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**中國太平洋保險(集團)股份有限公司**

**CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**

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

**(Stock Code: 02601)**

### **Overseas Regulatory Announcement**

This overseas regulatory announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The announcement is attached hereof for information purpose only.

By Order of the Board  
**China Pacific Insurance (Group) Co., Ltd.**  
**KONG Qingwei**  
*Chairman*

Hong Kong, 29 August 2022

*As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. FU Fan; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. WU Junhao, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LIANG Hong, Ms. LU Qiaoling and Mr. John Robert DACEY; and the Independent Non-executive Directors are Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Bui, Jackson, and Mr. JIANG Xuping.*

# Summary of Quarterly Solvency Report (Excerpts)

**China Pacific Anxin Agricultural Insurance Co., Ltd.**

**2<sup>nd</sup> Quarter of 2022**

## Company overview and contact information

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

### (I) Board and management statement

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

### (II) Voting results by directors

Name of directors	For	Against	Abstain
SONG Jianguo	√		
MAO Xiaojun	√		
SHI Jian	√		
XING Zhibin	√		
JIANG Shengzhong	√		
SUN Chaocai	√		
SHEN Chun	√		
CHEN Sen	√		
ZHOU Li	√		
Total	9		

There are no directors who cannot guarantee or harbor any doubt about the truthfulness, accuracy, completeness or compliance of the contents of this report.

China Pacific Anxin Agricultural Insurance Company Limited  
August 2022

## II. Basic information

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

#### 1. Ownership structure and change

Types of shareholders	Beginning of reporting period		Shareholder injection	Change of shares or stake			End of reporting period	
	Shares or contribution	Percentage (%)		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 other entity.

#### 2. Controlling shareholder or de facto controller

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

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

Names of shareholders	Types of shareholders	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Property Insurance Co., Ltd.	State-owned	73,205.68	67.78%	0

Shanghai Agricultural Development Co., Ltd.	State-owned	7,718.03	7.15%	0
Shanghai Minhang Asset Investment (Group) Co., Ltd.	State-owned	5,365.19	4.97%	0
Shanghai Nongfa Asset Management Co., Ltd.	State-owned	4,201.72	3.89%	0
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	State-owned	3,653.35	3.38%	0
Shanghai Baoshan Fiscal Investment Company	State-owned	3,150.84	2.92%	0
Shanghai Jiading Guangwo Asset Management Co., Ltd.	State-owned	2,504.59	2.32%	0
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	State-owned	2,025.88	1.88%	0
Shanghai Huinong Investment Management Co., Ltd.	State-owned	1,817.99	1.68%	0
Shanghai Qingpu Asset Management Co., Ltd.	State-owned	1,719.37	1.59%	0
Shanghai Jinshan Capital Management Group Co. Ltd.	State-owned	1,640.50	1.52%	0
Shanghai Chongming Asset Operation Co., Ltd.	State-owned	996.86	0.92%	0
Total	— —	108,000.00	100.00%	0
Related party relations among shareholders	None			

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

#### **4. Shareholding by directors, supervisors and senior management**

None during the reporting period.

#### **5. Share transfer during the reporting period**

None.

### **(II) Directors, supervisors and senior management**

#### **1. Directors, supervisors and senior management**

##### **1.1 Directors**

As of the end of June 2022, the 4th Board of Directors of the Company has 9 Directors in total:

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

Mr. MAO Xiaojun, born in March 1967, received junior college education and holds the title of Accountant. He has been serving as Non-executive Director of the Company since July 2015 (approval document: CIRC Approval [2015] No. 732). Mr. MAO currently serves as General Manager of Shanghai Shenlian Shengshi Enterprise Development Co., Ltd. He previously served as CFO of Shanghai Dalong Accounting Firm, and Head of Investment Management Department of Shanghai Minhang Asset Investment Management (Group) Co., Ltd.

