

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

1st Quarter of 2024

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 chairman and management statement

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

II. Basic information

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

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

Types of shareholding	As at the end of the preceding period		Change				As at the end of the reporting period	
	Shares	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Subtotal	Shares	Percentage (%)
State	29,895	1.5	-	-	-	-	29,895	1.5
Private legal persons	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural persons	-	-	-	-	-	-	-	-
Others								
(listed companies)	1,964,914	98.5	-	-	-	-	1,964,914	98.5
Total	1,994,809	100	-	-	-	-	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)	—	19,649,137,578	98.50	None
Shenergy Group Co., Ltd.	State-owned	—	93,106,180	0.47	None
Shanghai Haiyan Investment Management Company Limited	State-owned	—	92,846,189	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	—	61,049,510	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	—	51,948,193	0.26	None
Total	—	—	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 at head-office level

(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 the Board Office of CPIC P/C, head of the Office of the Board of Supervisors of CPIC P/C, General Manager of Tele-marketing Centre of CPIC P/C, head of Strategy Research Centre and Deputy Director of Transformation of CPIC Group.

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: 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, 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., Director of Sun Life Everbright Asset Management Co., Ltd., Director of CPIC AMC and Chief Actuary of CPIC Health.

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 & Research Centre 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). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of the Board of Supervisors and Director of CPIC Life, Chairman of the Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as Executive Director of the Company since June 2023 (approval document: NAFR [2023] No. 76). He currently serves as General Manager of the Company. Previously, Mr. ZENG served as Deputy Section Chief, Section Chief of Administration of Domestic Business Department, head of Research and Development Department, Deputy Manager of Domestic Business Department and Research and Development Department, Deputy Manager of General Administration for P/C Insurance, Deputy Manager of General Administration for P/C Insurance & Jiangbei Sub-branch, Manager of P/C Insurance Business Development Department, Manager of P/C Insurance Business Centre of Chongqing Branch, China Pacific Insurance Co. Ltd., Manager of P/C Insurance Business Centre & head of Supervisory Department, Assistant General Manager, Deputy General Manager and General Manager of Chongqing Branch of the Company, Director of Auto Insurance Business, Chief Operating Officer and Deputy General Manager of CPIC P/C. Previously, he worked at PICC Chongqing Branch.

(2). Supervisors

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Chairman of the Board of Supervisors of the Company since March 2024 (approval document: NAFR [2024] No.139). Mr. ZHANG currently serves as Compliance Responsible Person and General Counsel of CPIC Group, Director of CPIC Health, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal and Compliance Department, head of the Board Office of CPIC Group, Director and Board Secretary of CPIC P/C, Director and Board Secretary of

CPIC Life, Board Secretary of CPIC AMC, Risk & Compliance Officer, General Manager of Risk Management Department, and Chief Risk Officer of CPIC Group.

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 the Internal Audit Department (East China) of the Internal Audit Centre of CPIC Group, and Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd. Previously, he served as head of Secretariat of General Office of CPIC Life, Deputy Section 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 Internal Audit Centre of CPIC Group, Deputy General Manager (in charge), General Manager of Audit Department (North China) of Audit Centre 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, with designation of Account, CPA. 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 at head-office level

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). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General

Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

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: CIRC [2022] No. 379). He currently serves as Director of the Company. Previously, Mr. ZENG served as Deputy Section Chief, Section Chief of Administration of Domestic Business Department, head of Research and Development Department, Deputy Manager of Domestic Business Department and Research and Development Department, Deputy Manager of General Administration for P/C Insurance, Deputy Manager of General Administration for P/C Insurance & Jiangbei Sub-branch, Manager of P/C Insurance Business Development Department, Manager of P/C Insurance Business Centre of Chongqing Branch, China Pacific Insurance Co. Ltd., Manager of P/C Insurance Business Centre & head of Supervisory Department, Assistant General Manager, Deputy General Manager and General Manager of Chongqing Branch of the Company, Director of Auto Insurance Business, Chief Operating Officer and Deputy General Manager of CPIC P/C. Previously, he worked at PICC Chongqing Branch.

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). Previously he served as head of Business Section of Overseas Business Department, Deputy Manager and Manager of Overseas Business Department, and Assistant General Manager of CPIC Hai'nan Branch, Deputy General Manager, General Manager of Hai'nan Branch of the Company, General Manager of the Property and Liability Insurance Department, General Manager of Shandong Branch, head of Sales (Channel Building and Cooperation), and Deputy General Manager (Agricultural Insurance) of the Company. Prior to that, Mr. SONG worked at the Hainan Branch of the Bank of Communications.

Mr. CHEN Hui¹, born in February 1969, holds a master's degree and the title of accountant. He started to serve as Compliance Responsible Person, Chief Risk Officer of the Company (approval document: NFRA [2024] No. 213) in April of 2024. Previously, Mr. CHEN served as Assistant General Manager and Deputy General Manager of Beijing Branch of CPIC P/C , Deputy General Manager of Hebei Branch of CPIC P/C, General Manager of Human Resources Department, and Chief Human Resources Officer of CPIC P/C. Prior to that, he worked for Beijing Coal Company.

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 of China Pacific Insurance Company Limited, 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.

¹ In April 2024, with the approval of NAFR (approval document: NAFR [2024] No.213) and the 14th meeting of the 7th Board of Directors of CPIC P/C, Mr. CHEN Hui was appointed Compliance Responsible Person, and Chief Risk Officer of the Company.

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). Previously, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, head of General Administration/Board Office/Office of the Board of Supervisors of the Company, General Manager of Corporate Customer Department/Bancassurance Department, and Assistant General Manager of the Company.

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 Tianjin Branch, Deputy General Manager (in charge) and General Manager of Small and Medium-sized Customer Business Department, General Manager of Corporate Customer Department/Bancassurance Department, and General Manager of Heilongjiang Branch of CPIC P/C.

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 the Development and Planning Department, head of the Board Office, and the Office of the Board of Supervisors 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-centre of Tele-marketing Centre of CPIC P/C, and Deputy General Manager of Tele-marketing Centre of CPIC P/C.

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 head of Coordinated Development of Guangdong-Hong Kong-Macao, and General Manager of Guangdong Branch of the Company. Previously, Mr. Yu served as Deputy General Manager of Henan Branch, General Manager of Gansu Branch and Hubei Branch of CPIC P/C respectively.

Mr. CHENG Yingjie, born in November 1967, holds a master's degree. He has been serving as Internal Audit Responsible Person of the Company since May 2023 (approval document: CBIRC [2023] No. 277). Previously he served as member of Party Committee and Deputy General Manager of Liaoning Branch, Party Secretary and General Manager of Heilongjiang Branch, and Party Secretary and General Manager of Sichuan Branch of CPIC P/C .

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
Director	WU Junhao ¹	-
Supervisor	SUN Peijian	ZHANG Weidong
Compliance responsible person, chief risk officer	ZHANG Dong	CHEN Hui ²

(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 the	End of the	Change	End of the	End of the	Change

¹ In Feb. 2024, Mr. WU Junhao tendered a resignation in writing to the board of directors, resigning as a director of the Company due to work reasons.

² In April 2024, Mr. CHEN Hui was appointed as Compliance Responsible Person and Chief Risk Officer of the Company.

	preceding quarter	reporting quarter		preceding quarter	reporting quarter	(pt)
Subsidiaries						
Pacific 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 Jan. 1 and March 31, 2024, branch offices of the Company received 31 administrative penalties from the insurance regulator, with 3.638mn yuan in fines for branches and 0.666mn yuan in fines for individuals, totalling 4.304mn yuan. Misconduct mainly concerned falsification of brokerage business for expense-booking, false expense-booking, granting extra benefits to the insured other than those specified in insurance contracts, etc.

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

(Yes No)

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

(Yes No)

4. Did the Company receive any regulatory measures from the NAFR (previously CBIRC)

during the reporting period?

(Yes No)

III. Key Indicators

(I) Key solvency metrics

Unit: RMB yuan 10,000

Items	As at the end of Q1 2024	As at the end of Q4 2023	Estimates for next quarter under base scenario
Admitted assets	27,009,477	24,512,861	27,349,539
Admitted liabilities	20,529,862	18,335,324	20,792,537
Actual capital	6,479,615	6,177,537	6,557,002
Tier 1 core capital	5,051,961	4,741,482	5,129,348
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,427,654	1,436,055	1,427,654
Tier 2 supplement capital	-	-	-
Minimum capital	2,969,110	2,889,813	3,014,747
Minimum capital for quantifiable risks	3,015,192	2,934,664	3,064,919
Minimum capital for control risk	-46,082	-44,851	-50,172
Supplement capital	-	-	-
Core solvency margin	2,082,851	1,851,669	2,114,602
Core solvency margin ratio (%)	170.2%	164.1%	170.1%
Comprehensive solvency margin	3,510,505	3,287,724	3,542,256
Comprehensive solvency margin ratio (%)	218.2%	213.8%	217.5%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of/ during Q1 2024	As at the end of/ during Q4 2023
Net cash flows (RMB 10,000)	YTD	264,463	346,474
	Year 2023	346,474	-326,022
	Year 2022	-326,022	288,396
LCR (%)	LCR1	Next 3 months	117.6%
		Next 12 months	104.6%

	LCR2	Next 3 months	212.4%	219.5%
		Next 12 months	130.4%	119.3%
	LCR3	Next 3 months	60.8%	71.9%
		Next 12 months	88.1%	80.0%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the previous 2 quarters		243.0%	88.9%
	Over the previous quarter		141.5%	243.0%

2. Other indicators of liquidity risk

	Items	As at the end of Q1 2024/YTD	As at the end of Q4 2023/YTD
	Net cash flow from operating activities (RMB 10,000)	144,874	353,712
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	2.3	1.9
	Ratio of cash outflow from business of special types (%)	2.2%	3.4%
	Written premiums growth year-on-year	9.6%	11.6%
Assets	Ratio of cash and liquidity management instruments (%)	3.5%	2.6%
	Quarterly average financing gear (%)	3.2%	2.6%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.6%	0.6%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.6%	14.4%
	Ratio of assets of related parties held (%)	3.4%	3.9%

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, and the latter refers to non-auto insurance business that incurs, due to catastrophes or major claims, estimated or actual claim expenses after reinsurance exceeding 5% of total non-auto claim expenses of the previous year.

