment has occurred; and the assets are past due, but not more than 90 days, and have not been deemed to be credit-impaired.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

##### (b) Measurement of ECL (continued)

###### *Criteria for Judging Significant Increase in Credit Risk (continued)*

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group recognizes a financial instrument as having low credit risk if its internal rating is consistent with the globally accepted definition for low credit risk (e.g. external “investment grade” rating).

###### *Definition of credit impairment assets that have occurred*

The criteria adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives for relevant financial instruments, in addition to consideration of quantitative and qualitative indicators. In assessing whether a borrower has become credit-impaired, the Group mainly considers the following factors:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event in relation to interest or principal payment;
- The lender of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The borrower is overdue for more than 90 days in any principal, advances, interest or investment in bonds due to the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

##### (b) Measurement of ECL (continued)

###### *Forward-looking information*

The assessment of whether there has been a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the forward-looking information that affect the credit risk and ECL of various portfolio. Forward-looking information include Gross Domestic Product (GDP), Money Supply (M2) and Consumer Price Index (CPI) etc.

The impact of these forward-looking information on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the correlation between these forward-looking information and the PDs and LGDs. The Group assesses and forecasts these forward-looking information at least six months, calculates the best estimates for the future, and regularly reviews and assesses results.

Based on statistical analysis and expert judgements, the Group determines the weightings of multiple scenarios and the corresponding forward-looking information forecast under each scenario. The Group uses the weighted 12 months ECL (Stage I) or weighted lifetime ECL (Stage II and Stage III) to measure relevant impairment allowances. These weighted credit losses are calculated by multiplying the expected credit loss under each scenario by the assigned scenario weighting.

###### *Credit exposure*

Without considering the impact of collateral or other credit enhancements, the Group's maximum credit risk exposure is the carrying net amount of financial assets presented in the consolidated balance sheet.

###### *Collateral and other credit enhancements*

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Policies are established regarding to the selection of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- (i) for debt investment plan and trust plan, collaterals are real estate properties, inventories, etc;
- (ii) for reverse repurchase transactions, collaterals are quoted securities;

Management monitors the market value of the collateral, and requires additional collateral when needed according to contracts, when assessing the adequacy of impairment.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

- (1) Maximum credit risk exposure of the financial assets under the scope of expected credit loss that does not take into account any collateral and other credit enhancement measures (net of provision for impairment):

	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	The maximum exposures	Stage 1	Stage 2	Stage 3	The maximum exposures
<b>Assets:</b>								
Cash and short-term time deposits	13,005,875	–	–	13,005,875	14,596,526	–	–	14,596,526
Financial assets held under resale agreements	6,828,588	–	–	6,828,588	7,505,037	–	–	7,505,037
Financial assets at amortised cost	69,964,719	–	4,413,014	74,377,733	78,606,816	14,373	5,472,163	84,093,352
Debt instruments measured at fair value through other comprehensive income	139,093,426	139,265	–	139,232,691	108,097,770	448,315	–	108,546,085
Time deposits	27,391,847	–	–	27,391,847	27,758,604	–	–	27,758,604
Statutory deposits	23,072,127	–	–	23,072,127	18,889,763	–	–	18,889,763
Other assets	5,334,166	–	–	5,334,166	6,041,087	–	–	6,041,087
<b>Maximum exposure</b>	<b>284,690,748</b>	<b>139,265</b>	<b>4,413,014</b>	<b>289,243,027</b>	<b>261,495,603</b>	<b>462,688</b>	<b>5,472,163</b>	<b>267,430,454</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

##### (2) Measurement of ECL

The credit risk exposure of the Group's classified debt investments and other debt investments is classified by the stage of loss as follows:

##### (i) Financial assets at amortised cost

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit- impaired)	
1 January 2024	115,922	52	2,230,808	2,346,782
Increase/(Reversal) in the current year	(12,515)	(52)	980,885	968,318
Transfers between stages	–	–	–	–
– Increase	–	–	–	–
– Decrease	–	–	–	–
Foreign exchange and other changes	95	–	–	95
31 December 2024	103,502	–	3,211,693	3,315,195

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

##### (2) Measurement of ECL (continued)

###### (i) Financial assets at amortised cost (continued)

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (credit- impaired)	
1 January 2023	69,587	–	1,924,320	1,993,907
Increase/(Reversal) in the current year	36,838	–	298,544	335,382
Transfers between stages	(52)	52	–	–
– Increase	–	52	–	52
– Decrease	(52)	–	–	(52)
Foreign exchange and other changes	9,549	–	7,944	17,493
31 December 2023	115,922	52	2,230,808	2,346,782



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.2 Credit risk (continued)

##### (2) Measurement of ECL (continued)

##### (ii) Debt instruments measured at fair value through other comprehensive income

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (credit- impaired)	
1 January 2024	129,488	11,116	–	140,604
Provision (reversal) for the year	(5,830)	(3,573)	–	(9,403)
Transfers between stages	–	–	–	–
– Increase	–	–	–	–
– Decrease	–	–	–	–
Foreign exchange and other changes	505	–	–	505
31 December 2024	124,163	7,543	–	131,706

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (credit- impaired)	
1 January 2023	135,168	35,147	444,311	614,626
Provision (reversal) for the year	(4,500)	(25,787)	(444,311)	(474,598)
Transfers between stages	(2,210)	2,210	–	–
– Increase	–	2,210	–	2,210
– Decrease	(2,210)	–	–	(2,210)
Foreign exchange and other changes	1,030	(454)	–	576
31 December 2023	129,488	11,116	–	140,604

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk

##### (a) Market risk-Interest rate risk

The Group's interest rate risk arises primarily from financial instruments, including cash and short-term time deposits, time deposits and debt investments. Generally financial instruments at fixed rates and at floating rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively.

##### *Fair value interest rate risk*

The sensitivity analysis below indicates the instantaneous change in the Group's profit before tax and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period.