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

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as Executive Director of the Company since September 2021 (approval document: CBIRC [2021] No. 680). Mr. SHI also serves as General Manager of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West

Operation Management Office of Shanghai Branch of China Life Insurance Company, Deputy General Manager of Business Management Department, General Manager of Market Development Department, and General Manager of Product Development and Reinsurance Department of Shanghai Anxin Agricultural Insurance Co., Ltd. He also served as Assistant President, Vice President, Board Secretary, Executive Director, President (General Manager) of Anxin Agricultural Insurance Co., Ltd., as well as Deputy Head of Marketing and General Manager of Strategic Account Department of CPIC Group.

Mr. JIANG Shengzhong, born in July 1958, holds a doctoral degree. He has been serving as Independent Director of the Company since April 2018 (approval document: CBIRC Approval [2018] No. 4). Mr. JIANG is currently a professor and PhD supervisor of Nankai University. He also serves as Director of Agricultural Insurance Center of Nankai University Finance College, President of the Education Committee of the Insurance Society of China, Executive Director of China Society for Finance and Banking, Executive Director of Tianjin Insurance Society, and Honorary Director of Council of China Insurance News. Mr. JIANG was previously Dean of Insurance Department of Nankai University.

Mr. SUN Chaocai, born in January 1956, holds a bachelor's degree and the title of Level-2 Research Fellow. He has been serving as Independent Director of the Company since May 2016 (approval document CIRC Approval [2016] No. 391). Mr. SUN previously served as Deputy Director and Director of Institute of Crop Breeding and Cultivation of Shanghai Academy of Agricultural Sciences.

Mr. SHEN Chun, born in August 1971, holds a bachelor's degree. He has been serving as Independent Director of the Company since January 2019 (approval document: CBIRC Approval [2019] No. 44). Mr. SHEN currently serves as Director of the Management Committee of Excellent Law Firm, Chairman of the China Democratic

National Construction Association Baoshan Committee Wusong General Branch, Member of 8th Baoshan District Political Consultative Conference, Law Enforcement Supervisor of Baoshan District Political and Legal Committee, and Member of Baoshan District Government Legal Adviser Think Tank. Mr. SHEN previously served as Deputy Head and Partner of Shanghai Zhengming Law Firm.

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

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

## 1.2 Supervisors

As of the end of June 2022, the 4th Board of Supervisors of the Company has 4 Supervisors:

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

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

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

Director of the General Office and Party Committee Office of CPIC P/C Shandong Branch, General Manager of the Intermediary Business Department of CPIC P/C Shandong Branch, and Director of the Administrative Office and General Manager of the Development Planning Department of the Company.

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

### 1.3 Senior management

As of the end of June 2022, the Company has 7 members of senior management:

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

Mr. ZHENG Kai, born in August 1972, holds a master's degree. He has been serving as

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

Ms. LI Shuhui, born in July 1972, holds a master's degree and the title of Senior Auditor, CPA, CIA and CCSA. She has been serving as Finance Responsible Person and Deputy General Manager of the Company since December 2019 (approval documents: CBIRC Shanghai Approval [2019] No. 984, and CBIRC Shanghai Approval [2019] No. 983 respectively). Ms. LI currently also serves as Supervisor of CPIC P/C. She previously served as Deputy General Manager of Internal Audit Center/Second Division, General Manager of Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Auditing Responsible Person of Changjiang Pension, Supervisor of CPIC Online Services, Supervisor of Anxin Agricultural Insurance Co., Ltd, and General Manager of Finance Department and Assets Management Department of CPIC P/C.

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

Shanghai Nanhui Sub-branch, Deputy Secretary of the CPC Committee, Deputy General Manager of its Shanghai Branch, and Member of the CPC Committee, General Manager of Agricultural Insurance Market Development Department and General Manager of Agricultural Insurance Business Management Department of Pacific Anxin Agricultural Insurance Co., Ltd.