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 yuan 10,000

Indicators	As at the end of/during Q1 2024	As at the end of Q1 2024/YDT
GWPs	6,270,103	6,270,103
Net profits	193,320	193,320
Total assets	22,301,026	22,301,026
Net assets	5,753,119	5,753,119
Insurance contract liabilities	12,449,629	12,449,629
Basic earnings per share (RMB yuan)	0.1	0.1
ROE (%)	3.4	3.4
ROA (%)	0.9	0.9
Investment yield (%)	0.8	0.8
Comprehensive investment yield (%)	1.8	1.8
Combined ratio (%)	97.5	97.5
Expense ratio (%)	25.8	25.8
Loss ratio (%)	71.7	71.7
Proportion of commissions and brokerage expenses (%)	7.8%	7.8%
Proportion of operating and administrative expenses (%)	12.6%	12.6%
Written premiums	6,273,460	6,273,460

Written premiums of auto insurance	2,806,585	2,806,585
Written premiums of top 5 non-auto insurance business lines	2,979,261	2,979,261
Liability insurance	1,205,237	1,205,237
Agricultural insurance	729,571	729,571
Health insurance	609,627	609,627
Commercial property insurance	242,540	242,540
Guarantee insurance	192,285	192,285
Average vehicle premium of auto insurance (RMB yuan)	2,744	2,744
Written premiums by channels	6,273,460	6,273,460
Agency	3,157,167	3,157,167
Direct	2,284,635	2,284,635
Brokerage	831,657	831,657
Others	-	-

Note: 1. All calculation of reserves was based on financial statements; 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.

2. Net profits, total assets, net assets, and insurance contract liabilities listed above were based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of Finance in 2017, and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020; basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of afore-mentioned indicators.

(IV) (Comprehensive) Investment yields in the past 3 years

Indicators	YTD
Average investment yield in the past 3 years (%)	4.26
Average comprehensive investment yield in the	3.81

past 3 years (%)

Note: As per Notice on Optimising Standards for Solvency Regulation of Insurance Companies by National Financial Regulation Administration (Jingui [2023] No. 5), insurance companies shall disclose the average investment yield and average comprehensive investment yield in the past 3 years, based on the formula of: $[(1+(\text{comprehensive}) \text{ investment yield in the past year}) * (1+(\text{comprehensive}) \text{ investment yield in the past 2 years}) * (1+(\text{comprehensive}) \text{ investment yield in the past 3 years})]^{(1/3)} - 1$

IV. Risk management capabilities

(I) Classification of insurance companies

As per 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 2023, its annual written premiums amounted to 196.019bn yuan; total assets stood at 246.344bn yuan; there are 38 provincial-level branch offices.

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

In this quarter, the Company held the 2024 Work Meeting on Risk Control & Compliance and Discipline Inspection, studied and implemented the spirit of relevant speeches by General Secretary Xi Jinping and the Central Financial Work Conference, while making arrangements for risk management in 2024; the meeting called on all branch offices and business units to give first priority to compliance and risk management in business operations, to coordinate high-quality development and discipline inspection & risk management and compliance, and to improve systematic capacity building for risk control, so as to better support the Company's sustainable and high-quality development.

First, formulated and released key tasks of annual risk management. In light of sustainable, high-quality development objectives and the 3 key requirements of "forestalling major risks, deepening integration and enhancing capabilities" of the Group, we implemented the guidelines of "being proactive, precise, sustainable and addressing root causes" in an all-around manner. Building on achievements in the integrated risk control system which is intertwined with front-line business, we pushed forward in-depth integration of the three lines of defence, empowered branch offices and personnel at all levels, maintained a leading position in risk management expertise, and fostered a corporate culture to safeguard sustainable and high-quality development of the Company.

Second, continued to optimise risk management system and processes. Given our risk management realities, we reviewed and revised the “1+7+N” risk management system, which includes rules such as Measures for Enterprise Risk Management as well as management and implementation rules for each risk category; assessed the risk appetite framework for 2023 with updates for 2024; and initiated the review and revision of the master contingency plan and sub-plans of the Company.

Third, conducted risk screening to prevent and mitigate risks. We carried out quarterly and annual screening of reputational risks to ensure pro-active, forward-looking and effective risk management; organised a special review of information reporting on emergencies to further improve emergency response; and as per requirements of the People's Bank of China, we carried out monthly risk monitoring, and submitted reports on significant matters whenever necessary to mitigate potential risks.

Fourth, we carried out “March 15th” financial consumer rights protection education and publicity activities as per requirements of NAFR and the Group. To ensure effectiveness of the activity, we centered on the consumer protection system, and chose topics that were highly relevant for daily life of consumers, and worked out a special implementation programme, so as to raise public awareness of risks and their financial literacy.

(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 81.68 points, 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 during the reporting period.

V. Information on IRR (differentiated supervision)

(I) Results of IRR in the previous 2 quarters

The Company was rated AA at the IRR for both Q3 and Q4 of 2023.

As per regulatory requirements, it briefed the board on regulatory communications of IRR, with follow-up tracking and analysis of the status of rectification.

(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 risk and money-laundering risk, with related risks staying under control. The following was done in operational risk management:

First, we pushed for implementation of Measures for Operational Risk Management of Banks and Insurance Institutions, completed the study of the regulations in Q1, and started drafting internal rules on operational risk management.

Second, established and improved the new system of case prevention, formulated and issued Measures for Risk Control Relating to Criminal Cases, set out priorities of case prevention for this year, organised and carried out self-assessment.

Third, promoted the upgrading and transformation of the "Discerning Eye" platform, completed and deployed simulation and assessment tools for individual business, group business, agricultural business and operation, completed preparation for full switch of the "Discerning Eye" new interface, put in place and implemented mechanisms for uploading and removal of modules and indicators, carried out regular assessment of deficiencies and "turnaround" of indicators, and promoted rapid and standardised iteration of remote monitoring indicators.

Fourth, as per Group requirements, we convened a video conference for certain branch offices to optimise system performance and processes, and promote the development of anti-forgery labelling for contracts.

Fifth, in terms of risk management in IT outsourcing, CPIC P/C had a total of 44 IT service providers as at the end of Q1 2024. According to evaluation results in Q1, those vendors were all rated "healthy", with overall risks well under control.

Sixth, as for anti-money laundering (AML) management, we completed a self-assessment for 2023 and submitted the results to the regulators in accordance with the Notice on Regulatory Assessment of Money Laundering Risks of Legal Entities for the Year 2023 released by Shanghai Branch of the People's Bank of China.

Seventh, we proceeded with the backward migration of the AML management system. In customer identification, we enhanced data quality of non-natural person customers to meet the AML collection standards; for abnormal transaction monitoring, we optimised the logic of interfacing between upstream and downstream systems, and assessed and improved the self-defined monitoring standards for suspicious transactions.

2. Strategic risk

There was no occurrence of risk events 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 carried out an all-around evaluation of the status of execution of the 2021-2023 Development Plan, as well as the 2023 Annual Development Plan, formulated a draft report, which mainly reviewed the strategic risks it faces in talent management, business strategy management, investment strategy management, and overseas development strategy management. In light of regulatory requirements and its own policies, the report will be submitted to the regulator pending board approval.

Second, it strengthened the management of strategic risks in terms of talent management, business management, investment management and overseas operation management; regularly collected and analysed information and strengthened the monitoring of strategic risks through a wide range of indicators such as premium growth, combined ratio, solvency margin ratio, IRR rating and corporate governance evaluation;

Third, it assessed the overall situation of strategic risk management in a timely, all-round and objective manner, reviewed assessment and management of strategic risks and incorporated them into the overall risk management and assessment report to senior management.

Next, the Company will closely follow changes in economic environment and developments in government policies, and adjust its strategic planning when necessary while taking into account its own development needs, so as to ensure that its business activities are carried out within the framework of the plan and its business objectives are met.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents, with the risk overall under control. As per Interim Regulations on Reputational Risk Management by Banking and Insurance Institutions, Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd. and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd., as well as other applicable regulatory rules and Group policies, the Company completed a special report on reputational risk management in 2023, initiated amendments to relevant risk management rules and policies, convened the 4th quarterly work meeting of 2023 of the Reputational Risk Management Working Group to cascade down relevant management actions. Going forward, when conducting business and PR activities, it will further enhance risk screening and prevention, step up fast response and coordination when the risk emerges and conduct review 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 a bid to forestall the risk more pro-actively.