	Interest rate change	2024		2023	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Financial instruments	+50bp	(1,117,762)	(3,858,775)	(400,847)	(1,872,252)
Financial instruments	- 50bp	1,139,345	3,974,717	408,968	1,902,988
Insurance contracts and reinsurance contracts	+50bp	-	1,409,374	-	1,331,731
Insurance contracts and reinsurance contracts	- 50bp	-	(1,481,079)	-	(1,385,309)

##### (b) Market risk-Currency risk

Foreign currency risk refers to the risk of loss due to exchange rate changes. The foreign currency risk facing the Group mainly comes from movements in the USD/RMB, HKD/RMB, GBP/RMB and other currency to RMB exchange rates.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk (continued)

##### (b) Market risk-Currency risk (continued)

The following table summarises the Group's financial instruments, insurance contract assets/liabilities and reinsurance contract assets/liabilities etc. by major currency at the end of the reporting period, expressed in the RMB equivalent.

	2024						Total
	RMB	USD	HKD	GBP	EUR	Others	
Cash and short-term time deposits	8,910,391	3,033,250	183,898	493,714	85,909	298,713	13,005,875
Derivative financial instruments	2,408	160,137	–	–	–	1,796	164,341
Financial assets held under resale agreements	6,828,588	–	–	–	–	–	6,828,588
Financial investments at fair value through profit or loss	98,077,535	17,380,934	2,449,463	3,077	9,774	202,958	118,123,741
Financial assets measured at amortised cost	62,693,790	11,683,943	–	–	–	–	74,377,733
Debt instruments measured at fair value through other comprehensive income	86,005,163	46,664,985	–	4,123,032	1,227,353	1,212,158	139,232,691
Equity investments designated at fair value through other comprehensive income	8,845,910	2,212,183	726,366	–	–	–	11,784,459
Insurance contract assets	352,909	141,780	1,705	–	–	13,966	510,360
Reinsurance contract assets	19,422,793	6,760,700	22,728	3,820,809	397,499	581,689	31,006,218
Investment contract assets	10,112,451	–	–	–	–	8,214	10,120,665
Time deposits	15,497,399	11,696,527	–	182,692	15,229	–	27,391,847
Statutory deposits for insurance operations	23,072,127	–	–	–	–	–	23,072,127
Other financial assets	3,202,986	271,598	64,179	173,969	11,122	1,610,312	5,334,166
Total	343,024,450	100,006,037	3,448,339	8,797,293	1,746,886	3,929,806	460,952,811



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk (continued)

##### (b) Market risk-Currency risk (continued)

	2024						
	RMB	USD	HKD	GBP	EUR	Others	Total
Financial liabilities at fair value through profit or loss	543,263	–	–	–	–	–	543,263
Derivative financial liabilities	437,099	–	–	–	–	–	437,099
Financial assets sold under repurchase agreements	61,565,572	8,024,335	–	–	–	–	69,589,907
Income tax payable	2,484,875	29,224	16,654	–	–	–	2,530,753
Investment contract liabilities	40,000,075	566,424	1,238,451	–	–	–	41,804,950
Insurance contract liabilities	183,839,788	45,966,448	8,086,349	2,161,045	5,239,036	7,069,916	252,362,582
Reinsurance contract liabilities	94,857	2,439	–	21	2,720	3,621	103,658
Notes and bonds payable	13,153,508	–	–	–	–	–	13,153,508
Lease liabilities	604,011	749	34,157	148,107	2,758	26,074	815,856
Other financial liabilities	11,051,576	(39,576)	182,096	1,253,846	193,369	30,027	12,671,338
Total	313,774,624	54,550,043	9,557,707	3,563,019	5,437,883	7,129,638	394,012,914

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk (continued)

##### (b) Market risk-Currency risk (continued)

	2023						Total
	RMB	USD	HKD	GBP	EUR	Others	
Cash and short-term time deposits	9,967,294	3,517,297	230,970	325,228	238,239	317,498	14,596,526
Derivative financial instruments	–	72,318	–	–	–	–	72,318
Financial assets held under resale agreements	7,505,037	–	–	–	–	–	7,505,037
Financial investments at fair value through profit or loss	87,363,820	14,305,501	2,341,751	3,201	–	368,445	104,382,718
Financial assets measured at amortised cost	69,777,247	14,316,105	–	–	–	–	84,093,352
Debt instruments measured at fair value through other comprehensive income	69,122,746	33,633,200	297,393	3,212,673	1,199,200	1,080,873	108,546,085
Equity investments designated at fair value through other comprehensive income	6,396,142	2,947,994	1,933,887	–	–	–	11,278,023
Insurance contract assets	325,953	111,797	1,031	17	399	20,024	459,221
Reinsurance contract assets	11,669,231	9,231,071	20,972	3,461,482	90,027	515,745	24,988,528
Investment contract assets	4,584,090	–	13,169	–	–	9,369	4,606,628
Time deposits	18,947,593	8,551,151	–	259,860	–	–	27,758,604
Statutory deposits for insurance operations	18,889,763	–	–	–	–	–	18,889,763
Other financial assets	3,396,770	471,220	166,863	209,019	266	1,796,949	6,041,087
Total	307,945,686	87,157,654	5,006,036	7,471,480	1,528,131	4,108,903	413,217,890

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk (continued)

