

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

1st Quarter of 2023

Company overview and contact information

Company name (Chinese):	中国太平洋财产保险股份有限公司
Company name (English):	China Pacific Property Insurance Company Limited
Legal representative:	GU Yue
Registered address:	South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Registered capital:	19.948bn yuan
Business license number:	000014
Date opening for business:	November 2001
Business scope:	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and personal accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.
Business territories:	The People's Republic of China (excluding Hong Kong, Macao and Taiwan)
Contact person:	WANG Yucheng
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I. Board and management statement

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

II. Basic information

(I) Ownership structure and shareholders, and change during the reporting period

1. Ownership structure (unit: 10,000 shares)

Types of shareholders	Beginning of reporting period		Shareholder injection	Change			End of reporting period	
	Shares	Percentage (%)		Transfer from capital reserve and share dividends distribution	Share transfer	Subtotal	Shares	Percentage (%)
State	29,179	1.5	-	716	-	716	29,895	1.5
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural person	-	-	-	-	-	-	-	-
Others								
(listed company)	1,917,821	98.5	-	47,093	-	47,093	1,964,914	98.5
Total	1,947,000	100	-	47,809	-	47,809	1,994,809	100

2. De facto controller

China Pacific Insurance (Group) Co., Ltd. is the majority shareholder of the Company, holding 98.5% of the stake.

3. Shareholding information (by descending order of shareholding percentage as of the end of the reporting period, unit:share)

Names of shareholders	Types of shareholders	Change during the reporting period	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Others (listed company)	470,922,835	19,649,137,578	98.50	None
Shenergy Group Co., Ltd.	State-owned	2,231,438	93,106,180	0.47	None
Shanghai Haiyan Investment Management Company Limited	State-owned	2,225,207	92,846,189	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	1,463,149	61,049,510	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	1,245,021	51,948,193	0.26	None
Total	—	478,087,650	19,948,087,650	100	—
Related party relations among shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.				

4. Shareholding by directors, supervisors and senior management

Was there shareholding by directors, supervisors and senior management as at the end of the reporting period? (Yes No)

5. Share transfer

Was there any share transfer during the reporting period? (Yes No)

(II) Directors, supervisors and senior management and the changes thereof

1. Basic information on directors, supervisors and senior management

(1). Directors

Mr. SU Shaojun, born in February 1968, has a PhD degree. He has been serving as Director of the Company since May 2021 (approval document:CBIRC [2021] No. 377). Mr. SU currently serves as Board Secretary of CPIC Group, and Director of CPIC Life. He previously served as Assistant General Manager, Deputy General Manager of Underwriting Department of CPIC P/C, Deputy General Manager, General Manager of CPIC P/C Beijing Branch, General Manager of Development and Planning Department of CPIC P/C, Head of Board Office of CPIC P/C, Head of the Board Office of Supervisors of CPIC P/C, General Manager of Tele-marketing Center of CPIC P/C, Head of Strategy Research Center and Deputy Director of Transformation of CPIC Group.

Mr.WU Junhao, born in June 1965, has a master's degree. He has served as Director of the Company since August 2012 (approval document: CIRC P/C [2012] No.796). Mr. WU currently serves as General Manager of Financial Management Department of Shenergy (Group) Co., Ltd., Non-executive Director of CPIC Group, and Director of CPIC Life. He is also Director of Shanghai ICY New Energy Venture Capital Co., Ltd., Supervisor of Orient Securities Co., Ltd., Chairman of Board of Supervisors of Shanghai ICY Capital Co. Ltd., Chairman of Board of Supervisors of Shanghai Shenergy Chengyi Equity Investment Co. Ltd., and Supervisor of Everbright Banking Co., Ltd. Mr. WU previously served as Supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and on SEHK, Director of Shanghai Jiulian Group Co., Ltd., and Director of Chengdu Xinshen Venture Capital Co., Ltd.

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Director of the Company since March 2018 (approval document: CBIRC [2018] No.3). Mr. ZHANG currently serves as Compliance Responsible Person and General Counsel of CPIC Group and Director of CPIC Life, CPIC AMC, Changjiang Pension and CPIC Health, respectively. Mr. ZHANG previously served as Board Secretary of the Company, Chief Risk Officer and General Manager of Legal and Compliance Department and Risk Management Department of CPIC Group respectively, Head of Board Office and Office of the Board of Supervisors of CPIC Group respectively, and Board Secretary of CPIC Life and CPIC AMC respectively.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree. He has been serving as Director of the Company since March 2018 (approval document: CBIRC [2018] No.68). Mr. ZHANG is also Finance Responsible Person and Chief Actuary of CPIC Group, Director of CPIC Life and CPIC Health. He previously served as Chief Actuary of Citi Group TRV-Citi Insurance Headquarters, Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Chief Risk Officer and Chief Actuary of CPIC Health, and Director of CPIC AMC.

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No. 378). Mr. ZHANG currently serves as Deputy General Manager of CPIC P/C. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen Branch, General Manager of CPIC P/C Sichuan Branch, and Secretary of Discipline Inspection Commission of CPIC P/C. Prior to that, Mr. ZHANG served as Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Leadership Group of Heze, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

Mr. YU Bin, born in August 1969, holds a master's degree. He has been serving as Director of the Company since September 2019 (approval document: CBIRC Shanghai [2019] No.804). Mr. YU currently also serves as Vice President of CPIC Group and Chairman of CPIC Technology. Previously, Mr. YU served as Deputy General Manager of the Non-Marine Insurance Department of the Company, Deputy General Manager of Underwriting and Claims Department of the Company, General Manager of Market Development Center of the Company, General Manager of Marketing Department of the Company, Chief Marketing Officer, Deputy General Manager of the Company, and Assistant President of CPIC Group.

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). Mr. GU also serves as Chairman of CPIC HK and Director of CPIC AMC. Previously, Mr. GU served as Director and General Manager of the Company, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC Health, and Board Secretary, Auditing Director, Internal Audit Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

(2). Supervisors

Mr. Sun Peijian, born in September 1963, holds a master's degree and has been serving as Supervisor of the Company since September 2019 (approval document: CBIRC Shanghai [2019] No. 803). He was appointed as Chairman of Board of Supervisors of the Company in October 2019. Mr. SUN currently serves as Chief Risk Officer of CPIC Group, Chairman of Board of Supervisors of CPIC Life. Previously, Mr. SUN served as Assistant General Manager, Deputy General Manager of Reinsurance Department of CPIC Group, Deputy General Manager, General Manager of Reinsurance Department of CPIC Group, Assistant General Manager, Deputy General Manager, Compliance Responsible Person, Compliance Director, and Vice President of CPIC Group, Director of CPIC P/C, CPIC Life and CPIC AMC respectively, and Chairman and General Manager of CPIC Health.

Mr. CAO Junhua, born in March 1966, has a PhD degree. He has been serving as Supervisor of the Company since May 2021 (approval document: CBIRC [2021] No. 376). Mr. CAO currently serves as General Manager of Audit Department (East China) of Audit Center of CPIC Group, and Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd.. Previously, he served as Head of Secretary Department of General Office of CPIC Life, Deputy Chief of Board Office of CPIC Group, Assistant General Manager of CPIC P/C Suzhou Branch, Deputy General Manager of Legal & Compliance Department of CPIC P/C Suzhou Branch, Head of Specialised Capacity-building Team of Audit Center of CPIC Group, Deputy General Manager (in charge), General Manager of Audit Department (North China) of Audit Center of CPIC

Group, Deputy Chief of Party Discipline Inspection Team of CPIC Group, and Internal Audit Responsible Person of CPIC AMC.

Ms. RUAN Yuhong, born in April 1970, holds a bachelor's degree. She has been serving as Employee Supervisor of the Company since January 2023 (approval document: CBIRC [2023] No. 20). Ms. RUAN currently serves as General Manager of Finance/Asset Management Department of the Company. She previously served as General Manager of Auditing Department, General Manager of Finance Department, Deputy General Manager, and Chairman of Workers' Union of Ningbo Branch of the Company.

(3) Senior management

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). Mr. GU also serves as Chairman of CPIC HK and Director of CPIC AMC. Previously, Mr. GU served as Director and General Manager of the Company, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC Health, and Board Secretary, Chief Auditing Officer, Internal Auditing Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as General Manager of the Company since June 2022 (approval document: CBIRC [2022] No. 379). Previously, Mr. ZENG served as Deputy General Manager, Chief Operating Officer, Director of Auto Insurance Business of CPIC P/C, and General Manager of CPIC P/C Chongqing Branch.

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Deputy General Manager of the Company since April 2021 (approval document: CBIRC [2021] No. 226). Mr. ZHANG currently also serves as Director of the Company. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen Branch, General Manager of CPIC P/C Sichuan Branch, Secretary of Discipline Inspection Commission of CPIC P/C, and Deputy Party Secretary of CPIC P/C. Prior to that, Mr. ZHANG served as the Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Committee of Heze, and Party

Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Deputy General Manager of the Company since August 2012 (approval document: CIRC P/C Insurance [2011] No. 380). Mr. SONG also serves as Chairman of CPIC Anxin Agricultural. Previously he served as General Manager of CPIC P/C Hainan Branch, General Manager of Property and Liability Insurance Department of CPIC P/C, General Manager of CPIC P/C Shandong Branch, and Sales Director of CPIC P/C.

Mr. ZHANG Dong, born in October 1963, holds a master's degree. He has been serving as Deputy General Manager and Compliance Responsible Person (approval documents: CIRC [2014] No. 750 and CIRC [2014] No. 753 respectively), and Chief Risk Officer of the Company since September 2014. Previously, Mr. ZHANG served as Head of Sales and General Manager of Group Business Department of CPIC Life, General Manager of CPIC Life Hunan Branch, General Manager of CPIC Life Jiangsu Branch, Secretary of Discipline Inspection Commission, Supervisor of CPIC AMC, and Chairman of Workers' Union of CPIC AMC.

Mr. CHEN Sen, born in October 1970, holds a master's degree and has been serving as Deputy General Manager of the Company (approval document: CBIRC [2021] No. 497) since August 2021. He has been serving as Chief Actuary of the Company since October 2015 (approval document: CIRC [2015] No. 949), and Finance Responsible Person of the Company since June 2017 (approval document: CIRC [2017] No. 520). Currently, Mr. CHEN also serves as Director of CPIC Anxin Agricultural and CPIC HK. Previously, he served as Deputy General Manager, Finance Responsible Person and Chief Actuary of China Property & Casualty Reinsurance Company Limited. Prior to that, Mr. CHEN worked at the New York headquarters of Guy Carpenter & Company, and the North American headquarters of Swiss Re.

Mr. ZHANG Yu, born in April 1965, received university education. He has been serving as Deputy General Manager of the Company since May 2021 (approval document: CBIRC Shanghai [2019] No. 826 (qualification for Assistant General Manager)). Previously, he served as Deputy General Manager of CPIC Suzhou Branch, Deputy General Manager, and General Manager of CPIC P/C Suzhou Central Sub-branch, Deputy General Manager of CPIC P/C Shanghai Branch, General Manager of CPIC P/C

Ningbo Branch, General Manager of CPIC P/C Shanghai Branch, and Assistant General Manager (non-auto insurance) of CPIC P/C.

Mr. SU Zhanwei, born in June 1966, holds a master's degree and has been serving as Deputy General Manager of the Company since June 2022 (approval document: CBIRC Shanghai [2019] No. 841) . Prior to that, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, Head of General Office of CPIC P/C and Head of Board Office /Office of the Board of Supervisors, General Manager of Corporate Customer Department/Bancassurance Department, and Assistant General Manager of CPIC P/C.

Mr. LI Chao, born in March 1981, holds a master's degree, and has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No.496). Prior to this, Mr. LI served as Deputy General Manager of CPIC P/C Tianjin Branch, Deputy General Manager (in charge) and General Manager of CPIC P/C's Small and Medium-sized Customer Business Department, General Manager of CPIC P/C's Corporate Customer Department/Bancassurance Department, and General Manager of CPIC P/C Heilongjiang Branch.

Ms. TAO Lei, born in September 1977, holds a master's degree. She has been serving as Assistant General Manager (approval document: CBIRC [2021] No. 624) and Board Secretary (approval document: CBIRC [2021] No. 623) of the Company since August 2021. Ms. TAO currently also serves as General Manager of Development and Planning Department, Head of Board Office, and Head of Supervisory Board Office of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Tele-marketing Department of CPIC P/C, Deputy General Manager (in charge) of Project Management Department of CPIC Online, General Manager of Marketing Department of CPIC Online, General Manager of Shanghai Sub-center of Tele-marketing Center of CPIC P/C, and Deputy General Manager of Tele-marketing Center of CPIC P/C, Head of Transformation, Head of Office for Deepening Transformation of the Company.

Mr. Wu Bo, born in June 1970, holds a doctorate degree, and he has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No. 591). Mr. WU also serves as Director of the Company's Beijing-Tianjin-Hebei Regional Coordinated Development and General Manager of

CPIC P/C Beijing Branch. Mr. WU previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC P/C Shandong Branch.

Mr. YU Baoyu, born in May 1965, holds a master's degree. He has been serving as Assistant General Manager of the Company (approval document: CBIRC [2022] No.23) since January 2022. Mr. Yu also serves as the Company's Head for Coordinated Development of Guangdong-Hong Kong-Macao region, and General Manager of the Guangdong Branch of the Company. Previously, Mr. Yu served as Deputy General Manager of CPIC P/C Henan Branch, Gansu Branch, and Hubei Branch respectively.

Mr. ZHOU Xiaonan, born in April 1966, holds a master's degree. He has been serving as Acting Internal Audit Responsible Person of the Company since December 2022. Mr. ZHOU also serves as Chief Internal Auditor, and Internal Audit Responsible Person of CPIC Group. Previously, Mr. ZHOU served as Assistant General Manager, Deputy General Manager, Deputy General Manager (in charge), and General Manager of CPIC Life Henan Branch, General Manager of CPIC Life Guangdong Branch, and Deputy General Manager, Chief Digital Officer, Compliance Responsible Person, and Chief Risk Officer of CPIC Life.

2. Changes to directors, supervisors and senior management of headquarters

Are there changes to the directors, supervisors and senior management during the reporting period? (Yes No)

Position	Predecessor	Incumbent
Employee Supervisor	LI Shuhui	RUAN Yuhong
Deputy General Manager	XI Yulin	--

(III) Subsidiaries, joint ventures or associates

Were there subsidiaries, joint ventures or associates as at the end of the reporting period? (Yes No)

Name of companies	Number of shares (10,000)			Percentage of shareholding (%)		
	End of last	End of this	Change	End of last	End of this quarter	Change (pt)

	quarter	quarter		quarter		
Subsidiaries						
CPIC Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	
Joint ventures						
Shanghai Juche Information Technology Co., Ltd.	148	148	-	25.20%	25.20%	-
Zhongdao Automobile Assistance Co., Ltd.	1,280	1,280	-	20.32%	20.32%	-
Shanghai Lexiang Sijin Technology Joint-stock Co. Ltd.	369	369	-	6.09%	6.09%	-
Associates						
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	2,550	-	51.00%	51.00%	
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	1,071	-	35.70%	35.70%	-

(IV) Breaches

1. Did the Company receive any administrative penalties from financial regulators during the reporting period? (Yes No)

Between January 1 and March 31 2023, CBIRC issued 10 administrative penalties to branch offices of the Company, with 3.285mn yuan in fines for branches and 740,000 yuan in fines for individuals, totalling 4.025mn yuan. Breaches mainly concerned booking of false expenses, falsification of brokerage business for expense-booking, failure to strictly implement insurance terms & clauses or rates filed with the regulator, underwriting automobile vehicles registered in places other than the domicile of branch offices, granting extra benefits to the insured other than those specified in insurance contracts, and loss of business permits.

