

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 October 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. 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 Biu, Jackson, and Mr. JIANG Xuping.*

# Summary of Quarterly Solvency Report (Excerpts)

**China Pacific Life Insurance Co., Ltd.**

**3<sup>rd</sup> Quarter of 2022**

## Company overview and contact person

Company name (Chinese):	中国太平洋人寿保险股份有限公司
Company name (English):	China Pacific Life Insurance Co., Ltd.
Legal representative:	PAN Yanhong
Registered address:	1 Zhongshan Road (South), Huangpu District, Shanghai, China
Registered capital:	8.6282bn yuan
Business license number:	000015
Date opening for business:	November 2001
Business scope:	Life/health insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, personal accident insurance, etc.; reinsurance of the above said insurance; statutory life/health insurance; agency and business dealings with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by The Insurance Law and relevant laws and regulations; international insurance activities as approved; other international insurance business as approved.
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, Ningbo, Xiamen, Shenzhen, where

CBIRC also set up branch offices)

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

## CONTENTS

I. BOARD AND MANAGEMENT STATEMENT .....	8
II. BASIC INFORMATION .....	8
III. KEY INDICATORS .....	20
IV. RISK MANAGEMENT CAPABILITIES .....	22
V. INFORMATION ON IRR (DIFFERENTIATED SUPERVISION) .....	25
VI. MANAGEMENT ANALYSIS AND DISCUSSIONS .....	28

## I. Board and management statement

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

## II. Basic information

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

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

Types of shareholders	Beginning of reporting period		Shareholder injection	Change			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	-	-	-	-	-	-	-	-
Domestic legal person	842,000	100	20,820	-	-	20,820	862,820	100
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	842,000	100	20,820	-	-	20,820	862,820	100

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

Names of shareholders	Types of	Change to	Shares held as	Shareholding	Shares
-----------------------	----------	-----------	----------------	--------------	--------

	shareholders	shareholding during Q3 2022	at the end of Q3 2022	percentage as at the end of Q3 2022 (%)	pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Listed company	20,464.47	848,086.31	98.292	-
Shenergy Group Co., Ltd.	State-owned	113.69	4,711.59	0.546	-
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned	113.15	4,689.24	0.544	-
Shanghai Haiyan Investment Management Company Limited	State-owned	77.66	3,218.11	0.373	-
Yunnan Hehe (Group) Co., Ltd.	State-owned	51.03	2,114.75	0.245	-
Related party relations between shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.				

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

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

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

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

### 1. Basic information of directors, supervisors and senior management

#### (1) Directors

As of the end of September 2022, the 7th Board of Directors of the Company has 7 directors in total:

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

Department of Chengdong Sub-branch, Manager of Individual Business Department and Assistant General Manager of CPIC Life Xi'an Branch, Deputy General Manager and General Manager of CPIC Life Shaanxi Branch, Director of CPIC P/C, Transformation Director, Director of Strategic Transformation Office, GM of Strategic Planning Department, and Board Secretary of CPIC Group.

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

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

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has served as Director of the Company since March 2018 (approval document: CIRC [2018] No.330). Mr. ZHANG currently serves as Chief Compliance Officer and General Counsel of CPIC Group, Director of CPIC P/C, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal and Compliance Department, Head of Board Office, General Manager of Risk Management Department, Risk & Compliance Officer and Chief Risk Officer of CPIC Group, and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a director of China Association of Actuaries, a member of the Society of Actuaries and American Academy of Actuaries. He has served 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 China Health. Mr. ZHANG previously served as Chief Actuary of Citi Group TRV-Citi Insurance headquarters, Chief Actuary, Deputy GM and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy GM, 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), 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, and Director of CPIC Life Hong Kong. Previously, he served as insurance agent, regional manager, and regional director of AXA U.S., General Manager (agency business) and CEO of AXA Hong Kong, CEO of AIA China, Regional CEO of AIA Group, and Vice Chairman and President of WE DOCTOR GROUP.