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

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

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

with China Continent Insurance Co. Ltd., served as Actuarial Responsible Person and Deputy General Manager (in charge) of the Actuarial Department of Anxin Agricultural Insurance Co., Ltd.

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

Position	Predecessor	Incumbent	Remarks
Director	-	ZHOU Li	Newly elected
Assistant General Manager	-	HUANG Xiaofeng	Newly appointed
Compliance Responsible Person, Chief Risk Officer	ZHUANG Yi	WU Gang	

### **(III) Subsidiaries, joint ventures or associate ventures**

None during the reporting period.

### **(IV) Breaches and administrative penalties during the reporting period**

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

None.

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

None.

#### **3. CBIRC regulatory measures against the Company**

None during the reporting period.

### III. Main indicators

#### (I) Solvency margin ratios

unit:yuan

Item	Reporting quarter	Last quarter	Next quarter estimates
Admitted assets	5,847,114,758	5,153,890,439	5,874,680,865
Admitted liabilities	2,895,288,121	2,269,219,154	2,954,140,910
Actual capital	2,951,826,637	2,884,671,284	2,920,539,955
Tier-1 core capital	2,712,335,622	2,671,649,927	2,681,048,939
Tier-2 core capital	-	-	-
Tier-1 supplement capital	239,491,016	213,021,358	239,491,016
Tier-2 supplement capital	-	-	-
Minimum capital	779,041,876	764,638,084	837,188,034
Minimum capital for quantifiable risks	764,560,827	750,417,669	821,626,148
Minimum capital for life insurance risk	-	-	-
Minimum capital for non-life insurance risk	547,141,519	524,944,349	614,584,427
Minimum capital for market risk	277,629,052	232,074,398	278,927,913
Minimum capital for credit risk	292,846,475	337,483,220	294,373,453
Diversification effect for quantifiable risks	353,056,219	344,084,299	366,259,646
Loss absorption for special-type insurance contracts	-	-	-
Minimum capital for control risk	14,481,050	14,220,415	15,561,887
Supplement capital	-	-	-
Core solvency margin surplus	1,933,293,745	1,907,011,843	1,843,860,905
Core solvency margin ratio	348.16%	349.40%	320.24%
Comprehensive solvency margin surplus	2,172,784,761	2,120,033,201	2,083,351,921

Comprehensive solvency margin ratio	378.90%	377.26%	348.85%
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## (II) Regulatory indicators for liquidity risk

LCR	Q2 2022		Q1 2022	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 under base scenario	115.30%	114.20%	113.39%	103.08%
LCR2 under stress scenario – compulsory	200.70%	145.55%	239.03%	130.90%
LCR2 under stress scenario- self-testing	196.59%	128.70%	210.21%	122.96%
LCR3 under stress scenario excluding asset disposal- compulsory	103.31%	113.89%	118.89%	102.22%
LCR3 under stress scenario excluding asset disposal-self-testing	103.21%	106.32%	113.11%	100.98%
<b>Retrospective adverse deviation ratio of net cash flows from operating activities</b>	93.14%		-18.08%	
Net cash flows YTD (unit: 10,000 yuan)	1496.88		-1475.69	
Net cash flows in 2021 (unit: 10,000 yuan)	3041.26		3041.26	
Net cash flows in 2020 (unit: 10,000 yuan)	1033.22		1033.22	

## (III) Monitoring indicators for liquidity risk

unit: yuan

Indicators	Item	Q2 2022	Q1 2022
1. Net cash flows from operating activities	Amount	298,751,916	-138,443,811
	Cash inflow from operating activities YTD	873,877,292	201,183,210
	Cash outflow from operating activities YTD	575,125,376	339,627,021