2. Did the directors, senior management receive administrative penalties from financial regulators during the reporting period?

(Yes No)

3. Did misconduct or breaches of directors and senior management trigger judicial proceedings during the reporting period?

(Yes No)

4. Did the Company receive any regulatory measures from the CBIRC during the reporting

period?

(Yes No)

III. Key solvency and business metrics

(I) Key solvency metrics

Unit: RMB 10,000 yuan

Items	As at the end of the reporting period	As at the end of the previous period	Estimates for next quarter under base scenario
Admitted assets	25,747,483	23,138,803	25,726,126
Admitted liabilities	19,388,285	17,623,434	19,717,058
Available capital	6,359,198	5,515,369	6,009,068
Tier 1 core capital	4,712,642	4,526,611	4,462,512
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,646,556	988,758	1,546,556
Tier 2 supplement capital	-	-	-
Minimum capital	2,979,334	2,724,575	2,987,513
Minimum capital for quantifiable risks	3,028,917	2,771,929	3,037,232
Minimum capital for control risk	-49,583	-47,355	-49,719
Supplement capital	-	-	-
Core solvency margin surplus	1,733,308	1,802,036	1,474,999
Core solvency margin ratio	158.2%	166.1%	149.4%
Comprehensive solvency margin surplus	3,379,864	2,790,795	3,021,555
Comprehensive solvency margin ratio	213.4%	202.4%	201.1%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of the reporting period	As at the end of the previous period	
Net cash flows (RMB 10,000)	YTD	618,837	-326,022	
	Year 2022	-326,022	288,396	
	Year 2021	288,396	-287,992	
LCR (%)	LCR1	Next 3 months	114.3%	105.0%
		Next 12 months	103.6%	101.2%

	LCR2	Next 3 months	255.5%	152.0%
		Next 12 months	142.1%	100.5%
	LCR3	Next 3 months	116.7%	51.1%
		Next 12 months	105.3%	71.0%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		31.0%	365.3%
	Over the last quarter		140.4%	31.0%

2. Other indicators of liquidity risk

	Items	This quarter (YTD)	Last quarter (YTD)
Liabilities	Net cash flow from business activities (RMB 10,000)	39,614	1,329,686
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	0.7	7.9
	Ratio of cash outflow from business of special types (%)	2.7%	2.7%
	Gross premium growth year-on-year (%)	16.5%	11.3%
Assets	Ratio of cash and liquidity management instruments (%)	3.7%	1.3%
	Quarterly average financing gear (%)	2.3%	1.2%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.4%	0.4%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.0%	13.8%
	Ratio of assets of related parties held (%)	2.1%	3.0%

Ratio of cash outflow from business of special types: Ratio of cash outflow from business of special types = (Claim expenses of special-type business + Claim reserves of special - type business) ÷ (Overall claim expenses + Overall claim reserves) × 100%. Business of special types includes financing guarantee insurance business and non-auto business that accounts for more than 5% of overall claim expenses, the latter refers to non-auto insurance business that incur estimated or actual claim expenses exceeding 5% of overall non-auto claim expenses of previous year which are caused by catastrophe or major claims.

Gross premium growth(yoy): year-on-year growth of written premium

Ratio of receivables (%): Ratio of receivables=(Premium receivables + Reinsurance receivables) ÷ Total

assets by the end of the reporting period × 100%. Premium receivables, reinsurance receivables and total assets refer to their respective book value as at the end of the reporting period.

Ratio of assets of related parties held: Ratio of assets of related parties held = Total investment assets of related parties held ÷ Total assets as at the end of the reporting period × 100%, excluding related-party transactions between the insurance company and the insurance group that it belongs to or between subsidiaries of the insurance group.

(III) Key business metrics

Unit: RMB 10,000 yuan

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	5,775,169	5,775,169
Net profits	145,413	145,413
Total assets	25,859,552	25,859,552
Net assets	5,245,849	5,245,849
Insurance contract liabilities	15,170,071	15,170,071
Basic earnings per share	0.1	0.1
ROE (%)	2.8	2.8
ROA (%)	0.6	0.6
Investment yield (%)	0.9	0.9
Comprehensive investment yield (%)	1.4	1.4
Combined ratio (%)	97.9	97.9
Expense ratio (%)	27.9	27.9
Loss ratio (%)	69.9	69.9
Proportion of commission and brokerage expenses (%)	7.8%	7.8%
Proportion of operating and administrative expenses (%)	14.0%	14.0%
Written premiums	5,722,646	5,722,646
	2,745,025	2,745,025

Written premiums of auto insurance		
Written premiums of top 5 non-auto insurance business lines	2,528,653	2,528,653
Written premiums of health insurance	1,004,289	1,004,289
Written premiums of liability insurance	600,275	600,275
Written premiums of agricultural insurance	520,162	520,162
Written premiums of guarantee insurance	203,781	203,781
Written premiums of commercial property insurance	200,146	200,146
Average vehicle premium of auto insurance (RMB yuan)	2,735	2,735
Written premiums by channels	5,722,646	5,722,646
Agency	3,037,200	3,037,200
Direct	2,011,730	2,011,730
Brokerage	673,716	673,716
Others	-	-

Note: All calculation of reserves was based on financial statements; ROE and ROA were calculated based on (net assets as at the beginning of the reporting period + net assets as at the end of the reporting period) / 2, and (total assets at the beginning of the reporting period + total assets at the end of the reporting period) / 2, respectively; the expense ratio, the loss ratio and combined ratio were based on earned premiums; comprehensive investment yield includes changes in fair value of AFS assets which is not included in calculation of investment yield.

IV. Risk management capabilities

(I) Classification of insurance companies (risk management requirements)

As per CBIRC rules on classification of insurance companies contained in Solvency Regulatory Standards No. 12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In 2022, its annual written premiums amounted to 175.677bn yuan; total assets stood at 232.667bn yuan; there are 37 provincial-level branch offices.

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

reporting period

During the quarter, the Company mainly took the following measures to push forward the systematic development of its risk management capacities:

First, it formulated and released its annual work priorities in compliance and risk management; being “proactive, precise, effective and sustainable”, it focused on the Group’s overall objective of "consolidating integrated risk control, enhancing professional capability and maintaining advanced system"; made efforts to build up a prevention-oriented integrated risk control and compliance system to reduce risks and boost insurance business for sustainable and high-quality development;

Second, it further improved the management processes and regulations for major risk categories. It formulated the Provisions on Data Security Management to strengthen data security management, enhance data security protection and effectively prevent operational risks; and revised the Provisions on Asset Allocation Management to further standardise asset allocation management and prevent asset-liability mismatch risks;

Third, it continued to improve the “Risk Control Guard” certification system to strengthen risk management capabilities. As of the end of Q1, the Company and its branches had granted primary-level professional qualification certificates to more than 2,000 employees in risk control and compliance positions, with all the branches equipped with primary certificate holders, thus enhancing the professionalism of both full-time and part-time risk management staff.

(III) Results of last solvency risk management valuation

In 2021, the regulator conducted SARMRA assessment of the Company, which scored 83.94 points. Of this, infrastructure and environment of risk management was 82.19 points, targets and instruments of risk management was 82.35 points, insurance risk management was 86.4 points, market risk management was 81.68points, credit risk management was 86 points, operational risk management was 84.44 points, strategic risk management was 86.12 points, reputation risk management was 84.53 points, liquidity risk management was 83.54 points.

(IV) Status of SARMRA self-assessment

Not applicable.

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

The Company was rated AA at the IRR for both Q3 and Q4 of 2022.

The Company strictly abides by CBIRC rules, improves work mechanisms and operational processes of IRR (differentiated supervision), and files information as required and in a timely manner on a quarterly basis, while ensuring the truthfulness, compliance and completeness of the data. In the reporting quarter, it purchased the IRR System Phase II from Pulian Software Co. Ltd. and continuously improved its functions, which helped with the data quality and efficiency of regulatory filing.

The content of Q4 regulatory notice has been reported to the board as required. In response to regulatory risks, the company has held a special work meeting to review and analyse the status and causes of certain indicators, and has come up with rectification measures.

(II) Status of various risks of the Company

1. Operational risk

In the quarter, the Company strengthened compliance management as per relevant regulatory requirements, and made solid progress in management of operational risks and money-laundering related risks, with all of them well under control. The following was done in operational risk management:

First, it conducted field research at the grassroots level and carried out research on and analysis of regulatory trends and changes in key regions to gain in-depth understanding of the weak points and needs relating to compliance risk prevention and control at grassroots level, which provided useful reference for work plans for the whole year;

Second, it conducted rounds of communication and discussion between relevant departments from various lines of business to draw up risk control plans for front-line systems and promote the risk prevention and control of important risks and key links at each line of business;

Third, the Company further strengthened its “get to the bottom” risk screening model with wider application. To better manage key risks, it established and implemented a regular "get to the bottom" mechanism to carry out daily risk screening; developed standards and procedures for handling of key risks; carried out checks and remediation in key internal control areas; and at the same time, continued to explore and enrich risk monitoring tools;

Fourth, the Company completed the submission of the 2022 Annual Report on Anti-Money Laundering; carried out assessments of the inherent risks of money laundering and terrorist financing, optimized data collection criteria for two major categories of indicators, analyzed indicators with significant data changes, and completed and submitted the risk assessment report to the regulators; issued a notice to carry out preventive self-examination and deployed relevant work in

response to the administrative penalties for financial violations issued by the People's Bank of China.

2. Strategic risk

There was no occurrence of risk incidents which may impact the execution of the strategic planning of the Company in this quarter. The main work done in this quarter includes:

First, the Company put forward the annual plan and implementation measures based on its overall development plan, and formulated the 2023 Business Development Plan, to be submitted to the board of directors for consideration in the second quarter. Quarterly assessment of the plan will be conducted to ensure its implementation;

Second, the assessment of the 2022 Development Plan's implementation was reviewed by senior management of the Company and relevant board committees in the first quarter and will to be submitted to the Board of Directors for consideration in April;

Third, the Company strengthened the management of strategic risks in terms of talent management, business management, investment management and overseas operation management, and regularly collected and analyzed relevant information and strengthened the monitoring of strategic risks through multi-dimensional indicators such as premium growth rate, combined ratio, solvency margin ratio, IRR rating and corporate governance evaluation;

Fourth, the Company assessed the overall situation of strategic risk management in a timely, all-round and realistic manner, and summarized the assessment and management of strategic risks and incorporated them into its overall risk management and assessment report to senior management.

At the next stage, the Company will continue to pay close attention to the external economic environment and relevant policy developments, and adjust its strategic planning when appropriate accordingly while taking into account its own development needs, so as to ensure that its business activities will stay on course towards the objectives of the plan.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents, with the risk overall under control. As per Interim Provisions on Reputational Risk Management by Banking and Insurance Institutions (CBIRC[2021]No.4), Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd. (CPIC[2021]No.57) and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd. (CPIC P/C [2022] 86), when conducting business and branding activities, the Company will further enhance risk screening and prevention, step up fast response and coordination after the risk emerges and intensify revisit and optimisation after the completion

of risk-handling, accumulate the “asset” of reputation and strengthen early-stage intervention and closed-loop management of reputational risk. In the quarter, the Company launched the company-wide 2023 annual series of emergency response drills for reputation risks and completed ad hoc drills for relevant business lines. Next, building on those drills, it will improve whole process management, make regular recommendations, and continue to improve the emergency management and coordination capabilities for handling of reputation incidents.

4. Liquidity risk

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities, pays special attention to large cash outflows arising from major claims and reinsurance bills, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q1, in anticipation of large pay-outs like contribution into the Mandatory Insurance Security Fund, quarterly pre-payment of income tax, the Company made early preparations, while handling needs for liquidity or applications for payment of branch offices in a timely manner.

It will continue to monitor changes to its liquidity status and enhance risk management capabilities while considering various needs for liquidity.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

The overall risk status of the Company remains stable, with solvency margin ratios stable and solid, and business operation and net cash flows showing signs of improvement. It maintained normal status in strategic risk, reputational risk and operational risk. There was no occurrence of major risk incidents.

2. Analysis of solvency margin ratio movement

By the end of Q1 2023, the comprehensive and core solvency margin ratios of the Company stood at 213.4% and 158.2% respectively, up by 11.0pt and down by 8.0pt respectively from the end of the previous quarter.

Available capital rose by 8.44bn yuan from the previous quarter, mainly due to net profits, other comprehensive income, and the issuance of capital bonds.

Minimum capital rose by 2.55bn yuan from the previous quarter. Of this, minimum capital for insurance risk increased by 2.03bn yuan, with minimum capital for premium reserve up by 1.48bn yuan, mainly due to higher retained

premiums for auto and property insurance and higher claims reserve for P/C insurance compared to the previous quarter; minimum capital for market risk rose by 430mn yuan, mainly as a result of higher risk exposure of bonds; and minimum capital for credit risk increased by 1.12bn yuan to 12.7bn yuan, largely because of increase in net premium receivables from long-overdue accounts compared to the previous quarter.

The Company set forth its solvency risk upper limits and monitoring indicators compatible with its risk profile and appetite, and its own realities, and tracks them on a regular basis. In the meantime, it continued to ensure stable and sufficient solvency positions via enhanced business quality control, improved capability in risk identification and management, and optimised asset and business mix, etc.

3. Changes to liquidity risk indicators analysis

(1) Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e., LCR1 and LCR2 in the next 3 months and 1 year under the base and stress scenarios were above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from business activities in the past 2 quarters consistently higher than the regulatory minimum of -30%. On a YTD basis, net cash inflows of the Company amounted to 6.2bn yuan. Of this, net cash inflow from operating activities was 390mn yuan; net cash outflow from investment activities 2.2bn yuan; net cash inflow from financing activities 8.01bn yuan.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from operating, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements, which enables it to meet short-term cash flow requirements arising from business volatility. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

Summary of Quarterly Solvency Report (Excerpt)

China Pacific Life Insurance Co., Ltd.

1st Quarter of 2023

Company overview and contact person

Company name (Chinese):	中国太平洋人寿保险股份有限公司
Company name (English):	China Pacific Life Insurance Co., Ltd.
Legal representative:	PAN Yanhong
Registered address:	1 Zhongshan Road (South), Huangpu District, Shanghai, China
Registered capital:	8.6282bn yuan
Business license number:	000015
Date opening for business:	November 2001
Business scope:	Life/health insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, personal accident insurance, etc.; reinsurance of the above said insurance; statutory life/health insurance; agency and business dealings with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by The Insurance Law and relevant laws and regulations; international insurance activities as approved; other international insurance business as approved. 【To conduct business subject to approval according to laws and regulations, permission of relevant departments is required.】
Business territories:	Beijing, Shanghai, Tianjin, Chongqing, Heilongjiang Province, Jilin Province, Liaoning Province, Hebei Province, Shanxi Province, Shandong Province, Anhui Province, Jiangsu Province, Zhejiang Province, Fujian Province, Jiangxi Province, Guangdong Province, Hainan Province, Guangxi Zhuang Autonomous Region, Hunan Province, Hubei Province, Henan Province, Yunnan Province, Guizhou Province, Sichuan Province, Shaanxi Province, Gansu Province, Xinjiang Uygur Autonomous Region, Ningxia Hui Autonomous Region, Inner

Mongolia Autonomous Region, Qinghai Province (with offices in 5 vice-provincial level municipalities such as Dalian, Qingdao, Ningbao, Xiamen, Shenzhen, where CBIRC also set up branch offices)

Contact person: HAN Shuwan
Office Tel. number: 021-33965311
Cell phone: 13681726026
Email: hanshuwan@cpic.com.cn

I. Board and management statement

(I) Board and management statement

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

II. Basic information

(I) Ownership structure and shareholders, and change during the reporting period

1. Ownership structure (unit: 10,000 shares or RMB yuan 10,000)

Types of shareholders	Beginning of reporting period		Change				End of reporting period	
	Shares or contribution	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State	-	-	-	-	-	-	-	-
Domestic legal person	862,820	100	-	-	-	-	862,820	100
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	862,820	100	-	-	-	-	862,820	100

2. Top 10 shareholders (by descending order of shareholding percentage as of the end of the reporting period, unit: 10,000 shares or RMB yuan 10,000)

Names of shareholders		Types of shareholders	Change to shareholding during reporting period	Shares held as at the end of Q1 2023	Shareholding percentage as at the end of Q1 2023 (%)	Shares pledged or in lock-up
China Pacific Insurance		Listed	-	848,086.31	98.292	-

(Group) Co., Ltd.	company				
Shenergy Group Co., Ltd.	State-owned	-	4,711.59	0.546	-
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned	-	4,689.24	0.544	-
Shanghai Haiyan Investment Management Company Limited	State-owned	-	3,218.11	0.373	-
Yunnan Hehe (Group) Co., Ltd.	State-owned	-	2,114.75	0.245	-
Related party relations between shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.				