4. Liquidity risk

To mitigate the liquidity risk, the Company coordinates cash flows from operating, investment and financing activities, pays special attention to large cash outflows arising from major claims, reinsurance bills, taxes, expenses and fixed assets, 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 quarterly prepayment of contribution into the Mandatory Insurance Security Fund, quarterly prepayment of income tax, reinsurance outgo and purchase & construction of fixed assets, the Company made appropriate arrangement of funds, giving priority to large claims payment for non-auto business while handling needs for liquidity or applications for payment of branch offices in a timely manner. The Company 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 its business operation and net cash flows showed signs of improvement amid stability. The Company maintained a normal status in strategic risk, reputational risk and operational risk. There was no occurrence of major risk events.

2. Analysis of solvency margin ratio movement

By the end of Q1 2024, the comprehensive and core solvency margin ratios of the Company stood at 218.2% and 170.2% respectively, up by 4.5pt and 6.1pt respectively from the end of the previous quarter. Of this, actual capital rose by 3.02bn yuan from the previous quarter, mainly due to impact of net profits and other comprehensive income.

Minimum capital increased by 340mn yuan from the previous quarter to 22.64bn yuan. Of this, minimum capital for reserve risk increased by 540mn yuan, mainly because of higher retained premiums from short-term A&H, liability insurance and agricultural insurance in the previous 12 months. Minimum capital for reserve risk increased, due to growth of claims reserve for liability insurance and commercial property insurance. Minimum capital for catastrophe risk dropped, mainly as a result of lower SA for typhoons and flooding in commercial property insurance.

Minimum capital for market risk rose by 520mn from the preceding quarter, largely due to increased risk exposure of bond securities investments, which led to higher capital requirement for interest rate risk.

Minimum capital for credit risk climbed by 470mn from the preceding quarter, largely due to increased risk exposure of premium receivables and outward reinsurance assets, which raised minimum capital requirement for default risk by transaction counter-parties.

The Company sets its solvency risk upper limits and risk indicators based on its risk profile and appetite, and tracks them on a regular basis. In the meantime, it continued to ensure stable and solid solvency positions via enhanced business quality control, improved capability in risk identification and management, and optimised asset and business mix, etc.

3. Analysis of changes to liquidity risk indicators

(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 12 months under the base and stress scenarios respectively 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 operating activities in the past 2 quarters consistently not lower than the regulatory minimum of -30%. On a YTD basis, net cash inflows of the Company amounted to 2.64bn yuan. Of this, net cash inflow from operating activities was 1.45bn yuan; net cash outflow from investment activities 4.44bn yuan; net cash inflow from financing activities 5.64bn 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. Besides, the Company allocates in its SAA a certain proportion of highly liquid assets 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 (Excerpts)

China Pacific Life Insurance Co., Ltd.

1st Quarter of 2024

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:	71 Shouning Road, 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 by the former CIRC. [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 the insurance regulator also has branch offices)

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

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I. Board chairman and management statement

The report has been approved by chairman of the board of directors. The board chairman and senior management of the Company warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they 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	As at the beginning of the reporting period		Shareholder injection	Change			As at the end of the reporting period	
	Shares or contribution	Percentage (%)		Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State Domestic legal person	14,733.69	1.708	-	-	-	-	14,733.69	1.708
Foreign Natural person	-	-	-	-	-	-	-	-
Others (listed company)	848,086.31	98.292	-	-	-	-	848,086.31	98.292
Total	862,820	100	-	-	-	-	862,820	100

2. De facto controller

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 information and related party relations as at the end of the reporting period

Information on 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 or contribution during the reporting period	Shares held as at the end of the reporting period	Shareholding percentage as at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Listed company	-	848,086.31	98.292	-
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.				

4. Shareholding by directors, supervisors and senior management

None during the reporting period.

5. Share transfer during the reporting period

None during the reporting period.

(II) Directors, supervisors and senior management at headquarters

1. Basic information of directors, supervisors and senior management at headquarters

(1) Directors

As of the end of March 2024, the 7th Board of Directors¹ of the Company has 5 directors in total:

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Director of

¹ On 1 April 2024, as approved by the 43rd extraordinary meeting of the 7th Board of Directors, CAI Qiang (John) ceased to serve as general manager (CEO) of the Company. In the absence of a successor, Ms. PAN Yanhong has been designated as Acting Responsible Person of the Company, performing the duties of general manager for the time being.

the Company since March 2018 (approval document: CIRC Approval [2018] No. 320). Mr. MA currently serves as Vice President of CPIC Group, and Chairman of CPIC Health. He previously served General Manager of Shaanxi Branch of CPIC Life, General Manager of Strategic Planning Department, Director of Strategic Transformation Office, Transformation Director, and Board Secretary of CPIC Group, Director of CPIC P/C, and Director of Changjiang Pension.

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 Office of the Board of Supervisor, General Manager of Telemarketing Department of CPIC P/C, head of the Strategic Research Center and Deputy Transformation Director of CPIC Group.

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 Risk Officer and Chief Actuary of CPIC Health, and Director of CPIC AMC.

Mr. CAI Qiang (John)², 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

² On 1 April 2024, as approved by the 43rd extraordinary meeting of the 7th Board of Directors, CAI Qiang (John) ceased to serve as general manager (CEO) of the Company.

served as insurance agent, regional manager, and regional director of AXA U.S., General Manager (agency business) and CEO of AXA Hong Kong consecutively, 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, Chairman of CPIC Capital and CPIC Life Hong Kong. Ms. PAN previously served as Deputy CFO, CFO, Deputy General Manager, Vice Chairperson, and General Manager of the Company, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, as well as Director of CPIC Health and Changjiang Pension respectively.

(2) Supervisors

As of the end of March 2024, 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 Transformation Director of the Company. Previously, he served as Director of Individual Business Department of CPIC Life Shandong Branch, member of the Party Committee and Deputy General Manager of CPIC Life Shandong Branch, General Manager of Individual Business Marketing Department and Individual Business Management Department of the Company, Party Secretary/ General Manager of CPIC Life Henan Branch, concurrently Party Secretary/ General Manager of CPIC Life Yudong Branch, General Manager of Individual Business Planning Department/ Career Agent Management Department of the Company.

Mr. SUN Peijian³, born in September 1963, has a master's degree. He has been serving as

³ The Board of Supervisors of the Company received the resignation of Mr. SUN Peijian on Jan. 19, 2024. Mr. SUN proposed to resign as Chairman of the Board of Supervisors and Supervisor of the Company due to retirement. Because of his resignation, the number of supervisors of the Company will fall below the minimum required level as per laws and regulations. Therefore, the Company agreed that Mr. SUN will continue to perform his duties until his successor obtained regulatory approval for qualifications and formally assumed the role of a supervisor.

Chairman of the Board of Supervisors of the Company since August 2019 (approval document: CBIRC Shanghai [2019] No.673). Mr. SUN currently serves as Chairman of the Board of Supervisors of CPIC P/C. Previously, he served as Assistant General Manager, Deputy General Manager, General Manager of Reinsurance Department of CPIC, Assistant General Manager, Deputy General Manager, Compliance Responsible Person, Compliance Director, Vice President and Chief Risk Officer 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 head of Office of the 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 Digitalised 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 at headquarters

As of the end of March 2024, the Company has 12 members of senior management in total:

Mr. CAI Qiang (John) served as General Manager (CEO) of the Company during the reporting period. Please refer to Basic Information of Directors above for Mr. CAI's biography.

Mr. WANG Guangjian, born in June 1965, has a master's degree. Mr. WANG 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 Life Shanxi Branch, General Manager of CPIC Life Shandong Branch, Assistant to Chairman of the Management Committee of CPIC Life, Deputy General Manager/ 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. 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), Finance Responsible Person (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 General Manager, CFO, Board Secretary, and Deputy General Manager 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).

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 Marketing Director of CPIC Group and General Manager of the Strategic Customer Department of CPIC Group. He took up his current position as Deputy General Manager 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). Ms. Chen previously served as deputy head of Actuarial Section of the Actuarial Department of CPIC Life, senior specialist, Assistant General Manager (in charge), Deputy General Manager (in charge), and General Manager of the Actuarial Department of CPIC Life. Ms. CHEN has professional qualifications of an actuary, and is an executive director of the Chinese Association of Actuaries. She took up her current position in September 2014.

Mr. DAI Chuanjiang, born in September 1973, holds a bachelor's degree. He is currently Assistant General Manager 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 General Manager, Deputy General Manager of CPIC Life Guizhou Branch, and Senior Deputy General Manager, General Manager 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) of the Company. 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 the Office of All-around Transformation of 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, head 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 Individual 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 Administration 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 of headquarters

(1). Changes to directors

Mr. ZHANG Weidong ceased to serve as a director of the Company on 19 Jan. 2024.

Mr. WU Junhao ceased to serve as a director of the Company on 1 March 2024.

(2). Changes to supervisors

None during the reporting period

(3). Changes to senior management

Due to retirement, Mr. ZHANG Shuming ceased to serve as deputy general manager of the Company on 27 Feb. 2024.