2. Net cash flows from operating activities per 100 yuan in premiums	Amount	26.36	-36.17
	Net cash flows from operating activities YTD	298,751,916	-138,443,811
	Premiums YTD	1,133,339,733	382,738,829
3. Weight of cash outflow for certain business	Percentage	0.00%	0.00%
	Claims for business of special types	0	0
	Incurred and reported outstanding claim reserves for business of special types	0	0
	Claims	317,476,274	180,605,229
	Incurred and reported outstanding claim reserves	68,383,071	-48,158,002
4. Total premiums growth year-on-year	Percentage	9.12%	24.19%
	Total premiums YTD	1,133,339,733	382,738,829
	Total premiums YTD at the same period of last year	1,038,612,423	308,186,970
5. Weight of cash and liquidity management instruments	Percentage	6.06%	1.26%
	The book value of cash and liquidity management instruments at the end of the period	356,172,324	64,454,625
	The ending balance of total assets	5,875,859,207	5,107,504,088
6. Quarterly average financial leverage ratio	Percentage	0.59%	2.06%
	Arithmetic mean of the ending balance of inter-bank lending, bond repurchase and other financing cash inflow at the end of each month during the quarter	34,666,667	106,666,667
	The ending balance of total assets	5,875,859,207	5,184,504,088

7. Weight of domestic fixed income assets rated AA and below	Percentage	0.00%	0.00%
	The book value of domestic fixed income assets rated AA and below at the end of the period	0	0
	The ending balance of total assets	5,875,859,207	5,107,504,088
8. Weight of investments in listed stocks with a stake of 5% or above	Percentage	0.00%	0.00%
	The book value of investments in listed stocks with a stake of 5% or above at the end of the period	0	0
	The ending balance of total assets	5,875,859,207	5,184,504,088
9. Proportion of receivables	Percentage	16.09%	15.09%
	Premium receivables	698,140,361	550,983,718
	Reinsurance receivables	247,318,087	231,525,995
	The ending balance of total assets	5,875,859,207	5,184,504,088
10. Proportion of related party assets held by the Company	Percentage	0.97%	1.86%
	Total investment assets of related parties held by the Company	56,711,400	96,348,200
	The ending balance of total assets	5,875,859,207	5,184,504,088

#### (IV) Key business metrics

Indicators	unit: yuan	
	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	762,665,190	1,145,157,758
Net profits	67,452,505	115,955,869
Total assets	5,875,859,207	5,875,859,207

Net assets	2,800,835,722	2,800,835,722
Insurance contract liabilities	2,212,691,491	2,212,691,491
Basic earnings per share	0.062	0.107
ROE	2.43%	4.19%
ROA	1.22%	2.09%
Investment yield	1.25%	2.62%
Comprehensive investment yield	1.63%	2.04%
Profitability indicators	--	--
Combined ratio	--	94.67%
Expense ratio	--	23.01%
Loss ratio	--	71.66%
Proportion of commission and brokerage expenses	--	2.15%
Proportion of operating and administrative expenses	--	12.85%
Scale indicators	--	--
Written premiums	750,600,904	1,133,339,733
Written premiums of auto insurance	-	-
Written premiums of top 5 non-auto insurance business lines	722,195,880	1,073,422,552
Largest non-auto business line	546,754,155	767,520,895
Second largest non-auto business line	64,979,165	125,695,091
Third largest non-auto business line	69,106,233	111,055,300
Fourth largest non-auto business line	25,931,545	35,469,291
Fifth largest non-auto business line	15,424,784	33,681,974
Average vehicle premium of auto insurance	-	-
Written premiums by channels	750,600,904	1,133,339,733
Agency	37,073,201	84,161,419
Direct	701,271,433	1,022,023,793
Brokerage	12,256,270	27,154,521
Others	-	-

#### IV. Risk management capabilities

##### (I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the former CIRC. In 2021, its written premiums amounted to 1.593 billion yuan, and as of the end of 2021, total assets stood at 5.241 billion yuan, with 3 provincial-level branch

offices. According to Article 6 of Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

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

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 76.21 points.