The Company has no de facto controller. China Pacific Insurance (Group) Co., Ltd. Is the majority shareholder of the Company, holding 98.292% of its shares.

3.Shareholding by directors, supervisors and senior management: Was there shareholding by directors, supervisors and senior management as at the end of the reporting period? (Yes No)

4. Share transfer: Was there any share transfer during the reporting period?(Yes No)

(II) Directors, supervisors and senior management

1. Basic information of directors, supervisors and senior management

(1) Directors

As of the end of March 2023, the 7th Board of Directors of the Company has 7 directors in total:

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Director of the Company since March 2018 (approval document: CIRC Approval [2018] No. 320). Mr. MA currently serves as Vice President of CPIC Group, Director of Changjiang Pension, and Chairman of CPIC Health. He previously served as Assistant Manager of Cheng'nan Sub-branch of CPIC Xi'an Branch, Assistant Manager of the Life Insurance General Management Department and Group Insurance Department of Chengnan Sub-branch of CPIC Xi'an Branch, Deputy Head, and Deputy Manager of Marketing Management Department of Chengdong Sub-branch, Manager of Individual Business Department and Assistant General Manager of CPIC Life Xi'an Branch, Deputy General Manager and General Manager of CPIC Life Shaanxi Branch, Director of CPIC P/C, Director of Strategic

Transformation Office, GM of Strategic Planning Department, Transformation Director and Board Secretary of CPIC Group.

Mr. SU Shaojun, born in February 1968, holds a PhD degree and a title of senior engineer. He has been serving as Director of the Company since December of 2021 (approval document: CBIRC Approval [2021] No. 1033). Mr. SU currently serves as Board Secretary of CPIC Group, and Director of CPIC P/C. Previously, he served as Assistant General Manager and Deputy General Manager of the Underwriting Department, Deputy General Manager and General Manager of Beijing Branch, General Manager of Development Planning Department, Head of the Board Office, Head of the Board of Supervisors' Office, General Manager of the Telemarketing Department of CPIC P/C, Head of the Strategic Research Center of CPIC Group, and Deputy Transformation Director of CPIC Group.

Mr. WU Junhao, born in June 1965 holds a master's degree. He has been serving as Director of the Company since July 2012 (approval document: CIRC Approval [2012] No. 816). Mr. WU currently serves as General Manager of the Financial Management Department of Shenergy (Group) Co., Ltd., Non-executive Director of CPIC Group, and Director of CPIC P/C. Mr. WU also is Supervisor of Orient Securities Company Limited, a company listed on SSE and SEHK, chairman of the Supervisory Board of Shanghai ICY Capital Co., Ltd., Chairman of the Supervisory Board of Shanghai ICY Capital Co., Ltd., Supervisor of Everbright Banking Co., Ltd., a company listed on both SSE and SEHK, and Chairman of the Supervisory Board of Shanghai Shenergy Chengyi Equity Investment Co., Ltd. Previously, Mr. WU worked as head of the Teaching Research Department of the School of Business Management of Changzhou University, Executive Deputy General Manager of Shanghai New Resources Investment Consulting Company, Deputy General Manager of Shanghai Bailitong Investment Company, Deputy Chief of Shanghai Shenergy Assets Management Co., Ltd., Deputy Chief, Chief and Senior Chief of the Assets Management Department, Deputy Manager of the Financial Management Department of Shenergy (Group) Co., Ltd., Director of Shanghai Jiulian Group Co., Ltd., and Director of Chengdu Xinshen Venture Capital Co., Ltd. Mr. WU also formerly served as supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and SEHK, and Director of Orient Securities Company Limited.

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been

serving as Director of the Company since March 2018 (approval document: CIRC [2018] No.330). Mr. ZHANG currently serves as Chief Compliance Officer and General Counsel of CPIC Group, Director of CPIC P/C, CPIC Health, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal and Compliance Department, Head of Board Office, General Manager of Risk Management Department, Risk & Compliance Officer and Chief Risk Officer of CPIC Group, and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a director of China Association of Actuaries, a member of the Society of Actuaries and American Academy of Actuaries. He has been serving as Director of the Company since March 2018 (approval document: CIRC [2018] No.327). Mr. ZHANG is also Chief Actuary and Finance Responsible Person of CPIC Group, Director of CPIC P/C, and Director of CPIC Health. Mr. ZHANG previously served as Chief Actuary of Citi Group TRV-Citi Insurance headquarters, Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Chief Actuary and Chief Risk Officer of CPIC Health, and Director of CPIC AMC.

Mr. CAI Qiang (John), born in July 1967, holds a bachelor's degree. Mr. CAI is a CLU, ChFC, and CFP. He has been serving as Executive Director of the Company (approval document: CBIRC [2021] No. 390) since May 2021. Currently, he serves as General Manager (CEO) of the Company, Director of CPIC Life Hong Kong, and Director of LL Global. Previously, he served as insurance agent, regional manager, and regional director of AXA U.S., General Manager (agency business) and CEO of AXA Hong Kong, CEO of AIA China, Regional CEO of AIA Group, and Vice Chairman and President of WE DOCTOR GROUP.

Ms. PAN Yanhong, born in August 1969, holds a master's degree and a title of Senior Accountant, and is a Chinese Certified Public Accountant. She has been serving as Chairman of the Company since May 2021 (approval document: CBIRC [2021] No.421). Ms. PAN currently also serves as Executive Director of the Company, Director of CPIC

AMC, CPIC Health and Changjiang Pension respectively, and Chairman of CPIC Life Hong Kong. Ms. PAN previously served as Deputy CFO, CFO, Deputy General Manager, Vice Chairperson, and General Manager of the Company, and Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group.

(2) Supervisors

As of the end of March 2023, the 7th Board of Supervisors of the Company has 3 supervisors:

Mr. FENG Jintao, born in November 1976, holds a master's degree. He has been serving as Supervisor of the Company (approval document: CBIRC [2021] No. 438) since June 2021. He currently serves as General Manager of Individual Business Planning Department of the Company. Previously, he served as Head of Individual Business Department of CPIC Life Shandong Branch, Deputy General Manager of CPIC Life Shandong Branch, General Manager of Individual Business Marketing Department and Individual Business Management Department of the Company, and Secretary of Party Committee/ General Manager of CPIC Life Henan Branch, concurrently Secretary of Party Committee/ General Manager of CPIC Life Yudong Branch.

Mr. SUN Peijian, born in September 1963, has a master's degree. He has been serving as Chairman of the Board of Supervisors of the Company since August 2019 (approval document: CBIRC Shanghai [2019] No.673). Mr. SUN currently serves as Chief Risk Officer of CPIC Group, Chairman of Board of Supervisors of CPIC P/C. Previously, he served as Assistant General Manager, Deputy General Manager, General Manager of Reinsurance Department of CPIC Group, Assistant General Manager, Deputy General Manager, Chief Compliance Officer, Head of Compliance, and Vice President of CPIC Group, Director of CPIC P/C, CPIC Life and CPIC AMC respectively, General Manager and Chairman of CPIC Health.

Mr. ZHANG Lei, born in July 1976, holds a master's degree in economics and a title of senior auditor. He has been serving as Supervisor of the Company (approval document: CBIRC [2021] No. 397) since June 2021. He currently also serves as General Manager of Legal and Compliance Department of the Company, and Director of Office of Board of

Supervisors of the Company. Previously, he served as Deputy Director of Computerised Auditing Division, Deputy Director (in charge), Director of Social Security Audit Division, and Director of Corporate Audit Division of Shanghai Special Representative Office of National Audit Office, Chief Auditor (life insurance) of Audit Technology Department of Audit Center of CPIC Group, Chief Auditor (life insurance) of Digitalized Audit Technology Department of CPIC Group, General Manager of Investment Audit Department of CPIC Group, and Internal Audit Responsible Person of Changjiang Pension.

(3) Senior management

As of the end of March 2023, the Company has 15 members of senior management in total:

Mr. CAI Qiang currently serves as General Manager (CEO) of the Company. Please refer to the basic information of directors above for Mr. CAI's biography.

Mr. WANG Guangjian, born in June 1965, has a master's degree. Mr. HUANG currently serves as Executive Deputy General Manager of the Company (approval document: CBIRC [2019] No.637) , and Compliance Responsible Person (approval document: CBIRC [2023] No.85)and Chief Risk Officer of the Company. Mr. WANG previously served as Deputy Manager, Manager of the Planning and Finance Department of CPIC Urumqi Branch, Deputy General Manager of CPIC Life Urumqi Branch, Deputy General Manager of CPIC Taiyuan Branch, General Manager of CPIC Shanxi Branch, General Manager of CPIC Shandong Branch, Assistant to Chairman of the Management Committee of CPIC Life, Deputy General Manager and Chief Compliance Officer, Chief Risk Officer of CPIC Life, Chairman of the Board of Supervisors of CPIC Life, Executive Director and General Manager of the Group Business Center of Pacific Medical & Health Management Co., Ltd. Mr. WANG holds a title of accountant. He has been serving as Executive Deputy General Manager of the Company since August 2019, as Chief Risk Officer of the Company since July 2022, and as Compliance Responsible Person since March 2023.

Mr. WEI Lin, born in July 1972, holds a master's degree. He currently serves as Deputy General Manager of the Company (approval document: CBIRC [2018] No.449), Executive Director and General Manager of Pacific Elderly Care Investment Management Co., Ltd.,

Chairman and Legal Representative of Pacific ORPEA (Shanghai) Elderly Care Service Co., Ltd., Director of CPIC (Dali) Elderly Home Co., Ltd., and Executive Director of Pacific Medical & Health Management Co., Ltd. Mr. WEI previously served as Chief Staff Member of the CIRC Chengdu Office, Deputy Director of the General Management Division of CIRC Sichuan Bureau, Deputy Director of the General Office of CIRC Sichuan Bureau, Deputy Director (in charge) of the Personnel and Education Division of CIRC Sichuan Bureau, Senior Manager of the Board Office of China Insurance (Holdings) Co., Ltd., General Manager of Investment Management Department of Taiping Group, and General Manager of Taiping Elderly Care Investment Company. Mr. WEI has been serving as Deputy General Manager of the Company since June 2018.

Mr. DAI Wenhao, born in January 1974, holds a master's degree. He currently serves as Deputy GM of the Company (approval document: CBIRC [2018] No.440). Mr. DAI previously served as Manager of Information Technology Department and Human Resources Department of CPIC Life Ningbo Branch, assistant to GM, Deputy GM of the Information Technology Department, GM of the Control Management Center, GM of Contract Department, GM of Operation and Planning Department of CPIC Life, GM of CPIC Life Jiangxi Branch, GM of CPIC Life Henan Branch and concurrently Yudong Branch. He took up his current position in June 2018.

Mr. CUI Shunxin, born in July 1963, has a master's degree. He is currently Deputy GM of the Company (approval document: CIRC [2014] No.770). Mr. CUI previously served as head of Finance Department of State-Owned Hemp Products Factory in Wen'an County, Hebei Province, deputy director of the factory, deputy head of the Finance Department of the Economic Committee of Wen'an County, Hebei Province, manager and assistant to GM of CPIC Langfang Branch, Deputy GM of CPIC Tangshan Branch, Deputy GM (in charge), GM of CPIC Tangshan Central Sub-Branch, assistant to GM, Deputy GM, GM of CPIC Life Hebei Branch, GM of CPIC Life Henan Branch, and assistant to GM of CPIC Life. Mr. CUI holds the title of accountant. He took up his current position in April 2018.

Mr. YE Peng, born in March 1972, holds a master's degree. He is currently Deputy General Manager of the Company (approval document: CBIRC Shanghai [2019] No.638), CFO (approval document: CBIRC Shanghai [2019] No.689), Director of Changjiang Pension,

Director of CPIC Life HK, and Executive Director of Beijing Borui Heming Insurance Brokerage Co., Ltd. Mr. YE previously served as Assistant GM, CFO, Board Secretary, and Deputy GM of Changjiang Pension. Mr. YE holds a title of senior accountant, and is a certified public accountant and tax advisor in China. He is also a senior member of FAIA, and a member of IFA/IPA. He took up his current position in August 2019.

Mr. LI Jinsong, born in June 1969, holds a master's degree. He currently serves as Deputy General Manager of the Company (approval document: CBIRC Shanghai [2020] No. 781) and General Manager of the Group Business Operation Center and the Bancassurance Business Operation Center of the Company. Mr. LI previously served as General Manager of CPIC Life Sichuan Branch, General Manager of the Bancassurance Department of CPIC Life, Assistant General Manager of CPIC Life, Deputy Head of Marketing of CPIC Group and GM of the Strategic Customer Department of CPIC Group. He took up his current position as Deputy GM of the Company in December 2020.

Ms. CHEN Xiujuan, born in June 1971, holds a master's degree. She is currently Chief Actuary of the Company (approval document: CIRC [2014] No.770) and General Manager of Health Insurance Business Unit of the Company. Ms. Chen previously served as deputy head of Actuarial Section of the Actuarial Department of CPIC Life, senior specialist, Assistant GM (in charge), Deputy GM (in charge), and GM of of the Actuarial Department of CPIC Life. Ms. CHEN has professional qualifications of an actuary, and is an executive director of the China Association of Actuaries. She took up her current position in September 2014.

Mr. ZHANG Shuming, born in December 1963, holds a bachelor degree. He is currently Deputy General Manager of the Company (approval document: CBIRC [2018] No.502). Mr. ZHANG previously served as GM of CPIC Life Baoding Central Sub-Branch, GM of CPIC Life Qinhuangdao Central Sub-Branch, assistant to GM and Deputy GM of CPIC Life Hebei Branch, GM of CPIC Life Gansu Branch, GM of CPIC Life Heilongjiang Branch, and Assistant GM of CPIC Life. Prior to that, he was GM of Ping An Insurance Qinhuangdao Central Sub-branch. He took up his current position in June 2019.

Mr. DAI Chuanjiang, born in September 1973, holds a bachelor's degree. He is currently Assistant GM of the Company (approval document: CBIRC Shanghai [2019] No. 662) and Director of CPIC Life Hong Kong. Mr. DAI previously served as Assistant Manager, Deputy Manager of CPIC Life Bijie Central Sub-Branch, Deputy Manager (in charge), Manager of Guiyang Business Department of CPIC Guizhou Branch, Deputy Manager of Business Division of CPIC Life Guizhou Branch, Manager of Individual Business Management Department of CPIC Life Guizhou Branch, Assistant GM, Deputy GM of CPIC Life Guizhou Branch, and Senior Deputy GM, GM of CPIC Life Shanghai Branch. He took up his current position in August 2019.