(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 Q1	As at the end of Q1	Change	As at the beginning of Q1	As at the end of Q1	Change
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.	100,600	100,600	-	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	90,000	90,000	-	100.00	100.00	-
CPIC Elderly Care (Nanjing) Co. Ltd.	34,856	44,356	9,500	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.	36,850	44,850	8,000	100.00	100.00	-
CPIC Elderly Care (Beijing) Co. Ltd.	75,700	75,700	-	100.00	100.00	-
CPIC Elderly Care (Wuhan) Co. Ltd.	98,000	98,000	-	100.00	100.00	-
CPIC Health Management (Sanya) Co. Ltd.	31,388	35,888	4,500	100.00	100.00	-
CPIC Elderly Care (Guangzhou) Co. Ltd.	-	34,867	34,867	-	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	-	13.21	13.21	-
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	-
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Note: Shareholding percentages of Shanghai Shantai Health Care Technology Co. Ltd. and Lianren Health Care Big Data Technology Co. Ltd. were based on subscribed capital contribution. As at 31 March 2024, the change of registered capital was not fully paid-in, and based on paid-in capital, the shareholding of the Company was 14.66% and 24.31% respectively.

(IV) Breaches and penalties during the reporting period

1. Administrative penalties the Company and its directors, supervisors and senior management of headquarters received from financial regulators or other government departments.

During the reporting period, the Company received an administrative penalty from SAFE Shanghai Branch, on the grounds that the Company failed to file FOREX documentation as required, and submitted materials contained erroneous data. The conduct was rated as a medium-level breach, and the regulator required the Company to make corrections, issued a warning and imposed a fine of 150,000 yuan.

2. Misconduct by directors, supervisors, management at department level and above of headquarters and senior management of provincial-level branches which triggered judicial proceedings

None during the reporting period.

3. Regulatory measures taken by NAFR (former CBIRC) against the Company during the reporting period

During the reporting period, there was no regulatory measures against the Company by the NAFR (formerly CBIRC). However, local branches of the regulator took regulatory measures against the Company: Chaoyang Key Sub-branch of Liaoning Branch, Bayin'guoleng Key Sub-branch of Xinjiang Branch, Shaanxi Branch, and Guizhou Branch each received an administrative penalty; besides, Sanmenxia Key Sub-branch of Henan Branch, Yulin Key Sub-branch of Guangxi Branch, Hebei Branch, and Qinzhou Key Sub-branch of Guangxi Branch each received a Regulatory Notice; Xinyu Key Sub-branch of Jiangxi Branch, Jieyang Key Sub-branch of Guangdong Branch, Fuzhou Key Sub-branch of Jiangxi Branch, and Jiangxi Branch each received a Regulatory Opinion Letter.

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 the preceding quarter	Next quarter estimates
Admitted assets	207,023,231	201,062,189	211,845,495
Admitted liabilities	176,617,978	169,861,725	181,889,303
Actual capital	30,405,253	31,200,464	29,956,192
Tier 1 core capital	15,552,184	16,198,217	14,438,485
Tier 2 core capital	1,199,836	1,199,838	1,999,836
Tier 1 supplement capital	13,648,437	13,797,986	13,513,092
Tier 2 supplement capital	4,796	4,423	4,778
Minimum capital	15,531,879	14,872,302	15,886,785
Minimum capital for quantifiable risks	15,747,133	15,078,416	16,106,958
Minimum capital for control risk	-215,254	-206,114	-220,173
Supplement capital	-	-	-
Core solvency margin	1,220,141	2,525,753	551,536
Core solvency margin ratio (%)	108%	117%	103%
Comprehensive solvency margin	14,873,374	16,328,162	14,069,407
Comprehensive solvency margin ratio (%)	196%	210%	189%

(II) Regulatory indicators for liquidity risk

Items	As at the end of /during this quarter	As at the end of /during the preceding quarter
Liquidity coverage ratio (LCR) (%)		
LCR under base scenario (LCR1)		
Next 3 months	121%	107%
Next 12 months	106%	103%
LCR under stress scenario (LCR2)		
Next 3 months	633%	577%
Next 12 months	236%	228%
LCR under stress scenario before asset disposal (LCR3)		
Next 3 months	96%	133%

Items	As at the end of /during this quarter	As at the end of /during the preceding quarter
Next 12 months	82%	88%
Retrospective adverse deviation ratio of net cash flows from operating activities (%)	-11%	45%
Net cash flow YTD (RMB yuan 10,000)	1,879,096	-2,213,845

(III) Other indicators for liquidity risk

unit: 10,000 RMB yuan

Indicators	As at the end of /during this quarter	As at the end of /during the preceding quarter
1. Net cash flow from operating activities	4,776,196	13,256,061
2. Comprehensive surrender ratio (%)	0.50%	1.81%
3-1. Net cash flow from participating accounts	1,135,354	1,669,823
3-2. Net cash flow from universal accounts	305,118	1,000,123
4. Written premiums growth year-on-year	-2.31%	3.24%
5. Ratio of cash and liquidity instruments (%)	1.70%	0.84%
6. Quarterly average financial leverage ratio (%)	3.56%	4.90%
7. Share of domestic fixed income assets rated AA (inclusive) and below (%)	2.30%	3.22%
8. Share of investments in listed stocks with a stake of 5% or above (%)	0.31%	0.29%
9. Share of receivables (%)	0.96%	0.47%
10. Share of related party assets held by the Company (%)	4.21%	3.93%

(IV) Key business metrics

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter/during this quarter	YTD
Gross written premiums	9,168,632	9,168,632
Net profits	959,364	959,364
Total assets	209,993,490	209,993,490
Net assets	13,427,925	13,427,925
Insurance contract liabilities	186,892,643	186,892,643
Basic earnings per share (RMB yuan)	1.11	1.11
ROE (%)	7.28%	7.28%
ROA (%)	0.47%	0.47%
Investment yield (%)	0.28%	0.28%
Comprehensive investment yield (%)	1.69%	1.69%

Note: Gross written premiums in the table above was based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 25 - Insurance Contracts, Accounting Standard for Business Enterprises No. 26 - Reinsurance contracts promulgated by the Ministry of Finance (MoF) in 2006, and Provisions on Accounting Treatment of Insurance Contracts by MoF in 2009 (collectively referred to as "old accounting standards"). Investment yields, comprehensive investment yields, average investment yields in the past 3 years and average comprehensive investment yields in the past 3 years were prepared in accordance with relevant provisions of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results under the old accounting standards. Net profits, total assets, net assets, and insurance contract liabilities were prepared according to Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standard for Business Enterprises No. 24 - Hedge Accounting and Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts (hereinafter referred to as the "new insurance standards") amended and issued by MoF in 2017 and 2020 sequentially. Basic earnings per share, ROE and ROA were prepared according to relevant provisions of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results under the new accounting standards.

(V) (Comprehensive) Investment yields in the past 3 years

Indicators	Results
Average investment yield in the past 3 years (%)	3.71%
Average comprehensive investment yield in the past 3 years (%)	3.23%

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, 2024, its written premiums amounted to 105.9bn yuan, with total assets of 2,099.9bn yuan, and 35 provincial-level branches.

(II) Results of the last SAMRA evaluation

In 2022, the regulator carried out a SARMRA 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 identifies gaps in solvency risk management systems and takes 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 2024.

First, monitored risk tolerance, key risk metrics of the Company, conducted special analysis of key risks and formulated an enterprise risk management report, which was submitted to the senior management.

Second, proceeded with amendments to risk tolerance and key risk metrics in 2024 as per Group requirements for integrated risk control, developed a list of annual key risk metrics.

In Q2 of 2024, the Company intends to focus on the following areas for its solvency risk management.

First, improve timeliness and quality of filed data as per Provisions on Regulatory Ratings of Life/health Insurance Companies.

Second, release risk tolerance and key risk indicators for 2024, with monitoring, reporting and tracking on a regular basis.

(IV) Information on SARMRA self-assessment

Not applicable during the reporting period.

V. Information on IRR (differentiated supervision)

(I) Results of IRR in the previous two quarters

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an AA rating of the Company for both Q3 and Q4 of 2023.

(II) Measures taken or to be taken for rectification

The Company continued to enhance the IRR testing and evaluation system, keeping tabs on risk metrics and seeking to improve the timeliness and accuracy of 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 a number of management policies on IRR, followed by amendments according to 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 strengthen control of risks in business operation, focusing on root-causes and the front-line business, and use IRR to motivate branch offices in compliance and basic management.

(III) Self-assessment of operational risk, strategic risk, reputational risk and liquidity risk

As per requirements for IRR under C-ROSS II, the Company continued to strengthen its in-house testing and evaluation system for IRR, 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 IRR, the Company organises, on a quarterly basis, a self-review of operational risk, strategic risk, reputational risk and liquidity risk involving relevant departments so as 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 material flaws or triggers of risks were detected.

2. Status of unquantifiable risks

In operational risk, the Company issued Regulations on Operational Risk Management and relevant supportive policies, which clearly defined the responsibility of operational risk management and established day-to-day risk mitigation mechanisms. The Company continuously monitored and analysed its operational risk status using management tools such as self-assessment, operational risk data loss recovery and key risk indicators. The Company strived for a matrix-based compliance risk management system, with branches focusing on coordination, business lines bearing primary responsibilities, and all departments and positions getting involved. This matrix approach ensures optimal mechanisms for ownership of the objectives and sharing of resources and responsibilities relating to compliance and risk control. The Company continued to increase the use of IT in operational risk control so that operational execution in key areas can be controllable and traceable. The Company takes risk screening seriously: all head-office departments and branches carry out various risk assessments from time to time as per regulatory and corporate rules. In Q1 2024, monitoring of key risk indicators and data loss recovery indicated that the Company's overall operational risk was manageable.