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

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

## (2) Supervisors

As of the end of September 2022, the 7th Board of Supervisors of the Company has 3 supervisors:

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

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

Mr. ZHANG Lei, born in July 1976, holds a master's degree in economics and a title of senior auditor. He has been serving as Supervisor of the Company (approval document:

CBIRC [2021] No.397) since June 2021. He currently also serves as General Manager of Legal and Compliance Department of the Company, and Director of Office of Board of Supervisors of the Company. Previously, he served as Deputy Director of Computerised Auditing Division, Deputy Director (in charge), Director of Social Security Audit Division, and Director of Corporate Audit Division of Shanghai Special Representative Office of National Audit Office, Chief Auditor (life insurance) of Audit Technology Department of Audit Center of CPIC Group, Chief Auditor (life insurance) of Digitalised Audit Technology Department of CPIC Group, General Manager of Investment Audit Department of CPIC Group, and Internal Auditing Responsible Person of Changjiang Pension.

### (3) Senior management

As of the end of September 2022, the Company has 15 members of senior management in total:

Mr. CAI Qiang (John) currently serves as Executive Director, General Manager (CEO) of the Company. Please refer to Basic information of directors for detailed information.

Mr. WANG Guangjian, born in June 1965, has a master's degree. Mr. WANG currently serves as the Executive Deputy General Manager (approval document: CBIRC [2019] No.637) , Acting Compliance Responsible Person 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 GM of CPIC Life Urumqi Branch, Deputy GM of CPIC Life Taiyuan Branch, GM of CPIC Life Shanxi Branch, GM of CPIC Life Shandong Branch, assistant to chairman of the Management Committee of CPIC Life, Deputy GM and Chief Compliance Officer, Chief Risk Officer of CPIC Life, Chairman of the Board of Supervisors of CPIC Life, and Executive Director of Pacific Medical & Health Management Co., Ltd. Mr. WANG holds a title of accountant. He has served as the Executive Deputy General Manager and Acting Compliance Responsible Person and Chief Risk Officer of the Company since August 2019 and July 2022 respectively.

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., GM of Investment Management Department of Taiping Group, and General Manager of Taiping Elderly Care Investment Company. Mr. WEI has been serving as Deputy General Manager of the Company since June 2018.

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

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

Mr. YE Peng, born in March 1972, holds a master's degree. He is currently Deputy General

Manager of the Company (approval document: CBIRC Shanghai [2019] No.638), CFO (approval document: CBIRC Shanghai [2019] No.689), Director of Changjiang Pension, Director of CPIC Life HK, and Executive Director of Beijing Borui Heming Insurance Brokerage Co., Ltd. Mr. YE previously served as accountant of the Financial Department of Shanghai Power Equipment Co., Ltd., auditor of Audit Department, and head of Accounting Department of AIA Shanghai Branch, staff member of the Shanghai Representative Office of John Hancock Life Insurance Company, manager of Finance Department of John Hancock Tian'an Life Insurance Co., Ltd., chief accountant of John Hancock Tian'an Life Insurance Co., Ltd., GM of Finance Department of Changjiang Pension, Deputy Financial Director, Assistant GM, CFO, Board Secretary, and Deputy GM of Changjiang Pension. Mr. YE holds a title of senior accountant, and is a certified public accountant and tax advisor in China. He is also a senior member of FAIA, and a member of IFA/IPA. He took up his current position in August 2019.

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

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

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

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

Mr. TAI Fuchun, born in December 1967, holds a master's degree. He currently serves as Assistant General Manager of the Company (approval document: CBIRC [2021] No.745). Mr. TAI previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC Life Shanxi Branch, General Manager of the Customer Resource Management Department of CPIC Life, General Manager of CPIC Life Shandong Branch, Deputy Chief Auditor of CPIC Group, and Internal Auditing 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 position 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) and Acting Responsible Person for CPIC Life Shanghai Branch. 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 Transformation Matters for CPIC Group, and General Manager of CPIC Life Zhejiang 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. He is also Director of Shanghai Dabao Guisheng Information Technology Co. Ltd.. Mr. HUANG previously served as Technical Director and Chief Architect of Digital China Rongxin Software Co., Ltd., Vice President of Digital China Engineering Institute, Executive Director, and General Manager of China Qicheng (Beijing) Technology Co., Ltd., and General Manager of Bank Cloud Credit Business Center of OneConnect Financial Technology Co., Ltd. of Ping An Group. He took up his current positions in October 2021.