Mr. TAI Fuchun, born in December 1967, holds a master's degree. He currently serves as Assistant General Manager of the Company (approval document: CBIRC [2021] No. 745). Mr. TAI previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC Life Shanxi Branch, General Manager of the Customer Resource Management Department of CPIC Life, General Manager of CPIC Life Shandong Branch, Deputy Chief Internal Auditor of CPIC Group, and Internal Audit Responsible Person (Life Insurance) of CPIC Group. Prior to that, Mr. TAI served as Cadre of the General Office of the Standing Committee of the Shanxi Provincial People's Congress. He took up his current positions in October 2021.

Mr. JIANG Yifeng, born in January 1978, holds a doctoral degree. He currently serves as Board Secretary (approval document: CBIRC [2021] No. 976), Assistant General Manager (approval document: CBIRC [2021] No. 746). Mr. JIANG previously served as Deputy General Manager of the Human Resources Department of CPIC Life, General Manager of CPIC Life Ningxia Branch, General Manager of CPIC Life Shaanxi Branch, Head of Transformation Matters for CPIC Group, and General Manager of CPIC Life Zhejiang Branch, and Acting Responsible Person of CPIC Life Shanghai Branch. He took up his current positions in October 2021.

Mr. HUANG Kun, born in November 1977, holds a bachelor's degree. He currently serves as Assistant General Manager (approval document: CBIRC [2021] No. 748) and Chief Information Officer of the Company, and Director of Shanghai Dabao Guisheng

Information Technology Co. , Ltd. Mr. HUANG previously served as Technical Director and Chief Architect of Digital China Rongxin Software Co., Ltd., Vice President of Digital China Engineering Institute, Executive Director, and General Manager of China Qicheng (Beijing) Technology Co., Ltd., and General Manager of Bank Cloud Credit Business Center of OneConnect Financial Technology Co., Ltd. of Ping An Group. He took up his current positions in October 2021.

Mr. ZHU Xuesong, born in November 1969, holds a bachelor's degree. He currently serves as Assistant General Manager (approval document: CBIRC [2021] No. 1033) and Chief Operation Officer of the Company. Mr. ZHU previously served as Attending Surgeon at the Third Affiliated Hospital to Shanghai Textile Industry Bureau, Responsible Person of the Group Insurance Operation Department of Taiping Life, Deputy General Manager of Taiping Pension Shanghai Branch, General Manager of the Group Insurance Business Department and Chief Operating Officer of the Operation Department of AIA China, Chief Operation Technology Officer of FWD China, General Manager of FWD Technology Co., Ltd., and Executive COO of WeDoctor Group. He took up his current positions in December 2021.

Mr. YU Yun, born in June 1965, holds a bachelor's degree. He currently serves as Internal Audit Responsible Person of the Company (approval document: CBIRC [2021] No. 975), and Deputy Chief Internal Auditor of CPIC Group. Mr. YU previously served as General Manager of CPIC Xinjiang Karamay Central Sub-branch, Manager of the Personal Business Department of CPIC Xinjiang Branch, Assistant General Manager, Deputy General Manager, Deputy General Manager (in charge) and General Manager of CPIC Xinjiang branch, and General Manager of CPIC Beijing branch. Prior to that, Mr. YU served as Director of the Finance Bureau of Karamay City, Xinjiang. He took up his current positions in December 2021.

2. Changes to directors, supervisors and senior management

Was there any change to the directors, supervisors and senior management during the reporting period? (Yes No)

(1) Changes to directors or supervisors? (Yes No)

(2) Changes to senior management?

(Yes No)

(III) Subsidiaries, joint ventures or associates

Were there any subsidiaries, joint ventures or associates as at the end of the reporting period? (Yes No)

Company name	Number of shares (10,000 shares)			Shareholding percentage (%)		
	As at the beginning of this quarter	As at the end of this quarter	Change amount	As at the beginning of this quarter	As at the end of this quarter	Change (pt)
Changjiang Pension Insurance Co., Ltd.	186,486	186,486	-	62.16	62.16	-
City Island Developments Limited	0.1	0.1	-	100.00	100.00	-
Tianjin Trophy	35,369	35,369	-	100.00	100.00	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	500,000	500,000	-	100.00	100.00	-
Pacific Health Care Management Co. Ltd.	100,000	100,000	-	100.00	100.00	-
CPIC Elderly Care Development (Chengdu) Co. Ltd.	98,700	98,700	-	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	100,000	100,000	-	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	90,000	90,000	-	100.00	100.00	-
CPIC Elderly Care (Nanjing) Co. Ltd.	22,000	22,000	-	100.00	100.00	-
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	25,000	25,000	-	100.00	100.00	-
CPIC Elderly Care (Zhengzhou) Co. Ltd.	25,850	25,850	-	100.00	100.00	-
CPIC Elderly Care (Beijing) Co. Ltd.	59,700	61,200	1,500	100.00	100.00	-
CPIC Elderly Care (Wuhan) Co. Ltd.	71,308	71,308	-	100.00	100.00	-
CPIC Health Management (Sanya) Co. Ltd.	21,888	23,888	2,000	100.00	100.00	-
Beijing Borui Heming Insurance Agency Co. Ltd.	5,200	5,200	-	100.00	100.00	-
China Pacific Life Insurance (Hong Kong) Company Limited	100,000	100,000	-	100.00	100.00	-
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34.00	34.00	-
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	983,500	-	70.00	70.00	-

Shanghai Shantai Health Care Technology Co. Ltd.	4,000	4,000	-	40.00	40.00	-
Zhongbao Rongxin Private Equity Fund Management Co. Ltd.	150,000	150,000	-	10.14	10.14	-
Lianren Healthcare Big Data Technology Co. Ltd.	50,000	50,000	-	20.00	20.00	-

Note: Shareholding percentage of Lianren Health care Big Data Technology Co. Ltd. is based on subscribed capital contribution. As at 31 March 2023, the change of registered capital was not fully paid-in, and based on paid-in capital, the shareholding of the Company was 24.37%.

(IV) Violations and penalties during the reporting period

1. Did the Company and its directors, supervisors and senior management receive any administrative penalties from financial regulators during the reporting period?
(Yes No)

2. Did the directors, supervisors, management at department level and above and senior management of provincial-level branches conduct illegal acts which triggered judicial proceedings? (Yes No)

3. Did the Company receive any regulatory measures from the CBIRC during the reporting period?
(Yes No)

During the reporting period, there was no regulatory measures against the Company by CBIRC. However, certain CBIRC branches took regulatory measures against the Company's branches: Dongguan Key Sub-branch of Guangdong Branch received an administrative penalty; besides, Guangdong Branch, Chifeng Key Sub-branch of Inner Mongolia Branch, Fuzhou Key Sub-branch of Jiangxi Branch, Yichun Key Sub-branch of Jiangxi Branch, Heilongjiang Branch, Suihua Key Sub-branch of Heilongjiang Branch, Huizhou Key Sub-branch of Guangdong Branch and Yongzhou Key Sub-branch of Hunan Branch each received a Regulatory Opinion Letter; Hebei Branch, Luoyang Branch of Henan, Hechi Key Sub-branch of Guangxi Branch and Nanning Key Sub-branch of Guangxi Branch each received a Regulatory Notice.

III. Key indicators

(I) Key solvency metrics

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter	As at the end of last quarter	Next quarter estimates
Admitted assets	186,594,349	181,564,020	189,864,813
Admitted liabilities	154,448,877	147,141,837	157,911,036
Available capital	32,145,472	34,422,183	31,953,778
Tier 1 core capital	18,723,905	19,495,743	18,538,441
Tier 2 core capital	-	1,289,041	-
Tier 1 supplement capital	13,416,072	13,630,079	13,409,053
Tier 2 supplement capital	5,495	7,320	6,283
Minimum capital	16,146,309	15,780,195	16,328,407
Minimum capital for quantifiable risks	16,380,580	15,877,686	16,565,321
Minimum capital for control risk	(234,271)	(97,491)	(236,914)
Supplement capital	-	-	-
Core solvency margin surplus	2,577,596	5,004,589	2,210,034
Core solvency margin ratio (%)	116	132	114
Comprehensive solvency margin surplus	15,999,163	18,641,988	15,625,370
Comprehensive solvency margin ratio (%)	199	218	196

(II) Regulatory indicators for liquidity risk

Items	As at the end of the reporting period	As at the end of the previous period
Liquidity coverage ratio (LCD) (%)		
LCR1 under base scenario		
Next 3 months	121	119
Next 12 months	106	107
LCR2 under stress scenario		
Next 3 months	628	559
Next 12 months	234	235
LCR3 under stress scenario excluding asset disposal		
Next 3 months	150	162
Next 12 months	109	110
Retrospective adverse deviation ratio of net cash flows from business activities (%)	-6	50
Net cash flow YTD (RMB yuan 10,000)	-259,876	1,620,491

(III) Indicators for monitoring liquidity risk

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
1. Net cash flow from operating activities	4,871,134	13,453,384
2. Comprehensive surrender ratio	0.7	1.8
3-1. Net cash flow from participating accounts	1,423,061	4,217,164
3-2. Net cash flow from universal accounts	732,038	1,743,409
4. Written premiums growth year-on-year	-3.7	6.9
5. Ratio of cash and liquidity instruments	2.0	2.2
6. Quarterly average financial leverage ratio	3.7	5.7
7. Share of domestic fixed income assets rated AA and below	2.7	3.3
8. Share of investments in listed stocks with a stake of 5% or above	0.3	0.4
9. Share of receivables	1.0	0.5
10. Share of related party assets held by the Company	3.7	3.9

(IV) IRR results

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an AA and AAA rating of the Company for Q3 and Q4 of 2022 respectively.

(V) Key business metrics

1. Key business metrics

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter/during this quarter	YTD
Gross written premiums	9,691,075	9,691,075
Net profits	233,143	233,143
Total assets	187,328,097	187,328,097
Net assets	11,110,279	11,110,279
Insurance contract liabilities	149,644,820	149,644,820
Basic earnings per share (RMB yuan)	0.27	0.27
ROE (%)	2.17	2.17
ROA (%)	0.13	0.13
Investment yield (%)	0.68	0.68
Comprehensive investment yield (%)	1.47	1.47

IV. Risk management capabilities

(I) Company overview

Established in November 2001, the Company is the life insurance subsidiary of CPIC Group. As per Articles 5 and 6 of Solvency Regulatory Rules No. 12: Solvency Aligned Risk Management Requirements and Assessment on classification of insurance companies, it is a Category I insurance company. As of the end of Q1, 2023, its written premiums amounted to 108.5bn yuan, with total assets of 1,873.3bn yuan, and 35 provincial-level branches.

(II) Results of last solvency risk management evaluation

In 2022, the regulator carried out a SAMRA evaluation of the Company, which scored 84.50 points. Of this, infrastructure and environment of risk management was 17.06 points, targets and instruments of risk management was 8.89 points, insurance risk management was 8.43 points, market risk management was 8.36 points, credit risk management was 8.37 points, operational risk management was 8.39 points, strategic risk management was 8.4 points, reputation risk management was 8.28 points, liquidity risk management was 8.32 points.

(III) Measures taken to improve risk management and implementation status during the reporting period

The Company attaches great importance to risk management. It identified gaps in solvency risk management systems and took effective remedial actions to enhance solvency risk management based on findings of regulatory assessment of its peers as well as those of its own internal audits. Below is a summary of what was done in Q1 2023.

First, initiated amendments of 2023 Risk Tolerance and Key Risk Indicators in light of C-ROSS II and internal risk management requirements.

Second, monitored, on a regular basis, Risk Tolerance and Key Risk Indicators, formulated reports which were submitted to the Management Committee, the Asset Liability Management Working Group, followed by special analysis of key risks,

drafting of corrective measures and the push for actions by relevant departments.

Third, organised risk survey, drafted 2022 Annual ERM Report, which was submitted to management.

In Q2 of 2023, the Company intends to focus on the following areas for its solvency risk management.

First, push for rectification and optimisation of its risk management system based on findings of regulatory on-site assessment and its own SAMRA internal audit, while considering C-ROSS II standards.

Second, proceed with amendments of Risk Tolerance and Key Risk Indicators for 2023, to be followed by monitoring, reporting on a regular basis and corrective actions.

Third, conduct analysis of key risks in its business operation, establish mechanisms for deliberations between head-office and branches to support early-warning and early stage intervention.(IV) Self assessmentNone.

V. Information on IRR (differentiated supervision)

(I) IRR under current differentiated supervision regime

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an AA and AAA rating of the Company for Q3 and Q4 of 2022 respectively, with the Q4 rating improving from the preceding quarter.

The Company continued to enhance the testing and evaluation system for differentiated supervision, keeping tabs on risk metrics and seeking to improve the timeliness and accuracy of such monitoring; issued risk early warning in a timely manner via the monitoring and analysis of changes to metrics on a regular basis; in the meantime, stepped up risk topical research and mitigation programmes, such as conducting in-depth study of cause and trends of risks, identifying patterns and coming up with mitigation recommendations, with follow-up remedial actions. To date, the Company has issued several management policies on IRR, conducted amendment and revision according to

the regulatory requirements, implemented quarterly data filing and internal rating of branches and put in place long-term mechanisms for the work. At the same time, a dedicated IRR management system is in use, covering data filing, data analysis, rectification and reporting.

Going forward, it will focus on root-causes and the front-line of business to strengthen control of business operation risks, and leverage IRR to encourage branch offices to ensure compliance and enhance basic management.

(II) Self-assessment of unquantifiable risks

As per requirements for IRR under C-ROSS II, the Company continued to strengthen its in-house testing and evaluation system for differentiated supervision, continuously reviewed risk metrics to improve the timeliness and accuracy of the monitoring; issued risk early warning in a timely manner via the monitoring and analysis of changes to metrics on a regular basis

1. Methods, processes and results of self-assessment

As part of its work in quarterly differentiated supervision, the Company organises, on a quarterly basis, a self-review of operational risk, strategic risk, reputational risk and liquidity risk involving relevant departments to evaluate its risk status in an objective way. Departments involved would monitor various indicators according to assignment of responsibilities, and in the event of detection of abnormalities, would follow up and identify their causes, so as to track the development of risks and roll out remedial actions in a timely manner; and in the absence of such remedial actions, they would formulate rectification plans with deadlines. The actual status as of the end of each quarter would be submitted by departments within their scope of responsibilities to the lead department, which, in turn, would compile the data, report them to company management and file with the regulator. The latest self-assessment indicated that unquantifiable risks were under control, and no triggers of material risk incidents were detected.

2. Status of unquantifiable risks

In operation risk, the Company issued Provisions on Operational Risk Management (CPIC

Life [2022] No.170), Provisions on Data Loss Recovery of Operational Risk (CPIC Life [2022] No.234), Measures on Operational Risk and Internal Control(2022) (CPIC Life [2022] No.274), in a bid to clearly define the responsibility of operational risk management, and establish more scientific and regular risk mitigation mechanisms. Based on analysis of IRR indicators and the monitoring of operational risk metrics, the operation risk was manageable overall, including in insurance business, fund utilisation, corporate governance, IT systems, legal cases management, etc..