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

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 76.21 points. During the reporting period, the Company took further steps to enhance risk management. To be specific:

First, as per the requirements under C-ROSS II, the Company issued 12 risk management rules, including the Risk Management Policy, the Risk Appetite System Management Measures, the Risk Management Measures for Major Types of Risks, and the Special Risk Management Regulations, thus ensuring adequate rules were established for solvency risks management.

Second, focusing on the issues identified in previous year's risk management self-assessment results, we made rectifications and improvements, strengthened risk management and control in key areas, and promoted compliance effectiveness management; and followed up and formed a plan to implement C-ROSS II, with step-by-step supervision and reviews to ensure the progress and quality of the

implementation of related tasks.

Third, we released the "Administrative Measures for Internal Regulations" to improve the whole-process management system; revised and released the "Administrative Measures for News Publicity" and "Administrative Measures for Press Spokesperson and Press Release" to further strengthen the management of the Company's news publicity and press release work; revised and issued the "Management Measures for Disaster and Loss Prevention" to increase customers' awareness of risk prevention and improve the Company's business quality and operating efficiency; revised and issued the "Administrative Measures for Handling Insurance Consumer Complaints" to further strengthen the management of insurance consumer complaints and standardize the complaint handling process; issued the "Administrative Measures for Personal Information Protection" to standardize the management processes and behaviors of institutions and employees at all levels involved in the processing of personal information in the course of business development; and issued the "Reinsurance Strategic Planning" to clarify our positioning and goals of reinsurance, and standardize our reinsurance business management.

Fourth, as per PBoC requirements, the Company conducted monthly and quarterly risk screening & self-assessment. Monthly evaluations mainly cover basic financial status, business operation and insurance funds investment, while quarterly ones additionally review changes in solvency and cause analysis, major risks and mitigation, special risks and mitigation, impact of changes in economic environment.

Fifth, it upgraded the Risk Appetite Framework (RAF) for 2022, and amended the Risk Appetite Statement, risk tolerance and risk upper limits in view of its business characteristics, development planning, and regulatory rules, and within the Group RAF.

Sixth, it completed the filing of IRR data for Q1 2022, risk upper limits, and finished the evaluation of risk management in major categories, while closely monitoring its risk status and taking timely steps to mitigate potential risks.

#### **(IV) Status of SAMRA self-assessment**

None during the reporting period.

## **V. Integrated risk rating (differentiated supervision)**

### **(I) The last two IRR results**

The Company was rated A at the IRR by CBIRC for Q4 of 2021.

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.

The Company received an AAA rating in IRR (differentiated supervision) for Q1 of 2022.

### **(II) Measure taken or to be taken for improvement**

The Company's integrated risk rating (IRR) for the last quarter was AAA. At the end of this quarter, the Company's comprehensive solvency adequacy ratio was 378.90%, and core solvency adequacy ratio was 348.16%.

In the second quarter, we revised and issued relevant regulations including the "Operational Risk Management Measures", "Strategic Risk Management Measures", "Reputational Risk Management Measures" and "Liquidity Risk Management Measures", revised rules such as the Administrative Measures for News Publicity, the Administrative Measures for Press Spokesperson and Press Release, the Measures for the Handling of Insurance Consumer Complaints, the Management Measures for Disaster and Loss Prevention, and the Measures for the Administration of Branches, and strengthened the implementation of those regulations in our business operation; in the second quarter, we carried out a series of special training on corporate risk management to promote risk awareness among employees and ensure effective implementation of the regulations. Secondly, we carried out reporting of our first IRR rating results under C-ROSS II, and held special meetings to discuss measures for the deduction items in the assessment to continuously improve our solvency risk management capability.