##### (b) Market risk-Currency risk (continued)

	2023						Total
	RMB	USD	HKD	GBP	EUR	Others	
Financial liabilities at fair value through profit or loss	444,374	–	–	–	–	–	444,374
Derivative financial liabilities	304,254	–	–	–	–	7,854	312,108
Financial assets sold under repurchase agreements	52,396,902	7,911,868	–	–	–	–	60,308,770
Income tax payable	2,023,277	1,521	18,277	823	–	–	2,043,898
Investment contract liabilities	25,511,326	366,601	1,251,209	–	–	–	27,129,136
Insurance contract liabilities	168,393,038	49,666,600	9,058,031	3,298,308	4,897,377	3,748,115	239,061,469
Reinsurance contract liabilities	647	35,848	–	–	3,394	263	40,152
Notes and bonds payable	13,152,917	–	–	–	–	–	13,152,917
Bank loans	–	1,416,540	–	–	–	–	1,416,540
Lease liabilities	628,041	1,431	41,094	174,784	5,170	11,295	861,815
Other financial liabilities	9,173,633	733,673	232,789	1,124,471	303,823	136,147	11,704,536
Total	272,028,409	60,134,082	10,601,400	4,598,386	5,209,764	3,903,674	356,475,715



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### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk (continued)

##### (b) Market risk-Currency risk (continued)

###### *Sensitivity analysis*

The analysis below is performed for reasonable possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity resulting from changes in the fair value of monetary assets and liabilities that are sensitive to currency fluctuations. The impact disclosed by the Group takes into account the net amount after considering financial assets and insurance contract liabilities.

The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables have to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

Currency	Changes in exchange rate	Impact on profit before tax		Impact on equity	
		2024	2023	2024	2023
USD	+5%	2,162,191	1,203,779	1,704,600	1,203,779
USD	-5%	(2,162,191)	(1,203,779)	(1,704,600)	(1,203,779)
HKD	+5%	(341,787)	(376,463)	(229,101)	(376,463)
HKD	-5%	341,787	376,463	229,101	376,463
GBP	+5%	261,714	143,655	196,285	143,655
GBP	-5%	(261,714)	(143,655)	(196,285)	(143,655)
EUR	+5%	(184,550)	(184,082)	(138,412)	(184,082)
EUR	-5%	184,550	184,082	138,412	184,082

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk (continued)

##### (c) Market risk – Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Since the Group hasn't issued any insurance contracts with participation features, there is no price risk for insurance contract liabilities from related asset. So the Group's price risk exposure mainly relates to the stock and fund investments whose values will fluctuate as a result of changes in market prices.

The Group uses VaR to measure the expected loss in respect of equity price risk for stock and fund investments measured at fair value.

The Group monitors the daily value fluctuation risk over a portent period of 1 day for going concern basis. Moreover, VaR is measured over a holding period of 250 trading days at a confidence level of 95% assumed under normal market condition.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.3 Financial risk (continued)

##### (c) Market risk – Price risk (continued)

Under normal market conditions, the impact on net equity of 1-day potential loss of equity investments such as stocks and investment funds is estimated using the VaR technique as follows (presented in negative value):

	2024	2023
<b>Financial investments at fair value through profit or loss</b>		
Equity shares	(343,119)	(294,839)
Investment funds	(261,114)	(171,124)
Subtotal	(604,233)	(465,963)
<b>Equity investments designated at fair value through other comprehensive income</b>		
Equity shares	(211,763)	(164,424)
Investment funds	–	–
Subtotal	(211,763)	(164,424)
<b>Total</b>	<b>(815,996)</b>	<b>(630,387)</b>

#### 46.4 Liquidity risk

Liquidity risk is the risk that the Group fails to obtain sufficient capital to pay off its matured liabilities. During normal operating activities, the Group reduces liquidity risk through matching the maturity date of investment assets with that of financial liabilities and insurance liabilities.

The Group's relevant departments and the asset management company are responsible for managing and monitoring daily liquidity risks, including analysis of liquidity ratio, establishment of short-term and long-term investment strategy and setting up of a liquidity warning system to ensure liquidity safety.

The tables below summarise the remaining contractual maturity profile of the financial assets and financial liabilities, the expected timing of insurance contract assets/liabilities and reinsurance contract assets/liabilities of the Group based on undiscounted cash flows.



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.4 Liquidity risk (continued)

##### (a) Excluding insurance

	31 December 2024					Carrying amount
	Within 1 year or undated	1 to 2 years	2 to 5 years	More than 5 years	Total	
<b>Assets:</b>						
Cash and short-term time deposits	13,005,875	–	–	–	13,005,875	13,005,875
Derivative financial assets	164,341	–	–	–	164,341	164,341
Financial assets held under resale agreements	6,828,588	–	–	–	6,828,588	6,828,588
Financial assets measured at fair value through profit or loss	56,049,094	8,846,116	20,741,695	58,012,082	143,648,987	118,123,741
Financial assets at amortised cost	9,546,127	10,265,826	32,308,834	46,090,573	98,211,360	74,377,733
Debt instruments measured at fair value through other comprehensive income	25,963,241	23,619,866	39,049,019	77,499,326	166,131,452	139,232,691
Equity investments designated at fair value through other comprehensive income	11,539,687	180,421	31,715	298,894	12,050,717	11,784,459
Investment contract assets	(2,458,315)	(12,800,517)	(27,573,543)	205,686,454	162,854,079	10,120,665
Time deposits	13,198,572	5,293,732	10,843,658	–	29,335,962	27,391,847
Statutory deposits for insurance operations	6,853,754	11,003,912	6,469,946	–	24,327,612	23,072,127
Other financial assets	5,327,087	7,079	–	–	5,334,166	5,334,166
<b>Total</b>	<b>146,018,051</b>	<b>46,416,435</b>	<b>81,871,324</b>	<b>387,587,329</b>	<b>661,893,139</b>	<b>429,436,233</b>
<b>Liabilities:</b>						
Financial liabilities measured at fair value through profit or loss	543,263	–	–	–	543,263	543,263
Derivative financial liabilities	437,099	–	–	–	437,099	437,099
Financial assets sold under repurchase agreements	69,601,056	–	–	–	69,601,056	69,589,907
Income tax payable	2,530,753	–	–	–	2,530,753	2,530,753
Investment contract liabilities	(5,321,950)	(7,307,026)	(12,014,873)	207,346,746	182,702,897	41,804,950
Notes and bonds payable	476,000	516,000	1,673,833	14,776,000	17,441,833	13,153,508
Lease liabilities	117,973	160,733	441,808	110,060	830,574	815,856
Other financial liabilities	12,507,613	7,571	22,713	133,441	12,671,338	12,671,338
<b>Total</b>	<b>80,891,807</b>	<b>(6,622,722)</b>	<b>(9,876,519)</b>	<b>222,366,247</b>	<b>286,758,813</b>	<b>141,546,674</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.4 Liquidity risk (continued)