In reputational risk, the Company gives priority to risk screening including regular screening, routine screening and ad hoc screening so as to enhance at-source management of adverse publicity. It set up a risk handling working group at headquarters, with dedicated/part-time positions on reputational risk management at both headquarters and branch offices in a bid to step up coordination. Training and drills have become an important part of daily risk management, which consist of specialised programmes in handling of publicity crisis and media interviews leveraging the expertise of in-house and third-party experts, and support for branch offices via special-purpose training, and the formulation, dissemination of handbooks. In Q1 2023, the Company monitored and detected 51 reports (original) of adverse publicity on the media, higher than in Q1 2022. Of this, there were 1 Level III reports, accounting for 2%, 50 Level IV reports, representing 98%, and there were no Level I or II major incidents, indicating manageable reputational risk. Self-media and social media tend to be the high-risk area. In terms of content, the share of mis-selling and claims disputes was relatively high.

As for strategic risk, the implementation of strategies of the Company is in a healthy status. In terms of factors which may impact its business operation and fulfillment of strategic objectives, the economic recovery in Q1 was yet to be secured. Given prolonged demand-side recovery, the life insurance market remained under pressure. The Company boosted confidence, maintained consistency in strategies, forged ahead with the Changhang Transformation, pushed forward transformation projects in a systematic manner including Career-based Agency Force Restructuring, Value-oriented Bancassurance and “Products + Services”, with tangible benefits: first, deepening of the new model for individual business, with marked improvement in business quality and

sales force productivity; second, effective execution of channel diversification, with intensified exploratory effort in value-oriented bancassurance and work-site marketing; third, upgrading of the “Golden Triangle” of products and services centering on health protection, wealth management and retirement provision, with improved capability in supply of products and services. Next, the Company will further consolidate the progress of transformation and push for a transition from “paradigm shift” towards “new paradigm establishment” .

With respect to liquidity risk, the Company established a cash flow management system for investment accounts covering assets and liabilities, front-line departments and back-office departments. To be concrete, the system includes the projection, review, analysis and transfer of cash flows from investment accounts. It conducts account-specific cash flow projections at year-end, month-end and in the event of material adjustment of business plans, with analysis of discrepancies between actual cash flows and projections. It also set tolerances depending on size of accounts and profiles of liabilities. In the event of breaches of such tolerances, a detailed explanation for material cash flow discrepancies is required. Meanwhile, the Company conducts on a regular basis liquidity emergency drills to ensure effective response in cases of occurrence of risk incidents; put in place mechanisms for early warning, with the focus shifting from crisis handling to early warning and prevention, which can enhance overall liquidity risk management. LCR under the base scenario for the next 12 months (LCR1) was 106%. LCRs under stress scenarios were solid. Relevant indicators show that the liquidity management of the Company was sound and effective, with the liquidity risk overall under control.

VI. Management Analysis and Discussions

(I) Changes to solvency analysis this quarter

As of the end of this quarter, the core solvency margin ratio of the Company was 116%, with a margin surplus of 25.77596bn yuan, down by 16pt from the previous quarter; the comprehensive solvency margin ratio of the Company was 199%, with a margin surplus of 159.99163bn yuan, down by 19pt from the previous quarter. Reasons for change are as follows:

1. As of the end of this quarter, available capital amounted to 321.45472bn yuan, versus 344.22183bn of the previous quarter, down by 6.6%, mainly due to:

(1) Due to the policy of transitional period and capital market volatility, core capital decreased by 20.60879bn yuan in the quarter;

(2) Supplement capital fell by 2.15832bn yuan.

2. As of the end of this quarter, minimum capital amounted to 161.46309bn yuan, versus 157.80195bn as of the end of the previous quarter, up by 2.3%, mainly due to:

(1) Minimum capital for insurance risk during the quarter decreased by 271.62mn yuan, and of this, that for life insurance rose by 64.86mn yuan, and that for non-life insurance fell by 336.48mn yuan;

(2) Minimum capital for market risk during the quarter increased by 4.15829bn yuan, as a result of growth of liabilities and equity investment assets;

(3) Minimum capital for credit risk during the quarter increased by 2.22627bn yuan;

(4) Risk diversification effect and loss absorption increased by 1.08399bn yuan, which lowered minimum capital requirements;

(5) Subtraction from minimum capital by control risk increased by 1.36780bn yuan from the preceding quarter, given release of 2022 SAMRA results by the regulator.

(II) Changes to regulatory liquidity risk indicators

LCR for the next 3 months was 121%, and that for the next 12 months of 106%, which can still satisfy the minimum requirement of 100%. The LCR in the next 12 months under the stress scenario and the stress scenario without considering disposal of assets was 234% and 109%, respectively, all staying in comfort zones.

(III) Analysis of changes to IRR

As per notice of CBIRC, the Company was rated AAA at the IRR of Q4 2022, an improvement from the quarter earlier. It continued to implement new rules on IRR under C-ROSS II, put in place long-term work mechanisms, enhanced rectification of early-warning indicators and has delivered positive results; at the same time, it pressed ahead with the Changhang Action Programme and strive to handle various

risks via strategic transformation. Going forward, the Company will adhere to the long-term view, uphold compliance in business operation, strengthen risk control and accelerate high-quality development.

Summary of Quarterly Solvency Report (Excerpts)

Pacific Health Insurance Co., Ltd.

1st Quarter of 2023

Company overview and contact information

Company name (Chinese):	太平洋健康保险股份有限公司
Company name (English):	Pacific Health Insurance Co., Ltd.
Legal representative:	MA Xin
Registered address	13th Floor, Building No. 1, 1229 Century Avenue, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Registered capital	3.6 billion yuan
Business license number	00000117
Date opening for business	December 2014
Business scope	Health and personal accident insurance denominated in RMB yuan and foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance; health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.
Business territories	Shanghai, Beijing, Guangdong Province, Sichuan Province.
Contact person:	XIA Bing
Tel. number:	+86-21-33968652
Cell phone:	13761619886
Fax number:	+86-21-68870641
Email:	xiabing-003@cpic.com.cn

I. Board and management statement

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

II. Basic information

(I) Ownership structure and shareholders

1. Ownership structure

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

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

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

3. Shareholding by directors, supervisors and senior management

Did any of them hold any shares of the Company during the reporting period? (Yes No)

4. Share transfer during the reporting period

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

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (6 in total)

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

Mr. WANG Mingchao, born in October 1976, holds a master's degree and title of Senior Human Resources Professional. He has been serving as Director of the Company (approval document: CBIRC [2019] No.856) since October 2019. Mr. WANG currently also serves as Deputy Marketing Officer of CPIC Group. Previously, he served as Head of Cadre's Section of Human Resources Department of CPIC Life, Assistant General Manager of Human Resources Department of CPIC Life, Deputy Head and Head of Party Affairs Department/Organization and Cadre Department of CPIC Life, Senior Deputy General Manager of CPIC Life Shanghai Branch, General Manager of Cooperation Business Department, General Manager of Shanghai Branch (Operations Department) and Head of Sales of the Company, Head of Individual Life Insurance Cooperation Business Centre (SBU) of the Company, Board Secretary of CPIC P/C, and Head of Board Office of CPIC Group.

Mr. WANG Yong, born in July 1974, holds a master's degree. He has been serving as Director of the Company (approval document: CBIRC [2021] No.942) since December 2021. Mr. WANG currently serves as Head of the Strategic Research Center of CPIC Group. He previously served as Assistant General Manager of the Human Resources Department of CPIC Life, Secretary to Chairman of the CPIC Group, Head of the Party Affairs Department of CPIC Group, General Manager of Employee Affairs Department

of CPIC Group, Deputy Head of the Party Committee Office of CPIC Group, Head of the Party and People Department of CPIC Group, General Manager of CPIC P/C Tianjin Branch, Deputy Party Secretary of the Information Technology Center of the CPIC Group, and Senior Deputy General Manager of CPIC Life Suzhou Branch.

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No.341). Mr. ZHANG currently serves as Compliance Responsible Person and General Counsel of CPIC Group, and Director of CPIC P/C, CPIC Life, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal & Compliance Department and Risk Management Department, Risk & Compliance Officer and Chief Risk Officer of CPIC Group, Head of Board Office of CPIC Group, and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a member of Society of Actuaries and American Academy of Actuaries respectively, and director of China Association of Actuaries. He has been serving as Director of the Company since April 2021 (approval document: CBIRC [2021] No.280). Mr. ZHANG currently serves as Chief Actuary, Finance Responsible Person of CPIC Group, and Director of CPIC P/C, CPIC Life, and CPIC Capital, respectively. Mr. ZHANG previously served as Chief Actuary of the Company, acting Chief Actuary, Chief Risk Officer of the Company, Deputy General Manager, CFO, Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Director of Sun Life Everbright Asset Management Co., Ltd, Chief Actuary of Sino Life Insurance Co., Ltd., Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), and Chief Actuary of Citi Group TRV-Citi Insurance headquarters.

Ms. PAN Yanhong, born in August 1969, holds a master's degree and title of senior accountant and is a Chinese CPA. She has been serving as Director of the Company since March 2015 (approval document: CIRC [2015] No.263). Ms. PAN currently serves as Chairman of CPIC Life, and Director of Changjiang Pension and CPIC AMC respectively. Ms. PAN previously served as Executive Vice President and Finance Responsible Person of CPIC Group, Director of CPIC P/C, and Deputy General Manager, General Manager of Finance Department of CPIC Life, Deputy Head of Finance, Executive Member of Business Management Committee, Head of Finance, Deputy General Manager, General Manager, and Vice Chairman of CPIC Life.

2. Supervisors (3 in total):

Mr. GU Qiang, born in January 1967, holds a master's degree and title of senior accountant. He has been serving as Chairman of the Board of Supervisors of the Company (approval document: CBIRC [2021] No.165) since March 2021. Mr. GU currently serves as Employee Representative Supervisor of CPIC Group, Chairman of the Board of Supervisors of CPIC AMC and Chairman of the Board of Supervisors of Changjiang Pension. Mr. GU formerly was a lecturer at the Department of Finance and Insurance of Shanghai University of Finance and Economics, senior auditor of Pricewaterhouse Da Hua Certified Public Accountants, Manager of the International Business Department of Wanguo Securities Co., Ltd., Vice President and CFO of Shanghai Branch of American International Underwriters, served as Deputy Chief Accountant, CFO, Finance Responsible Person and Deputy General Manager of CPIC P/C, Vice President and Finance Responsible Person of China Pacific Anxin Agricultural Insurance Co., Ltd.

Ms. HU Shuangzhu, born in September 1980, holds a master's degree, is a certified internal auditor, certified information system auditor, financial risk manager, and has CRMA qualification. She has been serving as Supervisor of the Company since August 2016 (approval document: CIRC [2016] No.814). Ms. HU currently serves as Chief Auditor of Audit Technology Division, Internal Audit Center of CPIC Group. Previously, Ms. HU served as Senior Manager of PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd., and Chief Auditor of Internal Audit Business Division of Internal Audit Center of CPIC Group.

Ms. XUE Yongxian, born in November 1976, holds a master's degree. She has been serving as Supervisor (employee representative) of the Company (approval document: CIRC [2017] No.161) since February 2017. Ms. XUE currently serves as General Manager of Shanghai Branch and Senior Director of Key Account Business Center of the Company. Previously, she served as General Manager of Sales Management Department of the Company, General Manager of Individual Life Insurance Cooperation Business Centre of the Company, Deputy General Manager of Group Business Department Planning and Training Division of CPIC Life, Assistant General Manager of Group Business Department Accident Insurance Division of CPIC Life, Assistant General Manager and Senior Manager of Group Business Department Direct Sales Supervision Division of CPIC Life, and Section Head of Group Business Department of CPIC Life.

3. Senior management (6 in total)

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

Mr. ZHOU Bin, born in April 1966, has received a post-graduate education. He has been serving as Deputy General Manager of the Company (approval document: CIRC [2016] No.450) since May 2016. Mr. Zhou is currently head of Health Care Eco-system Business Centre, head of Health Service Business Centre, and also Council Member of Shanghai Pacific Blue Charity Foundation. Previously, Mr. ZHOU served as General Manager of Human Resources and Comprehensive Management Department of Information Technology Center of CPIC Group, Deputy Head of Cadre and Personnel Division of Shanghai Municipal Commission of Financial Industry (temporary post), General Manager of Human Resources Department of CPIC Group and Chief Risk Officer of the Company.

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

Ms. YIN Yanling, born in June 1972, holds a master's degree and is a member of China Association of Actuaries. She has been serving as Finance Responsible Person of the

Company since September 2021 (approval document: CBIRC [2021] No.729), serving as the Chief Actuary of the Company since August 2022 (approval document: CBIRC [2022] No.532) and Board Secretary the Company since August 2022 (no approval document). She also serves as head of the Technology Centre of the Company. Previously, she served as head of the Actuarial Management Section of Planning and Finance Department of CPIC Group, Assistant General Manager of Planning and Finance Department of CPIC Group, Deputy General Manager (in charge) of Financial Investment Department/Actuarial Department, Deputy General Manager (in charge) of Financial Management Department/Actuarial Department, Deputy General Manager of Risk Management Department/Risk Monitoring Department, General Manager of Financial Management Department/Actuarial Department, and General Manager of Actuarial Department of CPIC Group, General Manager of Actuarial Department of CPIC Life, and Acting Finance Responsible Person and Acting Actuarial Responsible Person of the Company.

Mr. TANG Rui, born in October 1977, holds a master's degree and has been serving as Acting Compliance Responsible Person of the Company since March 2023 (no approval document). Mr. TANG is also General Manager of Risk and Compliance Department (Discipline Inspection Office) of the Company. Previously, he served as secretary of Administration Office of CPIC Group, secretary to General Manager of CPIC Group, Senior Manager, Vice General Manager and Vice General Manager (in charge) of Administration of CPIC Group. He also served as head of the Preparatory Office of Sichuan Branch, General Manager of Sichuan Branch of the Company.

Mr. JIANG Honglang, born in November 1964, holds a doctoral degree and title of senior auditor. He has been serving as Internal Auditing Responsible Person of the Company since January 2019 (approval document: CBIRC [2019] No.128). Mr. JIANG currently serves as General Manager of Digital Audit Technology Department of CPIC Group. Previously, he served as Senior Auditor of Internal Audit Department of CPIC Group, Deputy General Manager of Internal Audit Management Department of CPIC Group, and General Manager of Remote Internal Audit Department of CPIC Group. Prior to that, he served as associate professor of Institute of Applied Mathematics of Guizhou University of Technology.

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

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

There was no change during the reporting period.