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

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

Director of the Finance Bureau of Karamay City, Xinjiang. He took up his current positions in December 2021.

## 2. Changes to directors, supervisors and senior management

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

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

(2) Changes to senior management? (Yes  No )

Departures of senior management:

ZHOU Xiaonan, previously Deputy GM, Compliance Responsible Person, Chief Risk Officer

LI Jing, formerly Assistant GM, Director of CPIC Life Hong Kong, and Director of Lianren Health Big Data Technology Co. Ltd..

### (III) Subsidiaries, joint ventures or associates

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

Company name	Number of shares (10,000 shares)			Shareholding percentage (%)		
	As at the beginning of this quarter	As at the end of this quarter	Change amount	As at the beginning of this quarter	As at the end of this quarter	Change (pt)
Changjiang Pension Insurance Co., Ltd.	186,486	186,486	-	62.16	62.16	-
City Island Developments Limited	0.1	0.1	-	100.00	100.00	-
Tianjin Trophy Real Estate Company Limited	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.	50,000	50,000	-	100.00	100.00	-
CPIC Elderly Care Development (Chengdu) Co. Ltd.	97,200	97,200	-	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	90,000	94,000	4,000	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	66,000	70,500	4,500	100.00	100.00	-

CPIC Elderly Care (Nanjing) Co. Ltd.	14,900	16,900	2,000	100.00	100.00	-
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	23,000	25,000	2,000	100.00	100.00	-
CPIC Elderly Care (Zhengzhou) Co. Ltd.	18,350	18,350	-	100.00	100.00	-
CPIC Elderly Care (Beijing) Co. Ltd.	59,700	59,700	-	100.00	100.00	-
CPIC Elderly Care (Wuhan) Co. Ltd.	57,308	59,308	2,000	100.00	100.00	-
CPIC Health Management (Sanya) Co. Ltd.	-	21,888	21,888	-	100.00	100.00
Beijing Borui Heming Insurance Agency Co. Ltd.	5,200	5,200	-	100.00	100.00	-
China Pacific Life Insurance (Hong Kong) Company Limited	100,000	100,000	-	100.00	100.00	-
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34.00	34.00	-
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	983,500	-	70.00	70.00	-
Shanghai Shantai Health Care Technology Co. Ltd.	4,000	4,000	-	40.00	40.00	-
Zhongbao Rongxin Private Equity Fund Management Co. Ltd.	150,000	150,000	-	10.14	10.14	-
Lianren Healthcare Big Data Technology Co. Ltd.	50,000	50,000	-	25.00	20.00	(5)

#### (IV) Breaches

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

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

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

During the reporting period, there was no regulatory measures against the Company by CBIRC. However, certain CBIRC branches took regulatory measures against the Company's branches, namely, Aotou Sub-branch of Guangdong Branch, Bozhou Key Sub-branch of Anhui Branch, Luoyang Key Sub-branch of He'nan Branch each

receiving an administrative penalty. Besides, Luoyang Key Sub-branch of He’nan Branch, Qingyuan Key Sub-branch of Guangdong Branch, Yichun Key Sub-branch of Jiangxi Branch and Ganzhou Key Sub-branch of Jiangxi Branch each received a Regulatory Opinion Letter; Guilin Key Sub-branch of Guangxi Branch and Luoyang Key Sub-branch of He’nan Branch each received a Regulatory 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 last quarter	Next quarter estimates
Admitted assets	177,481,888	175,365,017	179,710,128
Admitted liabilities	143,386,208	140,292,966	145,636,333
Available capital	34,095,680	35,072,050	34,073,795
Tier 1 core capital	19,512,473	20,242,468	19,344,932
Tier 2 core capital	767,566	1,072,087	1,045,121
Tier 1 supplement capital	13,805,906	13,746,759	13,675,110
Tier 2 supplement capital	9,735	10,736	8,631
Minimum capital	14,169,686	14,137,241	14,288,614
Minimum capital for quantifiable risks	14,257,226	14,224,581	14,376,890
Minimum capital for control risk	-87,541	-87,340	-88,276
Supplement capital	0	0	0
Core solvency margin surplus	6,110,353	7,177,314	6,101,439
Core solvency margin ratio (%)	143	151	143
Comprehensive solvency margin surplus	19,925,994	20,934,809	19,785,181
Comprehensive solvency margin ratio (%)	241	248	238