On the side of reputational risk, in January 2024, the Company issued the revised Implementation Rules on Reputational Risk Management as per C-ROSS II requirements to further improve the governance structure and working mechanism of reputational risk management. It set great store by risk screening, conducted risk screening on a regular basis or ad hoc to strengthen at-source control of negative media publicity; set up the working group for reputational risk management at

headquarters level, with full-time/part-time reputational risk management positions in each department at head-office level and branches in order to improve coordination in public opinion response; gave priority to training and drills in daily management of public opinion, and conducted differentiated training and drills for three key teams (spokespersons, branding specialists, and full-time/part-time reputational risk management personnel), and carried out special training and emergency drills on important occasions such as “March 15th” Consumer Rights Protection Day. In Q1 2024, the Company monitored, detected and handled 43 reports (original) of adverse publicity on the media, lower than for the same period in 2023. Of this, there were 10 Level III reports, accounting for 23.3%, 33 Level IV reports, representing 76.7%, and there were no Level I or II incidents, indicating manageable reputational risk. Self-media and social media remained a high-risk area. In terms of content, the share of mis-selling and claims disputes, as well as regulatory administrative penalties 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 its strategic objectives, China’s economic recovery is on track, and yet effective demand remains weak; the life insurance market faces challenges amid tightening of financial regulation. In response to changes of the market environment, the Company persisted in high-quality development, consolidated achievements of the 1st phase of Changhang Transformation, promoted the 2nd phase of transformation, focused on building a customer-oriented cycle of value creation. It deepened organisational restructuring and promoted corporate culture, seeking to build a customer-oriented, value-creating, and dynamic organisation with agile evolution. At the same time, the Company continued to boost channel diversification underpinned by new models for the agency channel, bancassurance and the group channel. Going forward, it will deepen the 2nd phase of Changhang Transformation to maximise value creation for customers.

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 of 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 sets limits on discrepancies 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 liquidity emergency drills on a regular basis to ensure effective response in cases 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. LCRs under all scenarios were solid. Relevant indicators showed 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 108%, with a margin of 12.20141bn yuan, down by 9pt from the previous quarter; comprehensive solvency margin ratio of the Company was 196%, with a margin of 148.73374bn yuan, down by 14pt from the previous quarter. Reasons for change are as follows:

1. As of the end of the quarter, actual capital amounted to 304.05253bn yuan, versus 312.00464bn of the previous quarter, down by 2.5%, mainly due to:

(1) Capital market volatility and changes of insurance contract liabilities under solvency reporting, and therefore core capital decreased by 6.46035bn yuan in the quarter.

(2) Supplement capital increased by 1491.76mn yuan.

2. As of the end of this quarter, minimum capital amounted to 155.31879bn yuan, versus 148.72302bn as of the end of the previous quarter, up by 4.4%, mainly due to:

(1) During the quarter, minimum capital for insurance risk increased by 1,341.35mn yuan, and of this, that for life insurance rose by 1,542.57mn yuan, and that for non-life insurance fell by 201.22mn yuan;

(2) During the quarter, minimum capital for market risk increased by 4.80084bn

yuan, and of this, that for interest rate risk fell by 734.64mn yuan, that for equity prices risk rose by 4.98140bn yuan, and that for overseas asset prices risk increased by 2.95321bn yuan;

(3) During the quarter, minimum capital for credit risk increased by 1.42696bn yuan, and of this, that for credit spread rose by 3.77026bn yuan, and that for defaults of counter-parties fell by 1.12669bn yuan;

(4) Risk diversification effect and loss absorption increased by 881.98mn yuan, which decreased minimum capital requirement;

(5) Subtraction from minimum capital by control risk increased by 91.40mn yuan from the preceding quarter.

(II) Changes to regulatory liquidity risk indicators

LCR for the next 3 months was 121%, and that for the next 12 months 106%, which can satisfy the minimum requirement of 100%. The LCR in the next 12 months under the stress scenario after and before disposal of assets was 236% and 82%, respectively, staying solid.

(III) Analysis of changes to IRR

As per notice of the regulator, the Company was rated AA at the IRR for Q4 2023, maintaining an A-class rating. In recent years, it continued to implement new rules on IRR under C-ROSS II, put in place long-term work mechanisms, enhanced rectification and early-warning of indicators; at the same time, it pressed ahead with Changhang Transformation and strived to address various risks via strategic transformation. Going forward, the Company will stay focused on the long term, 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 2024

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

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I. Board chairman and management statement

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

II. Basic information

(I) Ownership structure and shareholders

1. Ownership structure

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

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

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

3. Shareholding by directors, supervisors and senior management

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

4. Share transfer during the reporting period

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

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (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, General Manager of the Strategic Planning Department, Head of Strategic Transformation Office, Transformation Director, and Board Secretary of CPIC Group, Director of CPIC P/C, and Acting Responsible Person of the Company.

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 Party Committee Inspection Group 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, and Head of the Strategic Research Center of CPIC Group.

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, Chairman of the Board of Supervisors of CPIC P/C, and Director of, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal & Compliance Department, Head of the 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, respectively, and Director of CPIC P/C and CPIC Life, respectively.

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, Acting Chief Actuary, Chief Risk Officer of the Company, Director of CPIC AMC, 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.

Mr. MA Boyong, born in October 1967, holds a master's degree and the designation of engineer. Mr. MA began to serve as Director of the Company in October 2023 (approval document: NFRA Approval [2023] No. 362). Mr. MA currently serves as General Manager of Technology Management Department of CPIC Group and Director of CPIC Technology. Previously, he served as Section Head and Assistant General Manager of Information Technology Department of CPIC Group, Assistant General Manager of CPIC P/C Shanghai Branch, General Manager of IT Application Management Department of CPIC Group, General Manager of Information Security and Internal Control Management Department of CPIC Group, Deputy Head of Digitalisation Office of CPIC Group, Head of the Preparatory Team of Chengdu R & D Centre of CPIC Group and General Manager of IT Design Department of CPIC Group.

Ms. CHEN Xiujuan, born in June 1971, holds a master's degree and has professional

qualifications of a Chinese actuary. She has been serving as Director of the Company since October 2023 (approval document: NAFR [2023] No.362). Ms. Chen currently is the Chief Actuary of CPIC Life. She previously served as deputy head of Actuarial Section of the Actuarial Department of CPIC Life, senior specialist, Assistant General Manager (in charge), Deputy General Manager (in charge), and General Manager of the Actuarial Department of CPIC Life. During her employment with CPIC Life, Ms. CHEN also worked at the Actuarial Department of AIA Singapore as a visiting actuary.

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 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 Internal Control, 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 Chairman of the

Trade Union, and Senior Director of Key Account Business Center of the Company. Previously, she served as General Manager of Shanghai Branch, General Manager of Sales Management Department and 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/ 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 at head-office level (6 in total)

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

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), and Compliance Responsible Person of the Company since January 2024 (approval document: NAFR [2024] No.42). Mr. LI also serves as Director of Shanghai Proton & Heavy Ion Hospital. Previously, Mr. LI served as Director of Risk and Compliance, Compliance Responsible Person and General Manager of Risk Management Department of CPIC Group, Director of CPIC P/C, CPIC Life, CPIC AMC and the Company, respectively.

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 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 (seconded), 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. He previously served as secretary of the Secretariat of the General Administration 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, 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 required). 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. JIANG Honglang, born in November 1964, holds a doctoral degree and title of senior auditor. He has been serving as Internal Audit 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, General Manager of Remote Internal Audit Department and General Manager of Digital Internal Audit Department of CPIC Group. Prior to that, he served as associate professor of Institute of Applied Mathematics of Guizhou University of Technology.

Note: On 25 Jan. 2024, Mr. LI Jieqing was appointed Compliance Responsible Person of the Company.

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

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 the reporting quarter	As at the end of the previous quarter	Next quarter estimates
Admitted assets	1,318,173.64	1,093,368.89	1,235,771.26
Admitted liabilities	953,809.30	744,616.39	864,982.99
Actual capital	364,364.34	348,752.50	370,788.27
Tier-1 core capital	290,143.52	298,459.82	289,535.11
Tier-2 core capital	18,070.24	14,923.71	21,238.64
Tier-1 supplement capital	56,150.57	35,368.96	60,014.52
Tier-2 supplement capital	0.00	0.00	0.00
Minimum capital	142,060.01	135,169.05	147,671.24
Minimum capital for quantifiable risks	140,984.86	134,146.05	146,553.63
Minimum capital for control risk	1,075.14	1,022.99	1,117.61
Minimum capital for supplement capital	-	-	-
Solvency margin			
Core solvency margin	166,153.76	178,214.48	163,102.51
Comprehensive solvency margin	222,304.33	213,583.45	223,117.03
Core solvency margin ratio (%)	217	232	210
Comprehensive solvency margin ratio (%)	256	258	251

(II) Regulatory indicators for liquidity risk

Indicators	During the reporting quarter	During the previous quarter on a comparable basis
Actual cash flow (unit:10,000 yuan)	4,005.76	-10,770.30
Retrospective adverse deviation ratio of net cash flows from business activities (%)	-690	54
Overall liquidity coverage ratio under base scenario (next 3 months)(%)	106	118
Overall liquidity coverage ratio under base scenario (next 12 months)(%)	107	104
Overall liquidity coverage ratio under stress scenario - mandatory (next 3 months)(%)	667	716
Overall liquidity coverage ratio under stress scenario - mandatory (next 12 months)(%)	213	222
Overall liquidity coverage ratio under stress scenario - self-assessment (next 3 months)(%)	539	512
Overall liquidity coverage ratio under stress scenario - self-assessment (next 12 months)(%)	222	213
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 3 months)(%)	168	119
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 12 months)(%)	91	55
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 3 months)(%)	196	160
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 12 months)(%)	154	129