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

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: 10,000 RMB yuan

Items	As at the end of this quarter	As at the end of last quarter	Next quarter estimates
Admitted assets	1,108,005.24	993,030.41	1,101,145.36
Admitted liabilities	777,830.56	670,483.13	770,648.81
Available capital	330,174.68	322,547.28	330,496.55
Tier-1 core capital	298,884.28	306,929.98	294,353.27
Tier-2 core capital	4,388.24	1,962.26	5,454.17
Tier-1 supplement capital	26,902.16	13,655.04	30,689.10
Tier-2 supplement capital	0.00	-	0.01
Minimum capital	128,283.49	121,578.75	133,775.58
Minimum capital for quantifiable risks	127,388.44	119,927.56	132,842.21
Minimum capital for control risk	895.05	1,651.19	933.37
Minimum capital for supplement capital	-	-	-
Solvency margin surplus			
Core solvency margin surplus	174,989.03	187,313.49	166,031.87
Comprehensive solvency margin surplus	201,891.19	200,968.53	196,720.97
Core solvency margin ratio (%)	236	254	224
Comprehensive solvency margin ratio (%)	257	265	247

(II) Regulatory indicators for liquidity risk

Indicators	Reporting quarter	Last quarter
Actual cash flow (unit:10,000 yuan)	-6,360.55	20,459.68

Retrospective adverse deviation ratio of net cash flows from business activities (%)	-40	21
Overall liquidity coverage ratio under base scenario (3 months)(%)	123	117
Overall liquidity coverage ratio under base scenario (12 months)(%)	105	104
Overall liquidity coverage ratio under mandatory stress scenario (3 months)(%)	726	573
Overall liquidity coverage ratio under mandatory stress scenario (12 months)(%)	192	140
Overall liquidity coverage ratio under self-assessment stress scenario (3 months)(%)	562	548
Overall liquidity coverage ratio under self-assessment stress scenario (12 months)(%)	231	229
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (3 months)(%)	149	242
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (12 months)(%)	79	68
Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (3 months)(%)	185	279
Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (12 months)(%)	162	173

(III) Other indicators for liquidity risk

Indicators	Reporting quarter	Last quarter
Net cash flows from operating activities (unit: 10,000 yuan)	19,455.11	-33,976.16
Comprehensive surrender ratio	0.05	0.04
Net cash flows from participating/universal accounts	-	-
GWP year-on-year growth (%)	53.79	79.16
Share of cash flow and liquidity management tools (%)	2.82	3.72
Quarterly average financial leverage ratio (%)	3.45	4.20
Share of domestic fixed income assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above	-	-
Share of receivables (%)	18.22	13.84
Share of related party assets held by the Company (%)	3.59	4.04

(IV) Key business metrics

Indicators	unit: 10,000 yuan	
	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	163,807.55	163,807.55
Net profits	-1,808.79	-1,808.79
Total assets	1,119,018.79	1,119,018.79

Net assets	334,770.76	334,770.76
Insurance contract liabilities	354,088.92	354,088.92
Basic earnings per share (yuan)	-	-
ROE (%)	-0.54	-0.54
ROA (%)	-0.17	-0.17
Investment yield (%)	0.24	0.24
Comprehensive investment yield (%)	1.32	1.32

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of March 2023, its gross written premiums amounted to 1,638.0755 million yuan (primary premiums: 376.8500 million yuan, inwardly ceded premiums: 1,261.2255 million yuan), and its total assets stood at 11.1901879 billion yuan. It has 4 provincial-level branch offices, and according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

The Company was rated BB at the IRR (differentiated supervision) for both Q3 and Q4 of 2022.

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

In the first quarter of 2023, to improve risk management, the Company updated its risk management system, set risk appetite, and set forth its annual risk management priorities. To be specific, firstly, the Company assessed and updated its solvency risk management policy, as well as the regulations on the management of insurance, market, credit, liquidity, operational, reputational and strategic risks, which were submitted to the Management Committee of the Company for deliberation and will be submitted to the Board of Directors for approval in the second quarter of 2023. Secondly, it assessed the implementation of its risk appetite for 2022 and developed its risk appetite statement and risk tolerance for 2023 within the framework of the Group's 2023 risk appetite, taking into account its own risk profile. Thirdly, the Company formulated its annual risk management strategy for 2023 in

light of the Group's annual risk management strategy for 2022 and the its strategic plan for 2023 and clarified the annual risk management objectives and plans while conducting its daily risk management.

In Q1 2023, the Company's risk management went on smoothly as per relevant regulations and processes, and no major risk events occurred in the quarter.

(III) The latest result of Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

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

V. Integrated risk rating (differentiated supervision)

(I) The last two IRR results

The Company was rated BB at the IRR (differentiated supervision) by CBIRC for both Q3 and Q4 of 2022. It met regulatory requirements in solvency, with low level of operational risk, reputational risk, strategic risk and liquidity risk.

(II) Measure taken or to be taken for improvement

In Q1 2023, the Company continued to focus on measures as identified in self-assessment with regard to operational risk and strategic risk indicators as per Evaluation Criteria for the Unquantifiable Risks of Insurance Companies. In terms of operational risk, the Company continued to improve operational efficiency while maintaining the effectiveness and quality of all its operational processes. Another focus is customer complaints. It took measures to handle customer complaints appropriately to prevent possible complaints. On strategic risk, the Company continued to pay attention to and enhance the stability of its workforce at the headquarters.

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

Liquidity risk of the Company mainly stems from claims and maturity payments on insurance contracts, daily expenditures and investment asset impairment. As of the end of Q1 2023, there were no events which may trigger liquidity risk. The Company maintained a high proportion of highly-liquid assets in investments, with the 5-day liquidation ratio at sound levels, which enabled it to meet various needs for liquidity. At the same time, the Company maintained a certain level of gear ratio and financing activities to ensure sufficient borrowing in the unlikely event of emergencies. Overall, its sources of liquidity outweigh needs for liquidity, indicating a low level of liquidity gap risk.

Operational risk: In terms of compliance and internal control, there were no breaches of regulations or administrative penalties from regulators in Q1 2023. There was zero violation per 100 million yuan in standard premiums and zero regulatory penalty per 100 million yuan in standard premiums for the Company. On the IT side, all its core systems were 100% usable, and there was no financial losses incurred due to system failure. In terms of personnel, the workforce was relatively stable. There was no losses resulting from operational risk incidents in the area of sales, underwriting, POS, claims settlement or investment, or occurrence of insurance frauds in this quarter.

Reputational risk: The Company's media monitoring system includes CPIC Group's own system, and third-party monitoring services, which can effectively monitor negative publicity of the Company and its insurance and investment counter-parties. In daily work, the Company strictly implements various reputational risk management processes covering assessment, risk handling and post-crisis accountability. In Q1 2023, the Company did not experience any reputational risk incidents on mainstream or other types of media.

Strategic risk: The Company formulated its 2021-2023 Development Plans and Annual Business Targets, which set forth details on its strategic positioning, implementation plan and expected results. With a clear strategic direction and implementation plan, it aims to achieve further transformation and business breakthroughs under the guidance of the strategic objectives of the Group and the Company. By breaking down the targets, regularly reviewing business performance and analyzing market conditions and its own strengths, the Company formulated strategies aligned with the market environment to identify, assess and manage strategic risks. As of Q1 2023, no business indicators exceeded risk limits, and there was no occurrence of strategic risk events.

VI. Management analysis and discussions

(I) Solvency Analysis

1. Available capital

As of 31 March 2023, the Company's net assets was 3,347.7076 million yuan, and after deducting items such as intangible assets other than land use rights, long-term deferred expenses, and the differences in reserves under the accounting standards and C-ROSS II standards (which in total amounting to 45.9608 million yuan), the available capital stood at 3,301.7468 million yuan, an increase of 76.2739 million yuan from the previous quarter, which was mainly due to the increase in the fair value of available-for-sale financial assets as a result of the equity market movement.

2. Minimum capital

The minimum capital of the Company at the end of Q1 2023 was 1,282.8349 million yuan, up 5.51% from the previous quarter, mainly as a result of continued growth of long-term insurance business, which in turn led to increase in life insurance risk; the phasing out of the transitional policy for interest rate risk caused increased market risk, and newly added non-standard assets and deposits led to increased credit risk; of this, minimum capital for insurance risk of life business was 687.0447 million yuan, that for insurance risk of non-life business was 660.1108 million yuan, that for market risk 286.8358 million yuan, that for credit risk 337.02 million yuan, diversification effect for quantifiable risk was 697.1269 million yuan, and that for control risk was 8.9505 million yuan.

3. Solvency margin ratio

As of 31 March 2023, the Company's core solvency margin surplus was 1,749.8903 million yuan, and the core solvency margin ratio was 236%; the comprehensive solvency margin surplus was 2,018.9119 million yuan, and the comprehensive solvency margin ratio was 257%. In Q1 2023, the core and comprehensive solvency margin ratios fell by 18pt and 8pt respectively from the previous quarter, mainly due to the phasing out of the policy on transitional period.

(II) Liquidity risk

For this quarter, net cash flow was -64 million yuan, mainly because of the investment cash outflows arising from asset allocation; the difference between actual net cash flow from operating activity and the estimate was -129 million yuan, meaning an adverse variance of -40%. This was mainly due to postponed reinsurance payments till Q2 of approximately 80 million yuan originally planned to be settled with CPIC Life in Q1, which, if excluded, would result in an adverse variance of less than -30% for the quarter. As of the end of Q1, all liquidity coverage ratios under various scenarios and all liquidity indicators were within regulatory limits.

The Company will strictly follow the regulatory requirements on solvency cash flow forecasting, take into account factors such as business development and market changes, regularly evaluate the effectiveness of its liquidity risk management mechanisms and systems, and make appropriate adjustments to ensure a reasonable liquidity risk level.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Anxin Agricultural Insurance Co., Ltd.

1st Quarter of 2023

Company overview and contact information

Company name (Chinese):	太平洋安信农业保险股份有限公司
Company name (English):	China Pacific Anxin Agricultural Insurance Company Limited
Legal representative:	SONG Jianguo
Registered address	3651 Gonghexin Road, Shanghai, the PRC.
Registered capital	1.08bn yuan
Business license number	00000089
Date opening for business	September 2004
Business scope	Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short- term health and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business (subject to approval by regulators as per relevant laws and regulations)
Business territories	Shanghai, Jiangsu Province, Zhejiang Province.
Contact person:	LI Mao
Tel. number:	+86-21-66988703
Cell phone:	18817959847
Email:	Limao-005@aaic.com.cn

I. Board and management statement

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

China Pacific Anxin Agricultural Insurance Company Limited
April 2023

II. Basic information

(I) Ownership structure and shareholders, and change during the reporting period

1. Ownership structure and change

Types of shareholders	Beginning of reporting period		Change of shares or stake				End of reporting period	
	Shares or contribution	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State	0	0%	0	0	0	0	0	0%
State-owned legal person	108,000	100%	0	0	0	0	108,000	100%
Private legal person	0	0%	0	0	0	0	0	0%
Foreign	0	0%	0	0	0	0	0	0%
Others	0	0%	0	0	0	0	0	0%

Total	108,000	100%	0	0	0	0	108,000	100%
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Note:(1) Shares apply to joint-stock companies (unit: 10,000 shares), and stake applies to non joint-stock companies (unit: 10,000 yuan). (2) Ownership by state refers to the stake acquired by investment entities or departments on behalf of the state by way of capital contribution or following legal procedures. Such shares are registered by insurance companies as being owned by the entity or department. Ownership by state-owned legal persons refers to the stake acquired by state-owned enterprises, not-for-profit organisations and other entities by way of contributing capital to an independent insurance firm or acquired following legal procedures using assets legally in their possession. Such shares are registered by insurance companies as being owned by the state-owned enterprise, not-for-profit organisation and entity.

2. Controlling shareholder or de facto controller

The Company has no de factor controller. China Pacific Property Insurance Co., Ltd. is the majority shareholder, holding 67.78% of the shares of the Company.

3. Shareholders and related parties as at the end of the reporting period

Names of shareholders	Types of shareholders	Unit: 10,000 shares		
		Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Property Insurance Co., Ltd.	State-owned	73,205.68	67.78%	0
Shanghai Agricultural Development Co., Ltd.	State-owned	7,718.03	7.15%	0
Shanghai Minhang Asset Investment (Group) Co., Ltd.	State-owned	5,365.19	4.97%	0
Shanghai Nongfa Asset Management Co., Ltd.	State-owned	4,201.72	3.89%	0
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	State-owned	3,653.35	3.38%	0
Shanghai Baoshan Fiscal Investment Company	State-owned	3,150.84	2.92%	0
Shanghai Jiading Guangwo Asset Management Co., Ltd.	State-owned	2,504.59	2.32%	0
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	State-owned	2,025.88	1.88%	0
Shanghai Huinong Investment Management Co., Ltd.	State-owned	1,817.99	1.68%	0
Shanghai Qingpu Asset Management Co., Ltd.	State-owned	1,719.37	1.59%	0

Shanghai Jinshan Capital Management Group Co. Ltd.	State-owned	1,640.50	1.52%	0
Shanghai Chongming Asset Operation Co., Ltd.	State-owned	996.86	0.92%	0
Total	— —	108,000.00	100.00%	0
Related party relations among shareholders	None			

Note: Types of shareholders refer to “state-owned”, “foreign” and “natural persons”, etc.

4. Shareholding by directors, supervisors and senior management

None during the reporting period.

5. Share transfer during the reporting period

None.

(II) Directors, supervisors and senior management

1. Directors, supervisors and senior management

1.1 Directors

As of the end of March 2023, the 4th Board of Directors of the Company has 9 directors in total:

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Chairman of the Company since February 2015 (approval document: CIRC Approval [2015] No. 143). Mr. SONG currently serves as Deputy General Manager of CPIC P/C and Dean of Tai'an Agricultural Insurance Research Institute. He previously served as General Manager of CPIC P/C Hainan Branch, General Manager of Property Liability Insurance Department of CPIC P/C, General Manager of CPIC P/C Shandong Branch, and Head of Sales of CPIC P/C.

Mr. MAO Xiaojun, born in March 1967, received junior college education and holds the title of Accountant. He has been serving as Non-executive Director of the Company since July 2015 (approval document: CIRC Approval [2015] No. 732). Mr. MAO currently serves as General Manager of Shanghai Shenlian Shengshi Enterprise

Development Co., Ltd. He previously served as CFO of Shanghai Dalong Accounting Firm, and Head of Investment Management Department of Shanghai Minhang Asset Investment Management (Group) Co., Ltd.

Ms. XING Zhibin, born in June 1982, holds a bachelor's degree. She has been serving as Non-executive Director of the Company since February 2022 (approval document: CBIRC Approval [2022] No. 32). Ms. XING currently serves as Head of Assets Supervision Section of Shanghai Agricultural Development Promotion Center. She previously served as Deputy Manager of Administrative Affairs Department of Shanghai Kaibo Property Management Co., Ltd., Deputy Head of Organization and Personnel Section of Shanghai Modern Agriculture Open Training Center, and Director of General Office of Shanghai Agricultural Development Promotion Center.

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as Executive Director of the Company since September 2021 (approval document: CBIRC [2021] No. 680). Mr. SHI also serves as General Manager of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West Operation Management Office of Shanghai Branch of China Life Insurance Company, Deputy General Manager of Business Management Department, General Manager of Market Development Department, and General Manager of Product Development and Reinsurance Department of Shanghai Anxin Agricultural Insurance Co., Ltd. He also served as Assistant President, Vice President, Board Secretary, Executive Director, President (General Manager) of Anxin Agricultural Insurance Co., Ltd., as well as Deputy Head of Marketing and General Manager of Strategic Account Department of CPIC Group.

Mr. JIANG Shengzhong, born in July 1958, holds a doctoral degree. He has been serving as Independent Director of the Company since April 2018 (approval document: CBIRC Approval [2018] No. 4). Mr. JIANG is currently a professor and PhD supervisor of Nankai

University. He also serves as Director of Agricultural Insurance Center of Nankai University Finance College, President of the Education Committee of the Insurance Society of China, Executive Director of China Society for Finance and Banking, Executive Director of Tianjin Insurance Society, and Honorary Director of Council of China Insurance News. Mr. JIANG was previously Dean of Insurance Department of Nankai University.

Mr. ZHANG Qiao, born in November 1962, holds a doctoral degree. He has been serving as Independent Director of the Company since December 2022 (approval document CIRC Approval [2022] No. 851). Mr. ZHANG currently serves as Research Fellow of Agricultural Information Institute of the Chinese Academy of Agricultural Sciences, executive member of the Agriculture Risk Management Council of China, Research Fellow of the National Research Centre on Agriculture and Rural Areas of China Agriculture University, and vice chair of the Panel of Monitoring and Early Warning of China Agricultural Institute. He previously served as Assistant Research Fellow, Deputy Research Fellow of Agricultural Information Institute of the Chinese Academy of Agricultural Sciences, and lecturer of Shanxi University of Finance and Economics.