##### (a) Excluding insurance (continued)

	31 December 2023					
	Within 1 year or undated	1 to 2 years	2 to 5 years	More than 5 years	Total	Carrying amount
<b>Assets:</b>						
Cash and short-term time deposits	14,596,526	–	–	–	14,596,526	14,596,526
Derivative financial assets	72,318	–	–	–	72,318	72,318
Financial assets held under resale agreements	7,505,037	–	–	–	7,505,037	7,505,037
Financial assets measured at fair value through profit or loss	56,438,325	6,174,755	16,606,811	56,923,919	136,143,810	104,382,718
Financial assets at amortised cost	12,190,154	10,560,172	37,579,932	48,859,358	109,189,616	84,093,352
Debt instruments measured at fair value through other comprehensive income	20,280,028	21,631,675	45,825,284	40,137,944	127,874,931	108,546,085
Equity investments designated at fair value through other comprehensive income	11,278,023	–	–	–	11,278,023	11,278,023
Investment contract assets	(1,826,246)	(12,800,517)	(27,573,543)	205,686,454	163,486,148	4,606,628
Time deposits	7,520,943	10,507,644	12,479,072	–	30,507,659	27,758,604
Statutory deposits for insurance operations	1,160,689	6,796,443	12,316,775	–	20,273,907	18,889,763
Other financial assets	5,930,251	110,836	–	–	6,041,087	6,041,087
Total	135,146,048	42,981,008	97,234,331	351,607,675	626,969,062	387,770,141
<b>Liabilities:</b>						
Financial liabilities measured at fair value through profit or loss	444,374	–	–	–	444,374	444,374
Derivative financial liabilities	312,108	–	–	–	312,108	312,108
Financial assets sold under repurchase agreements	60,308,770	–	–	–	60,308,770	60,308,770
Income tax payable	2,043,898	–	–	–	2,043,898	2,043,898
Investment contract liabilities	(5,215,451)	(7,307,026)	(12,014,873)	207,346,746	182,809,396	27,129,136
Notes and bonds payable	536,800	536,800	5,730,400	10,492,000	17,296,000	13,152,917
Bank loans	1,416,540	–	–	–	1,416,540	1,416,540
Lease liabilities	323,197	236,358	292,069	61,928	913,552	861,815
Other financial liabilities	11,704,536	–	–	–	11,704,536	11,704,536
Total	71,874,772	(6,533,868)	(5,992,404)	217,900,674	277,249,174	117,374,094

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 46 RISK MANAGEMENT (continued)

#### 46.4 Liquidity risk (continued)

##### (b) Insurance

	31 December 2024						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Undiscounted remaining net contractual cash flows arising from insurance contract assets	(131,668)	167,179	100,541	468,587	209,928	805,842	1,620,409
Undiscounted remaining net contractual cash flows arising from reinsurance contract assets	8,252,529	(13,588,648)	(7,557,681)	(1,758,177)	1,530,241	123,793,053	110,671,317
Total	8,120,861	(13,421,469)	(7,457,140)	(1,289,590)	1,740,169	124,598,895	112,291,726
Undiscounted remaining net contractual cash flows arising from insurance contract liabilities	79,922,306	21,361,627	9,750,049	3,626,115	11,021,035	116,918,171	242,599,303
Undiscounted remaining net contractual cash flows arising from reinsurance contract liabilities	78,542	2,516	(1,321)	(2)	–	–	79,735
Total	80,000,848	21,364,143	9,748,728	3,626,113	11,021,035	116,918,171	242,679,038



# FINANCIAL STATEMENTS AND NOTES

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### 46 RISK MANAGEMENT (continued)

#### 46.4 Liquidity risk (continued)

##### (b) Insurance (continued)

	31 December 2023						
	Within					More than	
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years	Total
Undiscounted remaining net contractual cash flows arising from insurance contract assets	(89,535)	(30,869)	120,831	70,027	1,312	62,812	134,578
Undiscounted remaining net contractual cash flows arising from reinsurance contract assets	9,666,766	2,115,427	(3,374,305)	(2,813,279)	(2,790,398)	68,947,381	71,751,592
Total	9,577,231	2,084,558	(3,253,474)	(2,743,252)	(2,789,086)	69,010,193	71,886,170
Undiscounted remaining net contractual cash flows arising from insurance contract liabilities	101,232,850	49,422,548	21,872,940	12,526,897	6,747,268	69,426,627	261,229,130
Undiscounted remaining net contractual cash flows arising from reinsurance contract liabilities	62,945	(3,078)	(437)	(85)	(29)	(1)	59,315
Total	101,295,795	49,419,470	21,872,503	12,526,812	6,747,239	69,426,626	261,288,445

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### 47 FAIR VALUE

#### Financial assets and liabilities measured at fair value

	Fair value as at 31 December 2024	Fair value measurements as at 31 December 2024		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Financial assets measured at fair value through profit or loss				
– Fixed maturity investment	67,850,177	1,045,487	61,748,527	5,056,163
– Equity securities	50,273,564	32,267,107	13,646,774	4,359,683
Debt instruments measured at fair value through other comprehensive income	139,232,691	2,774,931	136,457,760	–
Equity investments designated at fair value through other comprehensive income	11,784,459	9,257,925	2,410,175	116,359
Derivative financial assets	164,341	–	157,411	6,930
<b>Total assets</b>	<b>269,305,232</b>	<b>45,345,450</b>	<b>214,420,647</b>	<b>9,539,135</b>
<b>Liabilities</b>				
Financial liabilities measured at fair value through profit or loss	(543,263)	–	–	(543,263)
Derivative financial liabilities	(437,099)	–	(437,099)	–
<b>Total liabilities</b>	<b>(980,362)</b>	<b>–</b>	<b>(437,099)</b>	<b>(543,263)</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 47 FAIR VALUE (continued)