(III) Other indicators for liquidity risk

Indicators	As at the end of /during the reporting quarter	As at the end of/ during the previous quarter on a comparable basis
Net cash flows from operating activities (unit: 10,000 yuan)	-10,837.43	-15,594.46
Comprehensive surrender ratio(%)	0.10	0.19
Net cash flows from participating/universal accounts	-	-
Written premiums year-on-year growth (%)	102.75	75.85
Share of cash flow and liquidity management tools (%)	2.39	2.48
Quarterly average financial leverage ratio (%)	4.38	4.89
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 (%)	29.62	18.56
Share of related party assets held by the Company (%)	4.75	3.65

(IV) Key business metrics

Indicators	unit: 10,000 yuan	
	As at the end of the reporting quarter/during the reporting quarter	As at the end of the reporting quarter/YTD
Gross written premiums	208,619.18	208,619.18
Net profits	3,299.19	3,299.19
Total assets	942,965.16	942,965.16
Net assets	337,590.08	337,590.08
Insurance contract liabilities	407,544.70	407,544.70
Basic earnings per share (yuan)	0.01	0.01
ROE (%)	0.98	0.98
ROA (%)	0.36	0.36
Investment yield (%)	0.71	0.71
Comprehensive investment yield (%)	1.41	1.41

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

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

Average investment yield and average comprehensive investment yield of the Company in the past three years were 4.26% and 3.18%, respectively.

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of March 2024, its total assets reached 13,330.8431 million yuan, with written premiums amounting to 764.0519 million yuan for Q1 2024. It has 4 provincial-level branch offices, and according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

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

In Q1 2024, key actions to improve risk management include: updating of risk management policies, formulation of risk appetite and drafting of annual risk management programme. To be specific, first, the Company reviewed and updated relevant solvency-related risk management regulations in insurance risk, market risk, liquidity risk, operational risk, reputational risk and strategic risk. The amendments have been submitted to the Management Committee for review, pending approval of the board in Q2; second, it evaluated status of execution of the 2023 Risk Appetite, determined the 2024 Annual Risk Appetite and Risk Tolerance based on its own business realities and within the Group risk appetite framework; third, formulated the 2024 Annual Risk Management Programme in light of the programme and annual strategic planning of the Group for 2024, which set out the objectives and plans of risk management in 2024 to ensure their implementation in an organised, orderly manner.

In Q1 2024, risk management of the Company proceeded in accordance with relevant regulations and processes and no major risk events occurred.

(III) Results of Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company in 2023

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

V. Integrated risk rating (differentiated supervision)

(I) IRR results in the previous two quarters

The Company was rated BB at the IRR (differentiated supervision) by the regulator for both Q3 and Q4 of 2023, which met regulatory requirements in solvency, with a low level of operational risk, reputational risk, strategic risk and liquidity risk.

(II) Measure taken or to be taken for improvement

In Q1 2024, in light of Assessment Criteria for Unquantifiable Risks of Insurance Companies, the Company took control measures focusing on operational risk and strategic risk indicators that the self-assessment found can be improved. In terms of operational risk, it continued to enhance operational efficiency while maintaining current levels of operational turnaround and quality, focusing particularly on control measures for surrenders, long-term insurance policy persistency and customer complaints. With regard to strategic risk, it set out to formulate the 2024-2026 Development Plan, which put forward development objectives and helped to lower the strategic risk.

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

Liquidity risk: Liquidity risk of the Company mainly stems from claims and maturity payments on insurance contracts, daily expenditures and investment asset impairment losses. As of the end of Q1 2024, there were no incidents 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, the 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 2024. There was zero violation of regulatory rules and zero regulatory penalty per 100 million yuan in standard premiums. On the IT side, all its core systems were 100% usable, and there was no financial losses incurred due to system failures. In terms of personnel, the workforce was relatively stable. There was no losses resulting from operational risk incidents in the area of sales, U/W, POS, claims settlement or investment, or occurrence of insurance frauds in the quarter.

Reputational risk: The Company's media monitoring system includes in-house system of the Group and third-party monitoring services, which can effectively monitor, on a daily basis, negative publicity of the Company and its insurance 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 the reporting quarter, the Company did not experience any reputational risk events on mainstream or other types of media.

Strategic risk: The Company set out to formulate the 2024-2026 Development Plan and the 2024 annual business objectives, which defined its strategic positioning, paths of implementation and expected results. It has a clear strategic direction, with detailed plans for execution. In light of its own strategic objectives and those of the Group, the Company will press ahead with transformation in the next three years to pursue high-quality development. It formulated strategic decisions based on market environment to identify, assess and manage strategic risks by means of target breakdown, review of business performance on a regular basis, analysis of market conditions and its own strengths and weaknesses. In Q1 of 2024, there was no breach of limits on business metrics and no occurrence of strategic risk incidents.

VI. Management analysis and discussions

(I) Solvency Analysis

1. Actual capital

As of 31 March 2024, actual capital of the Company amounted to 3,643.6434 million yuan, up by 4.5% from the previous quarter, which was mainly due to increase in surplus of insurance policies and contribution from investment.

2. Minimum capital

The minimum capital of the Company at the end of reporting period was 1,420.6001 million yuan, up by 5.1% from the previous quarter, mainly due to fast business growth, which led to increase in minimum capital requirement for insurance risk of life and non-life business; increase in minimum capital for market risk (interest rate risk) due to the ending of the transitional period; decrease in minimum capital for credit risk due to reduced factors applied for deposit banks and optimised age of reinsurance receivables. Of this, minimum capital for insurance risk of life business was 956.6793 million yuan, that for non-life business was 719.0988 million yuan, that for market risk 390.8604 million yuan, that for credit risk 308.9316 million yuan, diversification effect for quantifiable risk was 809.0716 million yuan, and that for control risk was 10.7514 million yuan.

3. Solvency margin ratios

As of 31 March 2024, the Company's core solvency margin was 1,661.5376 million yuan, and the core solvency margin ratio was 217%; comprehensive solvency margin was 2,223.0433 million yuan, and the comprehensive solvency margin ratio was 256%.

(II) Liquidity risk

For the reporting quarter, net cash flow was 40 million yuan, mainly because of large cash inflows from financing activities; the difference between actual net cash flow from operating activity and the estimate was -95 million yuan, meaning a retrospective adverse deviation ratio of -690%, due to long turnaround in settlement of service payment arrears. As of the end of Q1, all liquidity coverage ratios under various scenarios and all liquidity indicators for monitoring were within regulatory limits.

The Company will strictly follow 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 arrangements, if necessary, to ensure a reasonable liquidity risk level.

Summary of Quarterly Solvency Report (Excerpts)

Pacific Anxin Agricultural Insurance Co., Ltd.

1st Quarter of 2024

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):	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 (business which requires approval to be conducted after such approvals are granted, subject to approval documents or permits)
Business territories	Shanghai, Jiangsu Province, Zhejiang Province.
Contact person:	LI Mao
Tel. number:	+86-21-66988703
Cell phone:	18817959847
Email:	limao-005@cpic.com.cn

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I. Board chairman and management statement

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

Pacific Anxin Agricultural Insurance Company Limited

April 2024

II. Basic information

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

1. Ownership structure and change

Types of shareholders	As at the beginning of the reporting period		Change of shares or stake				As at the end of the 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%

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. De facto controller

The Company has no de facto 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	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 during the reporting period.

(II) Directors, supervisors and senior management at head-office level

1. Directors, supervisors and senior management at head-office level

1.1 Directors

As of the end of March 2024, 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 Sales Director of CPIC P/C.

Mr. MAO Xiaojun, born in March 1967, received junior college education and the designation 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.

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 Western 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 Marketing Director and General Manager of Strategic Account Department of CPIC Group.

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. 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 Finance College Nankai University , 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. 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 Management Committee of Excellent Law Firm, Chairman of Wusong General Branch of Baoshan Committee of China Democratic National Construction Association, member of the Standing Committee of the 9th Baoshan District Political Consultative Conference, Law Enforcement Supervisor of 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. 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 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 and Research Fellow of Agricultural Information Institute of the Chinese Academy of Agricultural Sciences, and lecturer of Shanxi University of Finance and Economics.

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 Assistant General Manager of Asset Management Centre 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.

1.2 Supervisors

As of the end of March 2024, the 4th Board of Supervisors of the Company has 6 supervisors:

Mr. CHEN Yuanliang, born in June 1971, received post-graduate university education, and has been serving as Supervisor (employee representative) and Chairman of the Board of Supervisors of the Company since September 2023 (approval document: jinfu [2023] No. 260). Mr. CHEN also serves as Vice President of Tai'an Agricultural Insurance Institute. Previously he served as General Manager of CPIC P/C Baotou Central Sub-branch, Deputy General Manager of CPIC P/C Inner Mongolia Branch, General Manager of the Agricultural Insurance Business Unit, General Manager of the Agricultural Insurance Market Development Department, and General Manager of the Agricultural Insurance Management Department of CPIC P/C, General Manager of CPIC P/C Xinjiang Branch, and Deputy General Manager of Anxin Agricultural Insurance Co., Ltd.