Mr. SHEN Chun, born in August 1971, holds a bachelor's degree. He has been serving as Independent Director of the Company since January 2019 (approval document: CBIRC Approval [2019] No. 44). Mr. SHEN currently serves as Director of the Management Committee of Excellent Law Firm, Chairman of the China Democratic National Construction Association Baoshan Committee Wusong General Branch, Member of the Standing Committee of the 9th Baoshan District Political Consultative Conference, Law Enforcement Supervisor of the CPC Political and Legal Commission of Baoshan District, Legal Advisor of Government of Baoshan District. Mr. SHEN previously served as Deputy Head and Partner of Shanghai Zhengming Law Firm.

Mr. CHEN Sen, born in October 1970, holds a master's degree and membership of Society of Actuaries (SOA). He has been serving as Non-executive Director of the Company since March 2019 (approval document: CBIRC Approval [2019] No. 332). Mr. CHEN currently serves as Deputy General Manager, Finance Responsible Person, and Chief Actuary of CPIC P/C. He previously served as Senior Actuarial Analyst of Finance Department of Swiss Reinsurance Company (USA), Actuary of Analysis Department of Guy Carpenter & Company, Deputy General Manager, Chief Actuary, and Finance Responsible Person of China Property & Casualty Reinsurance Company.

Ms. ZHOU Li, born in March 1979, holds a bachelor's degree and the title of Accountant. She has been serving as Non-executive Director of the Company since June 2022 (approval document: CBIRC Approval [2022] No. 403). Ms. ZHOU currently serves as Manager of General Affairs Department of Agricultural Development Asset Management Center of Shanghai Pudong State-owned Assets Investment Management Co., Ltd. Previously, she served as Deputy Manager of Finance Department of Shanghai Agricultural Development Asset Management Center, Head of Audit Office of Shanghai Agricultural Development Asset Management Co., Ltd., Manager of General Affairs Department of Agricultural Development Asset Management Center of Shanghai Pudong State-owned Assets Investment Management Co., Ltd., etc.

1.2 Supervisors

As of the end of March 2023, the 4th Board of Supervisors of the Company has 6 Supervisors:

Mr. Huang Xiongfei, born in March 1963, holds a bachelor's degree and the title of Accountant. He has been serving as Chairman of Board of Supervisors and Employee Representative Supervisor of the Company since July 2022 (approval document: CBIRC Approval [2022] No. 403). He concurrently serves as member of the Party Committee, secretary of the Party Disciplinary Inspection Committee, and chairman of the Workers'

Union of the Company. Previously, Mr. Huang served as Manager of Personal Financial Services Department of Shanghai Rural Commercial Bank Pudong Branch, Deputy General Manager of Shanghai Pudong Sub-branch of Anxin Agricultural Insurance Co., Ltd., General Manager of Shanghai Nanhui Sub-branch of Anxin Agricultural Insurance Co., Ltd., Member of the Party Committee of Agricultural Insurance Co., Ltd., Vice-president, Deputy General Manager of Anxin Agricultural Insurance Co., Ltd. and Deputy Secretary of the Party Committee of Shanghai Branch of Anxin Agricultural Insurance Co., Ltd., General Manager of Anxin Agricultural Insurance Co., Ltd., and Deputy General Manager of China Pacific Anxin Agricultural Insurance Co., Ltd.

Ms. ZHANG Wenjuan, born in November 1983, holds a master's degree and national legal professional qualification. In December 2020, she became Employee Representative Supervisor of the Company (approval document: CBIRC [2020] No. 849). Ms. ZHANG also serves as Legal Responsible Person, Director of the Discipline Inspection Office, and General Manager of Legal Compliance Department/Risk Management Department of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Legal and Compliance Department of Anxin Agricultural Insurance Co., Ltd., Deputy General Manager (in charge) of Legal and Compliance Department of the Company, Deputy Director of the Discipline Inspection Office of the Company, Compliance Responsible Person of Shanghai Branch of the Company, and General Manager of Legal and Compliance Department of Shanghai Branch of the Company.

Mr. MIAO Huan, born in August 1983, holds a bachelor's degree. He became Supervisor of the Company in December 2021 (approval document: CBIRC Approval [2019] No. 973). Mr. MIAO currently serves as Deputy General Manager of Shanghai Huijia Venture Capital Co., Ltd. and Executive Director of Shanghai Jiading Guangwo Assets Management Co., Ltd. Mr. MIAO previously served as Business Assistant, and Business Manager of the Investment Management Department of Shanghai Jiading District State-owned Assets Management (Group) Co., Ltd., and Business Manager of

Shanghai Jiading Venture Capital Management Co., Ltd.

Mr. GUO Zongjie, born in December 1968, holds a bachelor's degree. He became Employee Representative Supervisor of the Company in December 2020 (approval document: CBIRC [2020] No. 860). Mr. GUO is currently Head of the Office of the Board of Directors/Office of the Board of Supervisors, Head of the Party Building Department, and Director of the Party Committee Office of the Company. Previously, he served as Director of the General Office and Party Committee Office of CPIC P/C Shandong Branch, General Manager of the Intermediary Business Department of CPIC P/C Shandong Branch, and Director of the Administrative Office and General Manager of the Development Planning Department of the Company.

Mr. CHENG Song, born in November 1979, holds a master's degree. He became Employee Representative Supervisor of the Company in February 2022 (approval document: CBIRC [2022] No. 32). Mr. CHENG currently serves as General Manager of Finance Department and Asset Management Department of the Company. Previously, he served as Senior Manager of Accounting Center of Financial Management Department of CPIC Group, and Deputy General Manager of Financial Department of CPIC P/C.

Ms. ZHANG Wen, born in November 1984, holds a bachelor's degree. She has been serving as Supervisor of the Company since July 2022 (approval document: CBIRC Approval [2022] No. 403). Ms. ZHOU currently serves as Executive Director, General Manager of Shanghai Xingbo Supplies Co., Ltd.. Previously, she served as General Manager of Business Development Management Department, Employee Representative Supervisor, and Director of General Office of Shanghai Fengxian SPD Rural Bank, Assistant President, Deputy President of Shanghai Fengxian Branch of Ningbo Bank.

1.3 Senior management

As of the end of March 2023, the Company has 7 members of senior management:

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as General Manager of the Company since July 2021 (approval document: CBIRC [2021] No. 609). Mr. SHI also serves as Executive Director of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West Operation Management Office of Shanghai Branch of China Life Insurance Company, General Manager of Business Management Department, General Manager of Market Development Department, and General Manager of Product Development and Reinsurance Department of Shanghai Anxin Agricultural Insurance Co., Ltd. He also served as Assistant President, Vice President, Board Secretary, Executive Director, President (General Manager) of Anxin Agricultural Insurance Co., Ltd., as well as Deputy Head of Marketing and General Manager of Strategic Account Department of CPIC Group.

Mr. ZHENG Kai, born in August 1972, holds a master's degree. He has been serving as Deputy General Manager and Board Secretary of the Company since May 2016 (approval documents: CIRC Approval [2016] No. 391, and CIRC Approval [2016] No. 383 respectively). Mr. ZHENG is also Member of the Jing'an District Committee of CPPCC. Mr. ZHENG previously served as Deputy Head of Youth Work Department of Communist Youth League Shanghai Municipal Committee, Secretary-General of Shanghai Young Entrepreneurs Association, Deputy Director of Economy Division of Taiwan Affairs Office of Shanghai Municipal Government, Head of Exchange and Communication Division of Taiwan Affairs Office of Shanghai Municipal Government, Head of Coordination Division of Taiwan Affairs Office of Shanghai Municipal Government, and General Manager of Shanghai Sales Outlet of Anxin Agricultural Insurance Co., Ltd.

Ms. LI Shuhui, born in July 1972, holds a master's degree and the title of Senior Auditor, CPA, CIA and CCSA. She has been serving as Finance Responsible Person and Deputy

General Manager of the Company since December 2019 (approval documents: CBIRC Shanghai Approval [2019] No. 984, and CBIRC Shanghai Approval [2019] No. 983 respectively). She previously served as Deputy General Manager of Internal Audit Center/Second Division, General Manager of Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Auditing Responsible Person of Changjiang Pension, Supervisor of CPIC Online Services, Supervisor of Anxin Agricultural Insurance Co., Ltd, and General Manager of Finance Department and Assets Management Department of CPIC P/C, Supervisor of CPIC P/C.

Mr. HUANG Xiaofeng, born in March 1971, holds a master's degree. He has been serving as Assistant General Manager of the Company (approval document: CBIRC [2022] No. 409) since June 2022. Previously, Mr. HUANG served as Deputy Head of Gaodong Township, Head of Heqing Township, Pudong New Area, Shanghai, Deputy Director of the Rural Affairs Office, Deputy Director of the District Agricultural Committee of the CPC Committee of Pudong New Area, Member of the CPC Committee of Anxin Agricultural Insurance Co., Ltd. and General Manager of its Shanghai Nanhui Sub-branch, Deputy Secretary of CPC Committee and Deputy General Manager of Shanghai Branch of Anxin Agricultural Insurance Co., Ltd., Member of CPC Committee, General Manager of Agricultural Insurance Market Development Department and General Manager of Agricultural Insurance Business Management Department of Pacific Anxin Agricultural Insurance Co., Ltd.

Mr. WU Kaibing, born in July 1968, holds a doctoral degree and the title of Senior Auditor. He has been serving as Internal Auditing Responsible Person since October 2017 (approval document: CIRC Approval [2017] No. 1191). Mr. WU currently serves as General Manager of the Internal Audit Department (South China) of CPIC Group. He previously served as Securities Research Head of the Shanghai Securities Department of SDIC Hainan, Assistant President of Shanghai Kaiquan Pump (Group) Co., Ltd., Deputy Director of the Financial Audit Division of CNAO's Shanghai Resident Office, Senior Auditor of the Second Division of the Internal Audit Headquarters of CPIC Group,

Senior Auditor, and Deputy General Manager of the Internal Audit Business Department of the Internal Audit Center of CPIC Group.

Mr. WU Gang, born in August 1970, holds a bachelor's degree. He has been serving as Compliance Responsible Person, and Chief Risk Officer of the Company (approval document: CBIRC [2022] No. 403) since June 2022. Previously, Mr. WU served as Assistant General Manager, Deputy General Manager (in charge) and General Manager of CPIC P/C Ningxia Branch, General Manager of CPIC P/C Gansu Branch, and General Manager of the Legal Affairs and Compliance Department of CPIC P/C.

Ms. YANG Guotao, born in January 1981, holds a master's degree and membership of China Association of Actuaries and FRM qualification. She has been serving as Chief Actuary of the Company since January 2020 (approval document: CBIRC Shanghai Approval [2019] No. 1096). Ms. YANG currently serves as General Manager of Actuarial Department of the Company. She previously worked in the capacity of actuarial service with China Continent Insurance Co. Ltd., served as Actuarial Responsible Person and Deputy General Manager (in charge) of the Actuarial Department of Anxin Agricultural Insurance Co., Ltd.

2. Changes to directors, supervisors and senior management of head-office

None.

(III) Subsidiaries, joint ventures or associate ventures

None during the reporting period.

(IV) Breaches and administrative penalties during the reporting period

1. Administrative penalties against insurance companies and their directors, supervisors, and senior management at head-office

None.

2. Misconduct which triggered judicial proceedings by directors, supervisors, management at department-head level or above at headquarters or senior management of provincial branch offices

None.

3. CBIRC regulatory measures against the Company

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: yuan

Item	Reporting quarter	Previous quarter	Next quarter estimates
Admitted assets	6,996,560,651	6,643,385,772	7,477,270,210
Admitted liabilities	3,911,201,838	3,623,058,056	4,347,490,492
Available capital	3,085,358,814	3,020,327,716	3,129,779,718
Tier-1 core capital	2,804,393,375	2,758,927,929	2,848,814,280
Tier-2 core capital	-	-	-
Tier-1 supplement capital	280,965,438	261,399,786	280,965,438
Tier-2 supplement capital	-	-	-
Minimum capital	826,375,340	817,904,508	861,719,820
Minimum capital for quantifiable risks	810,495,699	802,701,069	845,154,786
Minimum capital for life insurance risk	-	-	-
Minimum capital for non-life insurance risk	583,935,814	582,798,827	598,403,882
Minimum capital for market risk	345,260,995	344,647,369	367,593,741
Minimum capital for credit risk	254,031,196	241,771,516	272,297,530

Diversification effect for quantifiable risks	372,732,306	366,516,643	393,140,367
Loss absorption for special-type insurance contracts	-	-	-
Minimum capital for control risk	15,879,641	15,203,439	16,565,034
Supplement capital	-	-	-
Core solvency margin surplus	1,978,018,035	1,941,023,422	1,987,094,460
Core solvency margin ratio	339.36%	337.32%	330.60%
Comprehensive solvency margin surplus	2,258,983,473	2,202,423,208	2,268,059,899
Comprehensive solvency margin ratio	373.36%	369.28%	363.20%

(II) Regulatory indicators for liquidity risk

LCR	Q1 2023		Q4 2022	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 under base scenario	125.69%	103.08%	111.96%	104.27%
LCR2 under stress scenario – compulsory	124.72%	110.65%	182.80%	123.25%
LCR2 under stress scenario- self-testing	180.65%	117.78%	191.26%	117.77%
LCR3 under stress scenario excluding asset disposal- compulsory	72.44%	90.76%	99.30%	100.04%
LCR3 under stress scenario excluding asset disposal-self-testing	124.58%	98.42%	106.44%	99.59%
Retrospective adverse deviation ratio of net cash flows from operating activities	-4.89%		82.94%	
Net cash flows YTD (unit: 10,000 yuan)	5770.82		-1987.50	
Net cash flows in 2021(unit: 10,000 yuan)	-1987.50		3041.26	
Net cash flows in 2020 (unit: 10,000 yuan)	3041.26		1033.22	

(III) Monitoring indicators for liquidity risk

Indicators	Item	Q1 2023	Q4 2022
1. Net cash flows from operating activities	Amount	-181,928,808	375,967,335
	Cash inflow from operating activities YTD	264,642,569	1,838,478,503
	Cash outflow from operating activities YTD	446,571,377	1,462,511,167
2. Net cash flows from operating activities per 100 yuan in premiums	Amount	-41.45	21.47
	Net cash flows from operating activities YTD	-181,928,808	375,967,335
	Premiums YTD	438,914,428	1,751,481,988
3. Weight of cash outflow for certain business	Percentage	0.12%	32.12%
	Claims for business of special types	26,310	268,643,036
	Incurred and reported outstanding claim reserves for business of special types	247,728	-2,189,804
	Claims	227,881,000	882,120,466
	Incurred and reported outstanding claim reserves	2,203,471	-52,673,090
4. Total premiums growth year-on-year	Percentage	14.68%	9.97%
	Total premiums YTD	438,914,428	1,751,481,988
	Total premiums YTD at the same period of last year	382,738,829	1,592,634,243
5. Weight of cash and liquidity management instruments	Percentage	1.81%	0.92%
	The book value of cash and liquidity management instruments at the end of the period	117,044,774	59,336,576
	The ending balance of total assets	6,463,995,390	6,467,545,667