#### Financial assets and liabilities measured at fair value (continued)

	Fair value as at 31 December 2023	Fair value measurements as at 31 December 2023		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Financial assets measured at fair value through profit or loss				
– Fixed maturity investment	52,918,552	1,788,009	45,486,910	5,643,633
– Equity securities	51,464,166	28,346,612	17,824,836	5,292,718
Debt instruments measured at fair value through other comprehensive income	108,546,085	4,365,730	104,180,355	–
Equity investments designated at fair value through other comprehensive income	11,278,023	7,971,588	3,200,328	106,107
Derivative financial assets	72,318	–	–	72,318
<b>Total assets</b>	<b>224,279,144</b>	<b>42,471,939</b>	<b>170,692,429</b>	<b>11,114,776</b>
<b>Liabilities</b>				
Financial liabilities measured at fair value through profit or loss	(444,374)	–	–	(444,374)
Derivative financial liabilities	(312,108)	(6,600)	–	(305,508)
<b>Total liabilities</b>	<b>(756,482)</b>	<b>(6,600)</b>	<b>–</b>	<b>(749,882)</b>

#### Valuation techniques and inputs used in Level 2 fair value measurements

For the year ended 31 December 2024, the Group has no financial instruments transferred from the level 1 to the level 2 (the year ended 31 December 2023: Nil), and no financial instruments transferred from the level 2 to the level 1 (the year ended 31 December 2023: Nil).

For the year ended 31 December 2024, financial assets amounted to RMB303,934 thousand were transferred from the level 3 to the level 2 (the year ended 31 December 2023: Nil), financial liabilities amounted to RMB305,508 thousand were transferred from the level 3 to the level 2 (the year ended 31 December 2023: Nil), and no financial instruments transferred from the level 2 to the level 3 (the year ended 31 December 2023: Nil).



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 47 FAIR VALUE (continued)

#### Reconciliation of movements in Level 3 financial instruments measured at fair value

	Financial investments at fair value through profit or loss	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Derivative financial assets	Derivative financial liabilities	Financial liabilities at fair value through profit or loss
1 January 2024	10,936,351	–	106,107	72,318	(305,508)	(444,374)
Additions	229,728	–	–	6,930	–	–
Disposals/expired	(1,138,144)	–	–	–	–	–
Transfer to Level 3	–	–	–	–	–	–
Transfer out from Level 3	(231,616)	–	–	(72,318)	305,508	–
Gains/(losses) through profit or loss	(380,473)	–	–	–	–	(98,889)
Gains/(losses) through other comprehensive income	–	–	10,252	–	–	–
31 December 2024	9,415,846	–	116,359	6,930	–	(543,263)

	Financial investments at fair value through profit or loss	Debt instruments measured at fair value through other comprehensive income	Equity investments designated at fair value through other comprehensive income	Derivative financial assets	Derivative financial liabilities	Financial liabilities at fair value through profit or loss
1 January 2023	10,683,781	–	756,032	113,755	(45,448)	(308,062)
Additions	2,174,348	–	–	–	–	–
Disposals/expired	(1,274,521)	–	–	–	–	–
Transfer to Level 3	–	–	–	–	–	–
Transfer out from Level 3	–	–	–	–	–	–
Gains/(losses) through profit or loss	(644,975)	–	30,534	(41,606)	(262,208)	(136,312)
Gains/(losses) through other comprehensive income	(2,282)	–	(680,459)	169	2,148	–
31 December 2023	10,936,351	–	106,107	72,318	(305,508)	(444,374)

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 47 FAIR VALUE (continued)

#### Financial assets and liabilities carried at other than fair value

	31 December 2024		The fair value hierarchy as at 31 December 2024		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Financial assets measured at amortised cost	74,377,733	81,264,919	–	50,693,212	30,571,707
<b>Liabilities</b>					
Notes payable	13,153,508	13,643,624	–	13,643,624	–

	31 December 2023		The fair value hierarchy as at 31 December 2023		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Financial assets measured at amortised cost	84,093,352	83,904,907	–	50,542,455	33,362,452
<b>Liabilities</b>					
Bank loans	1,416,540	1,410,387	–	–	1,410,387
Notes payable	13,152,917	13,373,366	–	13,373,366	–

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 47 FAIR VALUE (continued)

#### Valuation techniques and inputs used in Level 3 fair value measurements

	Fair value as at 31 December 2024	Valuation techniques	Inputs	Range/weighted average	Relationships between fair value	Observable/ Unobservable
Financial assets measured at fair value through profit or loss	9,415,846					
Equity securities	4,359,683					
Comparable companies approach	186,974	Comparable companies approach	Liquidity discount	16% – 35%	The higher the liquidity discount, the lower the fair value	Unobservable
Net asset value method	3,912,592	Net asset value method	Net asset	NA	NA	Unobservable
Recent financing price	202,162	Recent financing price	NA	NA	NA	Unobservable
Discounted cash flow method	57,955	DCF	Discount rate	8.61% – 15.85%	The higher the discount rate, the lower the fair value	Unobservable
Debt securities	5,056,163					
Discounted cash flow method	5,056,163	DCF	Discount rate	0.87% – 5.87%	The higher the discount rate, the lower the fair value	Unobservable
Equity investments designated at fair value through other comprehensive income	116,359					
Net asset value method	116,359	Net asset value method	Net asset	NA	NA	Unobservable



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 47 FAIR VALUE (continued)