#### (II) Regulatory indicators for liquidity risk

Items	As at the end of the reporting period	As at the end of the previous period
Liquidity coverage ratio (LCR) (%)		
LCR1 under base scenario		

Items	As at the end of the reporting period	As at the end of the previous period
Next 3 months	127	119
Next 12 months	106	104
LCR2 under stress scenario		
Next 3 months	706	669
Next 12 months	238	331
LCR3 under stress scenario excluding asset disposal		
Next 3 months	145	174
Next 12 months	116	203
Retrospective adverse deviation ratio of net cash flows from business activities (%)	35	35
Net cash flow YTD (RMB yuan 10,000)	563,476	335,365

### (III) Indicators for monitoring of liquidity risk

Indicators	unit: 10,000 RMB yuan	
	As at the end of the reporting period	As at the end of the previous period
1. Net cash flow from operating activities	10,436,138	8,412,391
2. Comprehensive surrender ratio (%)	1.45	1.04
3-1. Net cash flow from participating accounts	3,609,761	3,236,494
3-2. Net cash flow from universal accounts	1,673,940	1,496,576
4.Total premiums growth year-on-year (%)	5.7	6.5
5.Ratio of cash and liquidity instruments (%)	1.7	1.5
6.Quarterly average financial leverage ratio (%)	5.9	4.5
7.Share of domestic fixed income assets rated AA and below (%)	3.2	3.4
8.Share of investments in listed stocks with a stake of 5% or above (%)	0.4	0.5
9.Share of receivables (%)	0.8	1.7
10.Share of related party assets held by the Company (%)	2.6	2.8

#### (IV) IRR results

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an A rating for Q1 of 2022 and an AA rating for Q2 of 2022.

#### (V) Key business metrics

Indicators	unit: 10,000 RMB yuan	
	As at the end of this quarter/during this quarter	YTD
Gross written premiums	4,068,550	18,973,906
Net profits	477,074	1,363,112
Total assets	178,006,745	178,006,745
Net assets	9,901,601	9,901,601
Insurance contract liabilities	139,531,343	139,531,343
Basic earnings per share (RMB yuan)	0.56	1.61
ROE (%)	4.78	13.62
ROA (%)	0.27	0.80
Investment yield (%)	1.02	3.06
Comprehensive investment yield (%)	-0.16	1.28

### 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 Q3, 2022, its written premiums amounted to 209.6bn yuan, with total assets of 1,780.1bn yuan, and 35 provincial-level branches.

#### (II) Results of last solvency risk management valuation

In on-site SARMRA evaluation in 2017, the Company scored 83.03 points. Of this, infrastructure and environment of risk management was 16.12 points, targets and

instruments of risk management was 8.82 points, insurance risk management was 8.36 points, market risk management was 8.00 points, credit risk management was 8.00 points, operational risk management was 8.38 points, strategic risk management was 8.96 points, reputation risk management was 8.33 points, liquidity risk management was 8.06 points. In 2022, the regulator carried out on-site SARMRA evaluation of the Company, but the results are yet to be released.

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

The Company attaches great importance to risk management. It identified gaps in solvency risk management systems and took effective remedial actions to enhance solvency risk management based on findings of regulatory assessment of its peers as well as those of its own internal audits. Below is a summary of what was done in Q3 2022.

First, proceeded with the optimisation of the risk management system in an all-around way, and completed amendments to and issuance of the overarching risk management rules, rules on key risk categories and certain detailed rules on implementation, based on the official version of C-ROSS II.

Second, monitored on a regularly basis the risk tolerance and key risk indicators for 2022, which were then reported to the Management Committee, the Asset Liability Management Working Group, followed by analysis of key risks, formulation of rectification plan to facilitate corrective measures by responsible departments.

Third, conducted an all-around review of the ERM systems in soundness of rules and effectiveness of adherence.

In Q4 of 2022, the Company intends to focus on the following areas for its solvency risk management.