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 Manager of Asset Management Department of Shanghai Kailun Investment Co. Ltd. She previously served as Executive Director, General Manager of Shanghai Xingbo Supplies Co., Ltd., General Manager of Business Development Management Department, Employee Representative Supervisor, and Director of Administration of Shanghai Fengxian SPD Rural Bank, Assistant President and then Deputy President of Shanghai Fengxian Branch of Ningbo Bank.

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. 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.

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 Executive Director of Shanghai Huijia Venture Capital Co., Ltd. and Executive Director

of Shanghai Jiading Weiye Investment Development Co., Ltd. Mr. MIAO previously served as Executive Director of Shanghai Jiading Guangwo Assets Management Co., Ltd, 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.

1.3 Senior management at head-office level

As of the end of March 2024, the Company has 8 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 Western 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 Marketing Director 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 Economic 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 Urban Areas Business Centre 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 the Second Division/Internal Audit Center, General Manager of Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Audit Responsible Person of Changjiang Pension, Supervisor of CPIC Online Services, Supervisor of Anxin Agricultural Insurance Co., Ltd, and General Manager of Finance Department and Asset Management Department of CPIC P/C, and 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 Rural Affairs Office, Deputy Director of District Agricultural Committee of CPC Committee of Pudong New Area, member of CPC Committee of Anxin Agricultural Insurance Co., Ltd. and General Manager of its Shanghai Nanhui Sub-branch, Deputy Party Secretary 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. HU Dexiong, born in August 1983, holds a master's degree. He has been serving as Assistant General Manager of the Company since March 2024 (approval document: NAFR [2024] No.99). Mr. HU currently also serves as General Manager of the Product Development Department of the Company. He previously worked for Anxin

Agricultural Insurance Company Limited, serving as Deputy Manager of the Policy Research Office of the Agricultural Insurance Department, Deputy Manager of the Branch Management Section of the Strategic Development Department, Assistant General Manager and Deputy General Manager of the Strategic Development Department, Deputy General Manager of the Agricultural Insurance Market Development Department, Deputy General Manager (in charge) and General Manager of the Product Research and Development Department. He also served as General Manager of the Development & Planning Department of the Company.

Mr. WU Kaibing, born in July 1968, holds a doctoral degree and the title of Senior Auditor. He has been serving as Internal Audit 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 Centre of CPIC Group, Senior Auditor, and Deputy General Manager of the Internal Audit Business Department of 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 at head-office level

Position	Predecessors	Incumbents	Remarks
Assistant general manager	-	HU Dexiong	New appointments

3. Information on compensation of directors, supervisors and senior management at head-office level

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 by financial regulators or other government departments against insurance companies and their directors, supervisors, and senior management at head-office level

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. Regulatory measures against the Company by NAFR (former CBIRC)

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: yuan

Item	As of the end of Q1 2024	As of the end of Q4 2023	Next quarter estimates
Admitted assets	7,512,075,380	7,376,956,650	7,858,902,496
Admitted liabilities	4,331,039,746	4,249,161,587	4,632,311,146
Actual capital	3,181,035,635	3,127,795,063	3,226,591,349
Tier-1 core capital	2,851,725,857	2,836,176,618	2,897,281,572
Tier-2 core capital	-	-	-
Tier-1 supplement capital	329,309,777	291,618,446	329,309,777
Tier-2 supplement capital	-	-	-
Minimum capital	880,904,362	831,242,758	912,300,045
Minimum capital for quantifiable risks	863,136,415	814,476,492	893,885,993
Minimum capital for life insurance risk	-	-	-
Minimum capital for non-life insurance risk	713,315,875	674,525,721	723,489,775
Minimum capital for market risk	386,629,248	368,104,659	394,002,207
Minimum capital for credit risk	289,595,476	267,471,014	330,033,288
Diversification effect for quantifiable risks	430,500,137	405,127,514	454,318,612
Loss absorption for special-type insurance contracts	-	-	-
Minimum capital for control risk	17,767,946	16,766,266	18,414,051
Supplement capital	-	-	-
Core solvency margin	1,970,821,496	2,004,933,860	1,984,981,527
Core solvency margin ratio	323.73%	341.20%	317.58%

Comprehensive solvency margin	2,300,131,273	2,296,552,305	2,314,291,304
Comprehensive solvency margin ratio	361.11%	376.28%	353.68%

(II) Regulatory indicators for liquidity risk

LCR	Q1 2024		Q4 2023	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 (under base scenario)	107.50%	103.32%	100.05%	103.16%
LCR2 (under stress scenario)-mandatory	185.08%	120.99%	161.49%	111.21%
LCR2 (under stress scenario)-self-testing	189.93%	128.19%	147.55%	117.05%
LCR3 (under stress scenario before asset disposal)-mandatory	90.14%	86.70%	87.11%	89.89%
LCR3 (under stress scenario before asset disposal)-self-testing	104.31%	97.67%	82.04%	100.18%
Retrospective adverse deviation ratio of net cash flows from operating activities	57.38%		65.56%	
Net cash flows YTD (unit: 10,000 yuan)	-844.50		1530.31	
Net cash flows in 2023(unit: 10,000 yuan)	1527.95		-1987.50	
Net cash flows in 2022 (unit: 10,000 yuan)	-1987.50		3041.26	

(III) Other indicators for liquidity risk

unit: yuan

Indicators	Item	As of the end of/	As of the end of/
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		during Q1 2024	during Q4 2023
1. Net cash flows from operating activities	Amount	-132,013,339	225,580,844
	Cash inflow from operating activities YTD	337,632,617	2,372,726,503
	Cash outflow from operating activities YTD	469,645,956	2,147,145,658
2. Net cash flows from operating activities per 100 yuan in premiums	Amount	-29.9	11.36
	Net cash flows from operating activities YTD	-132,013,339	225,580,844
	Premiums YTD	441,447,168	1,984,901,736
3. Share of cash outflow for special types of business	Percentage	0.07%	24.42%
	Claims pay-out for business of special types	-	606,204,304
	Incurred and reported claim reserves for business of special types	242,313	-204,882,074
	Total claims pay-out	365,095,798	1,635,237,658
	Total incurred and reported claim reserves	-24,584,211	7,907,115
4. Written premiums growth year-on-year	Percentage	0.58%	13.33%
	Written premiums YTD	441,447,168	1,984,901,736
	Written premiums YTD for the same period of previous year	438,914,428	1,751,481,988
5. Share of cash and liquidity management instruments	Percentage	1.89%	1.78%

	Book value of cash and liquidity management instruments at the end of the period	131,182,534	126,616,058
	Total assets as at the end of the period	6,939,248,667	7,108,852,924
6. Quarterly average financial leverage ratio	Percentage	6.02%	2.06%
	Arithmetic mean of the ending balance of inter-bank lending, bond repurchase and other cash inflow from financing at the end of each month during the quarter	454,000,000	152,666,667
	Total assets as at the end of the period	7,544,248,667	7,411,852,924
7. Share of domestic fixed income assets rated AA and below	Percentage	0.33%	0.00%
	Book value of domestic fixed income assets rated AA and below at the end of the period	22,774,500.34	0
	Total assets as at the end of the period	6,939,248,667	7,108,852,924
8. Share of investments in listed stocks with a stake of 5% or above	Percentage	0.00%	0.00%
	Book value of investments in listed stocks with a stake of 5% or above at the end of the period	0	0
	Total assets as at the end of the period	7,544,248,667	7,411,852,924
9. Proportion of receivables	Percentage	22.64%	24.66%

	Premium receivables	572,979,867	408,441,006
	Reinsurance receivables	1,135,384,843	1,419,058,037
	Total assets as at the end of the period	7,544,248,667	7,411,852,924
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	-	-
	Total assets as at the end of the period	7,544,248,667	7,411,852,924

(IV) Key business metrics

unit: yuan

Indicators	As at the end of/ during Q1 2024	As at the end of Q4 2024/YTD
GWPs	415,808,834	415,808,834
Net profits	8,842,922	8,842,922
Total assets	5,884,573,189	5,884,573,189
Net assets	3,012,260,624	3,012,260,624
Insurance contract liabilities	1,699,455,680	1,699,455,680
Basic earnings per share	0.008	0.008
ROE	0.29%	0.29%
ROA	0.15%	0.15%
Investment yield	0.63%	0.63%
Comprehensive investment yield	1.08%	1.08%
Profitability indicators	--	--
Combined ratio	--	102.98%

Expense ratio	--	12.73%
Loss ratio	--	90.25%
Proportion of commission and brokerage expenses	--	2.55%
Proportion of operating and administrative expenses	--	19.08%
Scale indicators	--	--
Written premiums	441,447,168	441,447,168
Written premiums of auto insurance	-	-
Written premiums of top 5 non-auto insurance business lines	404,929,036	404,929,036
Largest non-auto business line	267,567,806	267,567,806
Second largest non-auto business line	68,565,910	68,565,910
Third largest non-auto business line	48,297,961	48,297,961
Fourth largest non-auto business line	17,640,373	17,640,373
Fifth largest non-auto business line	2,856,986	2,856,986
Average vehicle premium of auto insurance	-	-
Written premiums by channels	441,447,168	441,447,168
Agency	28,231,203	28,231,203
Direct	388,686,132	388,686,132
Brokerage	24,529,833	24,529,833
Others	-	-

Note: Net profits, total assets, net assets, and insurance contract liabilities listed above were based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of Finance in 2017, and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020; basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of afore-mentioned indicators.