#### Valuation techniques and inputs used in Level 3 fair value measurements (continued)

	Fair value as at 31 December 2023	Valuation techniques	Inputs	Range/weighted average	Relationships between fair value	Observable/ Unobservable
Financial assets measured at fair value through profit or loss	10,936,351					
Equity securities	5,292,718					
Comparable companies approach	73,973	Comparable companies approach d	Liquidity discount	18% – 35%	The higher the liquidity discount, the lower the fair value	Unobservable
Net asset value method	4,961,012	Net asset value method	Net asset	NA	NA	Unobservable
Recent financing price	224,890	Recent financing price	NA	NA	NA	Unobservable
Discounted cash flow method	32,843	DCF	Discount rate	9.03% – 9.03%	The higher the discount rate, the lower the fair value	Unobservable
Debt securities	5,643,633					
Discounted cash flow method	5,643,633	DCF	Discount rate	0.81% – 6.47%	The higher the discount rate, the lower the fair value	Unobservable
Equity investments designated at fair value through other comprehensive income	106,107					
Net asset value method	106,107	Net asset value method	Net asset	NA	NA	Unobservable

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 48 CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to focus on the balance between risk and profit, to ensure that the Group meets the external capital requirements and maintains a sound solvency margin ratio to support its business development and maximise profit for shareholders, by pricing products and services commensurately with the level of risk and by accessing to finance at a reasonable cost.

The Group regularly reviews and manages its capital structure to achieve the most ideal capital structure and maximum returns to the shareholders. Factors taken into consideration include future capital requirement, capital efficiency, actual and expected profitability, expected cash flows and expected capital expenditure of the Group. The Group makes adjustments to the capital structure in light of changes in economic conditions.

The Group has formally implemented China Risk Oriented Solvency System Phase 2 since 1 January 2022 by reference to the 'Notice on the Formal Implementation of China Risk Oriented Solvency System Phase 2 by CIRC'. The Group adjusted the objective, policy and process of capital management.

Comprehensive and core solvency adequacy ratios are defined as actual capital and core capital divided by the minimum capital requirements, respectively. Comprehensive and core solvency adequacy ratio have to be higher than 100% and 50% respectively for compliance with the solvency requirements. The solvency results of the Group and the Company meet above regulatory requirements.

### 49 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS

#### (1) Transactions with related parties except for key management personnel

##### (a) Significant related-party transactions between the Group and CEB is as follows:

	2024	2023
Interest income	3,094	3,122
Premium income	89	342
Claims payments	642,396	710,255
Fees and commissions	11	40

During the year ended 31 December 2024, the Group received the dividends from China Everbright Bank of RMB401,340 thousand (the year ended 2023: RMB440,778 thousand).

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 49 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

### (1) Transactions with related parties except for key management personnel (continued)

#### (a) Significant related-party transactions between the Group and CEB is as follows: (continued)

Significant related-party transactions between the Group and China Agricultural Reinsurance Co., Ltd. are as follows:

	2024	2023
Premium income	1,228,482	9,432,830
Reinsurance expenses	243,042	1,884,691
Claims payments	6,693,174	6,360,861

#### (b) The balances of significant related-party transactions between the Group and CEB is as follows:

	2024	2023
Cash and short-term time deposits	198,243	172,123

The balances of significant related-party transactions between the Group and China Agricultural Reinsurance Co., Ltd. are as follows:

	2024	2023
Reinsurance (payables)/receivables	(310,259)	1,838,578



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 49 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

#### (2) Key management personnel remuneration:

	2024	2023
Salaries, allowances and benefits in kind	6,802	5,846
Discretionary bonuses	2,454	4,380
Employer's contribution to a retirement benefit scheme	1,535	1,380
Total	10,791	11,606

The final compensation for the Company's key management personnel for the years ended 31 December 2023 and 31 December 2024 is still in the process of confirmation in accordance with the regulations of the relevant PRC authorities and will be disclosed as required once determined.

#### (3) Transactions with state-owned entities in the PRC

The Company is a state-owned enterprise which is subject to the control of the State Council of the PRC government. The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the government through its authorities, affiliates or other organisations (collectively the "state-owned entities"). The Group's key business is primary insurance and reinsurance related business and therefore the business transactions with other state-owned entities are primarily related to insurance, reinsurance and investment activities, including but not limited to insurance, reinsurance, provision of asset management or other services, and the sale, purchase, and redemption of bonds or equity instruments.

Management considers that transactions with state-owned entities are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those state-owned entities are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are state-owned entities.

Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group.

As at the 31 December 2024, most of bank deposits of the Group were with state-owned banks, and the issuers of corporate bonds and subordinated bonds held by the Group were mainly state-owned enterprises (31 December 2023: same). For the year ended 31 December 2024, a large portion of its reinsurance business of the Group was with state-owned insurance companies (the year ended 31 December 2023: same).

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 50 CONTINGENCIES

Owing to the nature of the insurance business, the Group is involved in the making of estimates for contingencies and legal proceedings in the ordinary course of business. The adverse effects of these contingencies and legal proceedings mainly involve claims on the Group's insurance contracts and reinsurance contracts. The Group has considered possible losses caused by such litigations when measuring insurance contract liabilities. At 31 December 2024, certain subsidiaries of the Group were involved in such legal proceedings, and the amounts for specific legal claims may be significant and the cases are being investigated by relevant authorities. While the outcomes of such contingencies and legal proceedings cannot be determined at present, based on the current available information, the Group believes that they did not have a material adverse impact on the financial position as at 31 December 2024 and operating results of the Group for the twelve months ended 31 December 2024.

As at 31 December 2024, the Group had issued the following guarantees:

- (1) As at 31 December 2024, the Company provided maritime guarantee of RMB1,393 million (31 December 2023: RMB1,359 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.
- (2) As at 31 December 2024, CRIH provided letter of credit to Lloyd's to support Syndicate 1084's and Syndicate 1176's underwriting business of GBP600 million totally (31 December 2023: GBP420 million).
- (3) CRIH entered into two Tier 1 securities lending arrangement for Funds at Lloyd's with two financial institutions. The facilities total GBP100 million and USD75 million (31 December 2023: GBP100 million and USD75 million).