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

#### **1. Operational risk**

##### **1.1 Operational risk status**

In this quarter, the Company formulated rectification plans for various defects newly discovered in the auditing, carried out rectification work with regular progress tracking and urged relevant parties to complete the rectification on time regarding the issues in the rectification plan. Secondly, we sorted out the operating procedure for each post and process, compiled internal control manuals, and identified key risk events in underwriting, claims management, document management and anti-fraud, so as to prevent potential risks caused by operational problems. Thirdly, based on the requirements of C-ROSS II and Company reality, we revised and released rules such as the "Operational Risk Management Measures", "Strategic Risk Management Measures", "Reputational Risk Management Measures", "Liquidity Risk Management Measures", "News Publicity Management Measures", "Administrative Measures for Press Spokesperson and Press Release", "Administrative Measures for Handling Insurance Consumer Complaints", "Management Measures for Disaster and Loss Prevention", and "Measures for the Administration of Branches", and strictly followed those rules in all aspects of business operation. Management requirements were implemented and improved continuously, and overall operational risks were under control.

##### **1.2 Methods of operational risk assessment**

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

##### **1.3 Process of operational risk assessment**

In this quarter, first, the Company conducted screening of operational risk in misleading sales, frauds in claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up cross-departmental communications on mitigation measures, if

necessary. Second, it monitored key indicators of operational risk, with clear ownership by departments or branch offices, and may conduct self-review if circumstances require. Third, conducted a review of rectification of auditing findings. Paid particular attention to inaction or long-standing gaps, and strived to address them through revisit of systems or mechanisms.

#### 1.4 Results of operational risk assessment

The review indicated no serious flaws in operational risk.

### 2.Strategic risk

#### 2.1 Status of strategic risk

The strategic risk facing the Company mainly includes the following:

First is risks arising from concentration of business in Shanghai.

Second is the potential impact of full integration with CPIC P/C on its own strategic plans.

#### 2.2 Methods of strategic risk assessment

Evaluation of market environment of industry strategic risk, the risk in strategic planning of the Company and the risk in implementation of its strategic planning.

#### 2.3 Process of strategic risk assessment

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

#### 2.4 Results of strategic risk assessment

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

### 3.Reputational risk

#### 3.1 Status of reputational risk

In the second quarter, the Company further strengthened reputational risk management during the pandemic period, did a good job in responding to COVID-19, and made proper arrangement for business reopening. At the same time, we actively

carried out the 2022 annual reputational risk assessment, and further improved our initiative, foresight and effectiveness in reputational risk management. In May, the Company's reputation risk management-related full-time and part-time staff participated in online training on publicity and reputational management during emergencies, which helped improve our public opinion management, the risk awareness of our employees, and our ability in the prevention and control of reputational risks.

In Q2, the Company strengthened and improved its reputational risk management, revised the Reputational Risk Management Measures of China Pacific Anxin Agricultural Insurance Co., Ltd., and formulated the Rules on News Management of China Pacific Anxin Agricultural Insurance Co., Ltd. and the Administrative Measures for Press Spokesperson and Press Release of China Pacific Anxin Agricultural Insurance Co., Ltd.

In Q2, we held a meeting on reputational risk management participated by all the reputational risk management teams of the Company, first of its kind for 2022. The meeting publicized the revised our reputational risk management methods, organized the cooperation between reputation risk management teams and relevant departments, simulated the handling, reporting path, and follow-up measures for an extreme case of claims, and successfully completed the first emergency drill in 2022 for major reputational risk events.

### 3.2 Methods of reputation risk assessment

Firstly, we monitor online public opinion through the CPIC Group's public opinion monitoring platform; secondly, our spokesperson and brand specialist join the Group's brand management and press spokesperson group to send and handle public opinion information in a timely manner; thirdly, the Company issued the "Risk Early Warning" weekly reports to the part-time reputational risks management staff to promptly prevent and detect possible reputational risks. We also conducted a company-wide investigation of potential reputational risks, and continued to optimize and promote the construction of a closed-loop entire-process reputational management system, so as to create a good reputational environment for the Company's sustainable, healthy

and stable development.