6. Quarterly average financial leverage ratio	Percentage	6.66%	1.12%
	Arithmetic mean of the ending balance of inter-bank lending, bond repurchase and other financing cash inflow at the end of each month during the quarter	468,000,000	74,666,667
	The ending balance of total assets	7,026,995,390	6,673,545,667
7. Weight of domestic fixed income assets rated AA and below	Percentage	0.00%	0.00%
	The book value of domestic fixed income assets rated AA and below at the end of the period	0	0
	The ending balance of total assets	6,463,995,390	6,467,545,667
8. Weight of investments in listed stocks with a stake of 5% or above	Percentage	0.00%	0.00%
	The book value of investments in listed stocks with a stake of 5% or above at the end of the period	0	0
	The ending balance of total assets	7,026,995,390	6,673,545,667
9. Proportion of receivables	Percentage	22.29%	22.76%
	Premium receivables	565,247,341	387,706,296
	Reinsurance receivables	1,001,326,058	1,131,333,088
	The ending balance of total assets	7,026,995,390	6,673,545,667
10. Proportion of related party assets held by the Company	Percentage	0.00%	0.00%
	Total investment assets of related parties held by the Company	-	-
	The ending balance of total assets	7,026,995,390	6,673,545,667

(IV) Key business metrics

unit: yuan

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	446,043,582	446,043,582
Net profits	37,184,207	37,184,207
Total assets	7,026,995,390	7,026,995,390
Net assets	2,915,980,288	2,915,980,288
Insurance contract liabilities	2,476,132,714	2,476,132,714
Basic earnings per share	0.034	0.034
ROE	1.29%	1.29%
ROA	0.54%	0.54%
Investment yield	0.80%	0.80%
Comprehensive investment yield	1.22%	1.22%
Profitability indicators	--	--
Combined ratio	--	97.56%
Expense ratio	--	18.28%
Loss ratio	--	79.28%
Proportion of commission and brokerage expenses	--	2.48%
Proportion of operating and administrative expenses	--	17.37%
Scale indicators	--	--
Written premiums	438,914,428	438,914,428
Written premiums of auto insurance	-	-
Written premiums of top 5 non-auto insurance business lines	417,742,329	417,742,329
Largest non-auto business line	263,337,281	263,337,281
Second largest non-auto business line	71,700,556	71,700,556
Third largest non-auto business line	47,173,654	47,173,654
Fourth largest non-auto business line	19,166,091	19,166,091
Fifth largest non-auto business line	16,364,746	16,364,746
Average vehicle premium of auto insurance	-	-
Written premiums by channels	438,914,428	438,914,428
Agency	42,480,610	42,480,610
Direct	382,617,344	382,617,344
Brokerage	13,816,474	13,816,474
Others	-	-

IV. Risk management capabilities

(I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the former CIRC. In 2022, its written premiums amounted to 1.751bn yuan, and as of the end of 2022, total assets stood at 6.674bn yuan, with 3 provincial-level branch offices. According to Article 6 of Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

(II) The latest result of Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 76.08 points.

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

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 76.08 points. During the reporting period, the Company took further steps to enhance risk management. To be specific:

In insurance risk, it revised Regulations on Product Pricing, Standards of Internal Control on Non-life Reserve Management, Provisions on Testing of Significant Insurance Risk, formulated Regulations on Preparation of Solvency Reports, Regulations on Management of Spreadsheets of Non-life Reserving; completed a

review report of products for 2022 covering key products on offer, adjusted the product mix, sales policies, U/W policies so as to control insurance risk of the Company; conducted a retrospective review of reserves of 2022 and the preceding year; made work plans for U/W and Claims Management Certification System; drafted work programme of claims quality assessment; completed renewal of key outward reinsurance treaties.

As for market risk, the Company amended Provisions on Investment Outsourcing to enhance investment risk management; maintained mechanisms for communication with investment managers over market risk facing investment assets, in a bid to prevent concentrated exposure and its adverse impact on the net profits and net assets of the Company.

In terms of credit risk, it formulated policies on business management of long overdue arrears, formulated dedicated performance evaluation plans for receivables collection in 2023 to push for clearance of premium receivables after the period of insurance liability; established work teams for long overdue funds to put in place regular management mechanisms; followed developments of reinsurance counter-parties to ensure stable and “manageable” credit risk outlook.

With regard to operational risk, it enhanced management of regulations, updated List of Internal Control Regulations and drafted Annual Plan of Regulations Management for 2023; completed secondment of heads of legal & compliance of branch offices for on-the-job training, evaluation and appointment, strengthened centralised management of risk and compliance personnel in branch offices; updated database of operational risk losses and conducted analysis and assessment of operational risk incidents via risk management systems; started amendments to rules on anti-money laundering (AML) and insurance frauds; conducted AML rating for 2022, extracted data of AML inherent risk and evaluated status of AML management, coupled with review of AML work, identification of gaps and formulation of remedial actions by branch offices; carried out quarterly internal audits of insurance frauds, which provided the basis for quarterly reports on fraud risk.

As for liquidity risk, the Company continued to optimise cash flow projection modelling,

enhanced retrospective review of net cash flows from operating activities, conducted review of cash flow budgets and analysed causes for adverse variance; continued to track the status of claims of agricultural insurance arising from natural disasters, and assessed their potential impact on cash flows in a timely manner so as to ensure sufficient liquidity at hand and stable and normal cash flows; continuously communicated with CPIC AMC to ensure an asset allocation compatible with needs for cash flows; reviewed and optimised the risk matrix of investment liquidity, continuously monitored quantitative indicators, assessed changes to market liquidity and interest rate movements and their impact on liquidation of its investment assets; pushed for building of IT systems for management of fiscal subsidies so as to improve collection of premium receivables owed by governments; made an effort to resolve arrears arising from reinsurance business, focusing on accounts which met conditions for recoveries.

When it comes to reputational risk management, the Company conducted 2023 annual training of reputational risk and emergency drills in response to calls of the Group for enhancement of reputational risk management and its “7-point” initiative; organised the March 15th Consumer Protection Week Publicity Programme for 2023 via multiple channels such as branch offices and on-line so as to build the benchmark for high-quality customer service.

On the front of strategic risk, it evaluated the status of implementation of development plan for 2022 and drafted Business Development Plan for 2023 based on its latest strategies and development objectives.

(IV) Status of SAMRA self-assessment

None during the quarter.

V. Integrated risk rating (differentiated supervision)

(I) The last two IRR results

The Company was rated AAA at the IRR (differentiated supervision) by CBIRC for both

Q3 and Q4 of 2022.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [2021] No. 51), starting from Q1 2022, the IRR(differentiated supervision) results will be in 4 categories, i.e., A, B, C, D, which can be further classified into AAA, AA, A, BBB, BB, and B, both by ascending order of risks.

(II) Measures taken or to be taken for improvement

The Company's integrated risk rating (IRR) for the last quarter was AAA. At the end of this quarter, the Company's comprehensive solvency margin ratio was 373.36%, and core solvency margin ratio was 339.36%.

In the first quarter, first, we formulated and issued Regulations on Preparation of Solvency Reports, Regulations on Management of Spreadsheets of Non-life Reserving, revised and issued relevant regulations including Regulations on Product Pricing, Standards of Internal Control on Non-life Reserve Management, and Provisions on Investment Outsourcing, with strict implementation on the ground. Second, we conducted the filing of IRR for Q4. According to feed-back of regulator on IRR results of Q4, we performed well on metrics of reputational risk and liquidity risk, but need to improve on certain metrics of operational risk, such as “premium surrender ratio”, “claims settlement ratio” and “claims payment turn-around for cases below 10,000 yuan”. Therefore, the Company convened meetings to supervise remedial actions, enhanced frequency of monitoring of key metrics so as to be more pro-active in risk management.

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

1. Operational risk

1.1 Operational risk status

In this quarter, the Company formulated rectification plans for various defects newly discovered in audits, carried out rectification work with regular progress tracking and urged relevant parties to complete the rectification on time regarding issues covered in the rectification plan. Second, enhanced management of regulations, updated List of Internal Control Regulations for 2023 and drafted Annual Plan of Regulations Management, which cemented the foundation of operational risk management. Third, updated database of operational risk losses and conducted analysis and assessment of operational risk incidents via risk management systems. Fourth, started amendments to rules on anti-money laundering (AML) and insurance frauds in light of latest regulatory requirements so that AML and insurance frauds control can be effective. Fifth, IRR results of Q4 2022 indicated a stable overall status. Management will continue to improve on metrics like claims settlement ratio, claims payment turn-around for cases below 10,000 yuan, and premium surrender ratio. The progress of rectification will be reported to the senior management on a regular basis.

1.2 Methods of operational risk assessment

Conducted self-review by business lines and reporting of emergencies of major operational risk as per Solvency Regulatory Standards of Insurance Companies No.11.

1.3 Process of operational risk assessment

In this quarter, first, the Company conducted an assessment of IRR operational risk status, organising the screening by relevant departments of operational risk in misleading sales, frauds in claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up cross-departmental communications on mitigation measures, if necessary. Second, it monitored key indicators of operational risk in tandem with risk upper limits, management reports on operational risk and rectification of gaps, with clear ownership by departments or branch offices, and may conduct self-review if circumstances require.

1.4 Results of operational risk assessment

The review indicated no serious flaws in operational risk.

2.Strategic risk

2.1 Status of strategic risk

The strategic risk facing the Company mainly includes the following:

First is risks arising from concentration of business in Shanghai. Second is the potential strategic risk arising from differentiated business strategies for agricultural insurance from CPIC P/C.

2.2 Methods of strategic risk assessment

Evaluation of market environment of industry strategic risk, the risk in strategic planning of the Company and the risk in implementation of its strategic planning, as per Solvency Regulatory Standards of Insurance Companies No.11.

2.3 Process of strategic risk assessment

Collected and analysed information on a regular basis, enhanced oversight of implementation status of plans made at the year beginning, and communicated the gaps to company middle and senior management.

2.4 Results of strategic risk assessment

Detected no serious mismatch between company strategies and market environment or its own capabilities.

3.Reputational risk

3.1 Status of reputational risk

In the fourth quarter, the Company conducted 2023 annual training of reputational risk and emergency drills in response to calls of the Group for enhancement of reputational risk management and its “7-point” initiative; organised the March 15th Consumer Protection Week Publicity Programme for 2023 via multiple channels such as branch offices and on-line so as to build the benchmark for high-quality customer service.

3.2 Methods of reputation risk assessment

As per Solvency Regulatory Standards of Insurance Companies No.11, firstly, we monitor online public opinions through the Group’s monitoring platform; secondly, our spokesperson and brand specialists joined the Group’s brand management and

spokesperson in the effort to share and handle public opinion information in a timely manner; thirdly, the Company issued the "Risk Early Warning" weekly reports to the part-time reputational risks management staff to promptly prevent and detect possible reputational risks. We also conducted a company-wide screening of potential reputational risks, and continued to optimize and promote the construction of a closed-loop entire-process reputational management system, so as to create a good reputational environment for the Company's sustainable, healthy and stable development.

3.3 Process of reputational risk assessment

Filed sensitive words with the Group. Used Group platform for collection and statistical analysis of media reports containing such sensitive words, which would enable early responses or mitigation measures.

3.4 Results of reputational risk assessment

During the reporting period, reputational risk of the Company was under control, and there were no incidents which were related to or might trigger reputational risk.

4. Liquidity risk

4.1 Status of liquidity risk

The Company derives liquidity mainly from cash received from premiums, net investment income, sales or maturity of investment assets and financing activities. Demand for liquidity mainly stems from cash needed for payment of claims, daily expenditures and dividends distributed to shareholders.

As a specialised agricultural insurance firm, it mainly faces two types of liquidity risk.

First is the time lag in settlement of agricultural insurance premium receivables by governments. The Company's main business is agricultural insurance, which accounted for 60% of total premiums, and of this, the share of fiscal subsidies was around 16%. As per Provisions on Fiscal Subsidies of Agricultural Insurance Premiums of Shanghai Municipal Government, the subsidy would be accrued in advance and settled in the next year. Thus, the time lag may impact the

Company's cash flows. To address this, it vigorously conducted communications with government agencies in charge of agriculture and finance at various levels, seeking to optimise the process of fiscal subsidy transfers so that it could receive the fund at an early date.

Second is agricultural insurance catastrophe risks. The agricultural insurance business of the Company is concentrated in the Yangtze River Delta, and given this geographical concentration and the characteristics of the business line, the occurrence of natural catastrophes could lead to huge outflows of cash for claims payments within a short period of time. In response, the Company put in place mechanisms to closely monitor likelihood of disasters, issue early warning and prepare for relief and damage-reduction effort; in the event of natural catastrophes, the Company will initiate the contingency plan, conduct claims investigation in a timely manner, coordinate funds planning to ensure normal and stable cash flows.

As at the end of Q1, LCR1s of the next 12 months under base scenarios was 103.08%, and LCR2s of the 12 months under stress scenario was 110.65%, indicating sound status in liquidity risk.

4.2 Methods of liquidity risk assessment

Conducted liquidity coverage ratio, retrospective adverse deviation ratios of net cash flows from operating activities, net cash flows and stress testing of cash flows of the Company as per Solvency Regulatory Standards No. 13.

4.3 Process for liquidity risk assessment

On a quarterly basis, the Finance Department would formulate comprehensive budgets for operating and investment activities in light of the strategic and business plans of the Company, project cash flows on a rolling basis to evaluate the impact on its liquidity.

4.4 Results of liquidity risk assessment

The assessment indicated that all regulatory indicators of liquidity risk and cash flow stress testing pointed to sufficient liquidity to meet needs of the Company.

VI. Management analysis and discussions

(I) Change to solvency and reasons

As of the end of the quarter, the comprehensive and core solvency margin ratios of the Company was 373.36% and 339.36% respectively, maintaining a strong position, rising by 4.1pt and 2.0pt respectively from the preceding quarter.

Of this, available capital was 3.085bn yuan, up by 65mn yuan from the previous quarter, mainly due to quarterly net profits of 37mn yuan, increase of 19mn yuan in other comprehensive income, and increase of 10mn yuan in catastrophe reserve for agricultural insurance.

Minimum capital was 826mn yuan, increasing by 8mn yuan from the preceding quarter. Of this, minimum capital for insurance risk increased by 1mn yuan, mainly as a result of increased capital requirement for catastrophe risk; minimum capital for market risk increased by 1mn yuan, mainly as a result of increased allocation in overseas assets, which led to higher capital requirement for equity price risk; minimum capital for credit risk increased by 12mn yuan, mainly due to increased allocation in alternative debt instruments by 116mn yuan, which led to increased minimum capital for counter-party risk; minimum capital for risk diversification effect increased by 6mn yuan.

(II) Change to liquidity risk indicators and reasons

As of the reporting quarter, cash and cash equivalents was 117.0448mn, up by 57.7082mn from 59.3366mn in the previous quarter. The increase in cash was mainly due to much higher cash inflows from financing activities as a result of more cash received under financial assets sold under repurchase during the quarter.

LCR1s of the next 3 months and next 12 months under base scenarios were 125.69% and 103.08%, respectively.

LCR2s of the next 3 months and next 12 months under stress scenario (compulsory for testing) were 124.72% and 110.65%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 180.65% and 117.78%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding asset disposal (compulsory for testing) were 72.44% and 90.76%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding asset disposal (self-testing) were 124.58% and 98.42%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting and the previous quarters were -4.89% and 82.94%, respectively. The actual amounts of cash received as premiums under reinsurance contracts during the reporting quarter were lower than the projected amounts, while those from the preceding quarter were higher than the projection.

The net cash flow YTD was 57.7082mn yuan. The net cash flow for the previous fiscal year was -19.8750mn yuan, and that for the year earlier was 30.4126mn yuan.

(III) Change to IRR and reasons

The Company was rated AAA at the IRR (differentiated supervision) by CBIRC for both Q3 and Q4 of 2022.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [2021] No. 51), starting from Q1 2022, the IRR results will be in 4 categories, i.e., A, B, C, D, which can be further classified into AAA, AA, A, BBB, BB, and B, both by ascending order of risks.