### 51 COMMITMENTS

#### Capital commitments

	31 December 2024	31 December 2023
Contracted for		
– Intangible assets commitments	28,298	12,648
– Property and equipment commitments	9,868	5,277
– Investment commitments	951,913	866,755
<b>Total</b>	<b>990,079</b>	<b>884,680</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 52 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY

#### (1) Company-level statement of financial position

	31 December 2024	31 December 2023
<b>Assets</b>		
Cash and short-term time deposits	990,178	1,860,540
Financial assets held under resale agreements	216,997	622,986
Financial investments:		
Financial assets measured at fair value through profit or loss	4,562,306	2,300,219
Financial assets measured at amortized cost	2,769,931	2,663,815
Debt instruments measured at fair value through other comprehensive income	8,760,813	7,580,982
Equity investments designated at fair value through other comprehensive income	286,403	825,092
Insurance contract assets	24,258	100,170
Reinsurance contract assets	681,172	3,257,521
Investment contract assets	7,332	7,835
Time deposits	1,379,460	1,073,257
Statutory deposits for insurance operations	10,549,505	9,977,063
Investment properties	835,417	850,928
Property and equipment	240,544	285,046
Right-of-use assets	15,325	9,748
Intangible assets	41,063	36,728
Investments in associates	46,752,682	45,848,494
Deferred tax assets	20,002	30,465
Other assets	223,314	374,093
<b>Total assets</b>	<b>78,356,702</b>	<b>77,704,982</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 52 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

### (1) Company-level statement of financial position (continued)

	31 December 2024	31 December 2023
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Financial assets sold under repurchase agreements	4,016,344	4,022,672
Income tax payable	217,891	431,260
Investment contract liabilities	489,179	268,158
Insurance contract liabilities	8,648,704	9,270,775
Reinsurance contract liabilities	7,974	32,537
Lease liabilities	14,953	7,804
Deferred tax liabilities	358,756	205,523
Other liabilities	997,040	992,596
<b>Total liabilities</b>	<b>14,750,841</b>	<b>15,231,325</b>
<b>Equity</b>		
Share capital	42,479,808	42,479,808
Reserves	14,560,466	14,015,300
Retained earnings	6,565,587	5,978,549
<b>Total equity</b>	<b>63,605,861</b>	<b>62,473,657</b>
<b>Total liabilities and equity</b>	<b>78,356,702</b>	<b>77,704,982</b>

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

He Chunlei  
Director

Zhuang Qianzhi  
Director

Tian Meipan  
Chief Actuary

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 52 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

### (2) Company-level statement of changes in equity

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Catastrophic loss reserve	Retained earnings	Total
As at 1 January 2024	42,479,808	7,004,643	166,868	3,282,780	3,282,780	278,229	5,978,549	62,473,657
1. Total comprehensive income								
Net profit	–	–	–	–	–	–	2,867,058	2,867,058
Other comprehensive income	–	–	49,298	–	–	–	–	49,298
2. Appropriation of profits	–	–	–	–	–	–	–	–
Distributions to shareholders	–	–	–	–	–	–	(1,784,152)	(1,784,152)
Appropriations to surplus reserve	–	–	–	294,253	–	–	(294,253)	–
Appropriation for general risk reserve	–	–	–	–	294,253	–	(294,253)	–
Appropriation for Catastrophic loss reserve	–	–	–	–	–	69,584	(69,584)	–
Disposal of equity investments designated at fair value through other comprehensive income	–	–	(162,222)	–	–	–	162,222	–
As at 31 December 2024	42,479,808	7,004,643	53,944	3,577,033	3,577,033	347,813	6,565,587	63,605,861

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

## 52 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

### (2) Company-level statement of changes in equity (continued)

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Catastrophic loss reserve	Retained profits	Total
As at 31 December 2022 (Restated)	42,479,808	7,004,643	(25,861)	3,158,977	3,158,977	188,149	5,899,261	61,863,954
Impact of changes in accounting policies	–	–	5,983	–	–	–	(26,853)	(20,870)
As at 1 January 2023	42,479,808	7,004,643	(19,878)	3,158,977	3,158,977	188,149	5,872,408	61,843,084
1. Total comprehensive income								
Net profit	–	–	–	–	–	–	1,029,765	1,029,765
Other comprehensive income	–	–	195,525	–	–	–	–	195,525
2. Appropriation of profits								
Distributions to shareholders	–	–	–	–	–	–	(594,717)	(594,717)
Appropriations to surplus reserve	–	–	–	123,803	–	–	(123,803)	–
Appropriation for general risk reserve	–	–	–	–	123,803	–	(123,803)	–
Appropriation for Catastrophic loss reserve	–	–	–	–	–	90,080	(90,080)	–
Disposal of equity investments designated at fair value through other comprehensive income	–	–	(8,779)	–	–	–	8,779	–
As at 31 December 2023	42,479,808	7,004,643	166,868	3,282,780	3,282,780	278,229	5,978,549	62,473,657

## 53 NON-ADJUSTING POST BALANCE SHEET DATE EVENTS

### Dividends

On 28 March 2025, the Board of Directors of the Company proposed a final dividend of RMB0.050 per ordinary share (tax inclusive) and is subject to the approval of shareholders of the Company at the 2024 annual general meeting.