### 3.3 Process of reputational risk assessment

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

### 3.4 Results of reputational risk assessment

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

## 4. Liquidity risk

### 4.1 Status of liquidity risk

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

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

First is the time lag in settlement of agricultural insurance premium receivables by governments. The Company's main business is agricultural insurance, which accounted for 67% of total premiums, and of this, the share of fiscal subsidies was around 48%. As per Provisions on Fiscal Subsidies of Agricultural Insurance Premiums of Shanghai Municipal Government, the subsidy would be accrued in advance and settled in the next year. Thus, the time lag may impact the Company's cash flows. To address this, it vigorously conducted communications with government agencies in charge of agriculture and finance at various levels, seeking to optimise the process of fiscal subsidy transfer 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 one natural catastrophe could lead to huge outflow of cash for claims payments within a short period of time. In response to this, the Company put in place mechanisms to closely monitor likelihood of disasters, issue early warning and prepare for relief and damage-reduction effort; it also paid close attention to potential disruption to cash flows by the pandemic, coordinated funds planning to ensure normal and stable cash flows.

#### 4.2 Methods of liquidity risk assessment

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

#### 4.3 Process for liquidity risk assessment

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

#### 4.4 Results of liquidity risk assessment

The assessment indicated that all liquidity risk indicators and cash flow stress testing pointed to sufficient liquidity 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 378.90% and 348.16% respectively, up by 1.6pt and down by 1.2pt respectively.

Of this, available capital was 2.952 billion yuan, up by 67 million yuan from the previous quarter, mainly due to quarterly net profits of 67 million yuan, shareholder dividends payable of 32 million yuan, an increase of 16 million yuan in catastrophe reserve for agricultural insurance, an increase of 14 million yuan in other comprehensive income and an increase in non-admitted assets of 2 million yuan.

Minimum capital was 779 million yuan, rising by 14 million yuan from the last quarter, as a result of increase in minimum capital by 22 million yuan for insurance risk, due to business growth and increase in insurance premium and reserve risk; increase in minimum capital by 46 million yuan for market risk, mainly due to increased allocation in bonds; decrease in minimum capital by 45 million yuan for credit risk, mainly because of a steep fall of long-dated premium receivables and therefore lower credit risk in the quarter; and increase by 9 million yuan in risk diversification effect.

## **(II) Change to liquidity risk indicators and reasons**

As of the reporting quarter, cash and cash equivalents was 94.1803 million, up by 29.7257 million from 64.4546 million from the previous quarter. The increase in cash was mainly due to much higher net cash flows from operating activities as a result of more cash received in premium receivables during the quarter.

LCR1s of the next 3 months and next 12 months under base scenarios were 115.30 and 114.20%, respectively.

LCR2s of the next 3 months and next 12 months under stress scenario (compulsory for testing) were 200.7% and 145.55%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 196.59% and 128.70%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding asset disposal (compulsory for testing) were 103.31% and 113.89%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding asset disposal (self-testing) were 103.21% and 106.32%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting and the previous quarter were 93.14% and -18.08%, respectively. The projected amounts of cash received under direct insurance contracts for this quarter were lower than the actual amounts. The projected amounts of cash paid as claims under direct insurance contracts from the previous quarter were lower than the actual amounts.

The net cash flow YTD was 14.9688 million. The net cash flow for the previous fiscal year was 30.4126 million, and 10.3322 million in the year earlier.

### **(III) Change to IRR and reasons**

The Company was rated A at the IRR(differentiated supervision) by CBIRC for Q4 of 2021; was rated AAA at the IRR(differentiated supervision) by CBIRC for Q1 of 2022. As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [2021]No. 51), starting from Q1 2022, the IRR results will be in 4 categories, i.e., A, B, C, D, which can be further classified into AAA, AA, A, BBB, BB, and B, both by ascending order of risks.