(V) (Comprehensive) Investment yields in the past 3 years

Average investment yield in the past 3 years (%)	4.03%
Average comprehensive investment yield in the past 3 years (%)	3.60%

IV. Risk management capabilities

(I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the former CIRC. In 2023, its written premiums amounted to 1.985bn yuan, and as of the end of 2023, total assets stood at 7.412bn 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, it is a Category II insurance company.

(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 75.88 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 75.88 points. During the reporting period, the Company took further steps to enhance risk management. To be specific:

In respect of insurance risk, the Company completed the annual analysis report on insurance terms & clauses and premium rates for 2023, reviewing the development, management and operation of the Company's insurance products in the previous year; engaged external auditors to review its reserve assessment results for 2023; conducted a quarterly review of large claims and supervised claims settlement of major cases; completed renewal of major reinsurance treaties in agricultural insurance and non-marine insurance so as to mitigate catastrophe risks; completed assessment of treaties of ceded-in reinsurance to determine maximum retained amounts and prudently underwrite those treaties.

In terms of market risk, the Company formulated Rules on Management of Real Estate Leasing to strengthen management in the area; maintained regular communication with outsourced investment managers on market risk management of investment assets to guard against adverse impact of concentrated risk exposure on net profit and net assets; carried out quantitative assessment and quarterly analysis of ALM, which, among others, measured and analysed the impact of market fluctuations on investment yields, monitored the matching of costs and returns, with projections of key indicators to meet regulatory and in-house ALM requirements.

In terms of credit risk, we drafted special KPIs for performance evaluation to accelerate collection of receivables in 2024; reviewed the experience of receivables collection in the past to set reasonable targets for the future; improved the credit-worthiness management module of the reinsurance system to dynamically manage the credit risk of reinsurance; and closely followed developments of the reinsurance market with timely analysis and assessment of the credit risk status of reinsurance brokers, reinsurers, and ceders.

As for operational risk, we formulated and issued Measures for Risk Control Relating to Criminal Cases, and carried out relevant risk control assessment; conducted money laundering risk assessment for 2023; completed quarterly self-assessment on AML, with rectification of gaps in a timely manner; organised Company-wide

quarterly analysis and assessment of anti-fraud work and drafted quarterly fraud risk analysis reports; and formulated regulations such as Standards on Classification of Outsourced IT Personnel, IT Outsourcing Service Catalogue, and Indicators for Monitoring of IT Outsourcing Service Effectiveness and Quality, so as to strengthen daily management of outsourced personnel and improve IT outsourcing risk control.

With regard to 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; tracked the status of claims, evaluated the impact of future claims pay-out on cash flows in a timely manner, so as to ensure sufficient liquidity and stable cash flows; continued to communicate 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 and assessed market liquidity and interest rate movements and their impact on liquidation of its investment assets; promoted system iterations for receivables management; focused on collection of major receivables in inward reinsurance business, monitored status of recoveries for excess of loss treaties of agricultural crop insurance and weather-linked insurance, and submitted application for recoveries of adjusted variable fee and profit commission on non-marine treaties from previous years.

In terms of reputational risk, we conducted risk assessment and screening in the run-up to the Chinese New Year and the “March 15th” Consumer Protection Day; participated in annual training on reputational risk management organised by the Group, cemented the foundation of reputational risk management and enhanced collaboration in media crisis response.

For strategic risk, we evaluated execution status of the 2023 annual development plan; formulated the Business Development Plan of 2024 based on annual business objectives.

(IV) Status of SARMRA self-assessment

There was no such self-assessment in the quarter.

V. Integrated risk rating (differentiated supervision)

(I) IRR results of the previous two quarters

The Company was rated AAA at the IRR (differentiated supervision) by NAFR (formerly CBIRC) for both Q3 and Q4 of 2023.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [2021] No. 51), 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 Q4 2023 was AAA.

In the reporting quarter, the Company issued risk alerts on under-performing metrics, carried out data analysis and drafted plans for remedial actions. It'll continue to monitor the key metrics to ensure their stability and more pro-active risk management.

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

1. Operational risk

1.1 Operational risk status

In the quarter, first, the Company formulated rectification plans for various defects newly discovered in audits, carried out rectification with regular progress follow-up, urged relevant parties to complete rectification on time according to the plan; second, updated database of operational risk losses, with analysis and evaluation of such losses via risk management systems; third, amended and issued rules such as Regulations on Risk Control Relating to Criminal Cases and implemented them strictly to maintain effective control of operational risks.

1.2 Methods of operational risk assessment

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

1.3 Process of operational risk assessment

In the quarter, first, the Company conducted an assessment of IRR operational risk status, organised a review by relevant departments of operational risk in mis-selling, fraudulent claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up rectification. 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 definition of ownership by departments or branch offices, and may conduct self-review if circumstances require. Third, conducted risk assessment in money laundering, insurance frauds and consumer rights protection when launching new products or new business.

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

2.2 Methods of strategic risk assessment

Evaluation of market environment of industry strategic risk, the risk in formulation of 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

Business development of the Company in the past 3 years has been volatile, which calls for intensified effort in market development and product innovation, particularly in areas other than Shanghai. At the same time, we will enhance performance evaluation against KPIs and take multiple measures to ensure healthy, steady premium growth and high-quality development.

3.Reputational risk

3.1 Status of reputational risk

In the reporting quarter, the Company conducted screening of its reputational risk, which showed that the risk was under control, and there was no major risks in media publicity.

3.2 Methods of reputation risk assessment

As per Solvency Regulatory Standards of Insurance Companies No.11, firstly, we monitored online media through the Group's monitoring platform; secondly, our spokesperson and brand specialists joined the Group's brand management team so that they can share and handle media information in a timely manner; thirdly, the Company issued the "Risk Early-warning" weekly reports to senior management and part-time reputational risk management staff to promptly identify and prevent potential risks. We also conducted a company-wide screening of potential reputational risks, further enhanced reputational risk management capabilities, continued to promote the establishment of a closed-loop entire-process reputational management system, so as to create a favourable 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, adverse media publicity of the Company stayed under control, and there were no incidents which may 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. As per Provisions on Fiscal Subsidies of Agricultural Insurance Premiums of Shanghai Municipal Government, the subsidy for agricultural insurance would be accrued in advance and settled in the next year. Thus, the time lag has an 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.

Moreover, the Company continued communication with CPIC AMC to ensure an asset allocation compatible with the needs for matching of cash flows; conducted repurchase via securities market and inter-bank market to satisfy short-term needs for liquidity arising from business development.

As at the end of Q1 2024, LCR under the base scenario (LCR1) for the next 12 months and LCR under the stress scenario (LCR2) for the next 12 months were both above 100%, indicating a sound status in liquidity risk.

4.2 Methods of liquidity risk assessment

Conducted calculation of liquidity coverage ratios, 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 formulates comprehensive budgets for operating and investment activities in light of the strategic and business plans of the Company, projects 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 361.11% and 323.73% respectively, maintaining a strong position, though down by 15.2pt and 17.5pt respectively from the preceding quarter.

Of this, actual capital was 3.181bn yuan, an increase of 53mn yuan from the previous quarter, mainly due to net profits of the quarter of 19mn yuan, an increase of 10mn yuan in agricultural insurance reserve for catastrophes, an increase of 22mn yuan in other comprehensive income and a decrease of 3mn yuan in non-admitted assets.

Minimum capital was 881mn yuan, increasing by 50mn yuan from the preceding quarter. Of this, minimum capital for insurance risk rose by 39mn yuan, as a result of composite cost, and increased minimum capital requirement for premium and reserve risk; minimum capital for market risk rose by 19mn yuan, due to increase in minimum capital for interest rate risk and risk of overseas equity prices; that for credit risk climbed by 22mn yuan, mainly due to increase in premium receivables and bank deposits, which led to higher minimum capital requirement for counter-party default risk; risk diversification effect increased by 25mn yuan.

(II) Change to liquidity risk indicators and reasons

As of the end of the reporting quarter, cash and cash equivalents stood at 66.1825mn yuan, down by 8.4336mn yuan from 74.6161mn yuan in the previous quarter. The decrease was mainly due to decreased cash inflow from financial assets sold under repurchase during the quarter.

LCRs of the next 3 months and next 12 months under base scenarios (LCR1) were 107.50% and 103.32%, respectively.

LCR2s, or LCRs of the next 3 months and next 12 months under stress scenario (mandatory) were 185.08% and 120.99%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 189.93% and 128.19%, respectively.

LCR3s, or LCRs of the next 3 months and next 12 months under stress scenarios before asset disposal (mandatory) were 90.14% and 86.70%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios before asset disposal (self-testing) were 104.31% and 97.67%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting and the previous quarters were 57.38% and 65.56%, respectively, mainly due to higher-than-estimated amounts in net cash flows from reinsurance business during the reporting quarter.

Net cash flow YTD was -8.4450mn yuan. That for the previous fiscal year was 15.2795mn yuan, and that for the year earlier was -19.8750mn yuan.

(III) Change to IRR and reasons

The Company was rated AAA at the IRR (differentiated supervision) by National Administration of Financial Regulation (former CBIRC) for both Q3 and Q4 of 2023.

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.