## 54 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.



# CHINA REINSUR





# RANGE



# DEFINITIONS

“Articles of Association”	the articles of association of our Company as adopted at our shareholders’ meeting held on 26 June 2015, 24 October 2017, 28 June 2018, 27 June 2023 and approved by the former CBIRC on 9 July 2015, 2 March 2016 and 16 January 2019 and by the National Financial Regulatory Administration on 29 January 2024
“Belt and Road Initiative”	Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road issued by the National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the PRC on 28 March 2015
“Board of Directors” or “Board”	the board of directors of our Company
“Board of Supervisors”	the board of supervisors of our Company
“C-ROSS”	China Risk Oriented Solvency System, which is China’s second generation insurance solvency regulation system
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Central Huijin”	Central Huijin Investment Ltd.
“Chaucer”	the collective name of CRIH, CIC and CRAH
“China Continent Insurance”	China Continent Property & Casualty Insurance Company Ltd. (中國大地財產保險股份有限公司), a subsidiary of the Company incorporated in the PRC on 15 October 2003. The Company holds 64.3% of its shares
“China Everbright Bank”	China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司), a joint stock limited liability company incorporated in the PRC
“China Re AMC”	China Re Asset Management Company Ltd. (中再資產管理股份有限公司), a subsidiary of the Company incorporated in the PRC on 18 February 2005. The Company holds 70% of its shares, and China Re P&C, China Re Life and China Continent Insurance hold 10% of its shares respectively



# DEFINITIONS

“China Re Catastrophe”	China Re Catastrophe Risk Management Company Ltd. (中再巨災風險管理股份有限公司), a subsidiary of the Company incorporated in the PRC on 7 August 2018 and is held by China Re P&C as to 70%
“China Re DT”	China Reinsurance Digital Technology Co., Ltd. (中再保數字科技有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 10 October 2023
“China Re HK”	China Reinsurance (Hong Kong) Company Limited (中國再保險(香港)股份有限公司), a subsidiary of China Re Life licensed and incorporated by Hong Kong Insurance Authority on 16 December 2019
“China Re Life”	China Life Reinsurance Company Ltd. (中國人壽再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 16 December 2003
“China Re P&C”	China Property and Casualty Reinsurance Company Ltd. (中國財產再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 15 December 2003
“China Re UK”	China Re UK Limited, a wholly-owned subsidiary of the Company incorporated in England and Wales on 28 September 2011
“CIC”	Chaucer Insurance Company Designated Activity Company, a company registered in the Republic of Ireland
“CNIP”	China Nuclear Insurance Pool. CNIP was established in 1999 and the Group Company has been the management institution and chairman company of CNIP from its establishment date to November 2016. Starting from November 2016, the management institution of CNIP changed from the Group Company to China Re P&C
“Company”, “China Re” or “Group Company”	China Reinsurance (Group) Corporation (中國再保險(集團)股份有限公司)
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules

# DEFINITIONS

“CRAH”	China Re Australia HoldCo Pty Ltd, a company registered in Australia, the former name of which is Hanover Australia HoldCo Pty Ltd
“CRIH”	China Re International Holdings Limited, a company registered in England and Wales, the former name of which is The Hanover Insurance International Holdings Limited
“Director(s)”	the director(s) of the Company
“Group” or “we”	our Company and its subsidiaries (except where the context requires otherwise)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huatai Insurance Agency”	Huatai Insurance Agency and Consultant Service Limited (華泰保險經紀有限公司), a subsidiary of the Company incorporated in the PRC on 1 March 1993. The Company holds 52.5% of its shares
“Latest Practicable Date”	18 April 2025, being the latest practicable date for the inclusion of certain information in this report prior to its publication
“Listing Date”	26 October 2015, being the date on which the H shares of the Company became listed on the Hong Kong Stock Exchange
“Lloyd’s”	The Society of Lloyd’s, a global leading specialised P&C and liability insurance market
“Ministry of Finance”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“Model Code for Securities Transactions”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules

## DEFINITIONS

“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as enacted by the Standing Committee of the Eighth National People’s Congress of the PRC on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“PRC Insurance Law”	the Insurance Law of the PRC (《中華人民共和國保險法》), as enacted by the Standing Committee of the Eighth National People’s Congress of the PRC on 30 June 1995 and effective on 1 October 1995, as amended, supplemented or otherwise modified from time to time
“Reporting Period”	since 1 January 2024 until 31 December 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Company



# CORPORATE INFORMATION

## REGISTERED NAMES

**Legal Chinese name:** 中國再保險(集團)股份有限公司

**Chinese abbreviation:** 中國再保

**Legal English name:** China Reinsurance  
(Group) Corporation

**English abbreviation:** China Re

## REGISTERED OFFICE AND HEADQUARTERS

No. 11 Jinrong Avenue, Xicheng District,  
Beijing, the PRC (Postal code: 100033)

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1618, Sun Hung Kai Centre,  
30 Harbour Road, Wanchai, Hong Kong

## PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

## CLASS OF SHARES

H shares

## STOCK NAME

China Re

## STOCK CODE

1508

## H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong

## WEBSITE

<http://www.chinare.com.cn>

## INVESTOR RELATIONS DEPARTMENT

*Office of the Board of Directors*

Telephone: (8610) 66576880

Email: [IR@chinare.com.cn](mailto:IR@chinare.com.cn)

## LEGAL REPRESENTATIVE

Mr. He Chunlei

## SECRETARY TO THE BOARD<sup>1</sup>

Mr. Liu Yuanzhang

## AUTHORISED REPRESENTATIVES

Mr. He Chunlei

Ms. Ng Sau Mei

## JOINT COMPANY SECRETARIES

Mr. Liu Yuanzhang<sup>2</sup>

Ms. Ng Sau Mei

## AUDITORS

*Domestic auditor:*

KPMG Huazhen LLP

*Overseas auditor:*

KPMG LLP

*(Certified Public Accountants and Registered PIE Auditor)*

## ACTUARIAL CONSULTANT

Deloitte Consulting (Shanghai) Co., Ltd.

## HONG KONG LEGAL ADVISER

Clifford Chance

## UNIFIED SOCIAL CREDIT CODE

9110000010002371XD

Notes: 1. Mr. Liu Yuanzhang has been the Secretary to the Board of the Company since 19 November 2024.

2. Mr. Liu Yuanzhang has been the Joint Company Secretary of the Company since 24 September 2024.

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