First, push for rectification and optimisation of its risk management systems based on findings of on-site SARMRA evaluation and SARMRA internal auditing, and C-ROSS II standards as well.

Second, formulate the 3-year development plan for risk management, focusing on dimensions of governance structure, team-building, rules establishment and system improvement, so as to upgrade the entire risk management systems.

Third, conduct analysis of key risks in business operation, establish mechanisms for coordination and communication between headquarters and branch offices, with early warning or early-stage intervention of risks.

#### **(IV). Status of SARMRA self-assessment**

Time: Q2-Q3 of 2022

Methods and processes: To ensure the success of the self-assessment, the Company set up an ad hoc working group, defined work processes and assigned responsibilities, in a bid to push forward the assessment in an all-around, steady and efficient manner.

In May 2022, the Company organised relevant departments to review the soundness of and adherence to its risk management systems, carried out a self-review of its solvency risk management capabilities. At the same time, the Risk Management Department, as the lead department of SARMRA, held several special meetings and communicated with lead departments of major risk categories, with rounds of discussions over the completeness of materials, integrity of the scoring system and potential risks in internal control.

The Company has established long-term mechanisms for the building of solvency risk management systems. It will take the findings of the self-assessment seriously, and supervise functional departments in their respective rectification efforts. In the mean time, SARMRA results and related work progress will be incorporated into the performance evaluation of relevant departments, so that the self-assessment can effectively improve risk management capabilities and the long-term mechanism for risk management systems of the Company.

Results of self-assessment: In compliance with regulatory requirements, the Company assessed its solvency risk management capabilities from the dimensions of soundness of rules and effectiveness of adherence. The results are as follows: soundness of rules 45.73 points (full mark:50 points), or 91.5% of the full mark;

effectiveness of adherence 45.48 (full mark:50 points), or 91% of the full mark. Total score before non-applicable items was 91.21; that after non-applicable items 91.24 (full mark: 100 points).

Breakdown of the score is as follows:

<b>Items</b>	<b>Score</b>
Infrastructure and environment	93.70
Objectives and tools	91.80
Insurance risk	91.50
Market risk	89.30
Credit risk	89.50
Operational risk	88.99
Strategic risk	91.50
Reputational risk	91.40
Liquidity risk	91.05
<b>Total</b>	<b>91.24</b>

Gaps identified in the self-assessment:

First, the transmission of risk policies on certain dimensions needs to be enhanced, and the risk transmission mechanism needs to be more closely intertwined with business operation; second, Risk Management can play a more important part in empowerment of business operation and value-creation.

Next, the Company will organise rectification based on the findings of the assessment, with follow-up tracking of rectification status.

## **V. Information on IRR (differentiated supervision)**

### **(I) IRR under current differentiated supervision regime**

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an A rating for Q1 of 2022 and an AA rating for Q2 of 2022, with improvement in Q2 from the previous quarter.

The Company continued to enhance the testing and evaluation system for differentiated supervision, keeping tabs on risk metrics and seeking to improve the timeliness and accuracy of such monitoring; issued risk early warning in a timely manner via the monitoring and analysis of changes to metrics on a regular basis; in the meantime, stepped up risk topical research and mitigation programmes, such as conducting in-depth

study of cause and trends of risks, identifying patterns and coming up with mitigation recommendations, with follow-up remedial actions. To date, the Company has issued several management policies on IRR, conducted amendment and revision according to the regulatory requirements, implemented quarterly data filing and internal rating of branches and put in place long-term mechanisms for the work. Currently, a dedicated IRR management system is in use, covering data filing, data analysis, rectification and reporting.

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

## **(II) Self-assessment of unquantifiable risks**

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

### **1. Methods, processes and results of self-assessment**

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

## 2. Status of unquantifiable risks

In operational risk, the Company issued Provisions on Operational Risk Management (CPIC Life [2022] No.170), Provisions on Data Loss Recovery of Operational Risk (CPIC Life [2022] No.234), Measures on Operational Risk and Internal Control(2022) (CPIC Life [2022] No.274), in a bid to clearly define the responsibility of operational risk management, and establish more scientific and regular risk mitigation mechanisms. Based on analysis of IRR indicators and the monitoring of operational risk metrics, the risk status was good and risks were manageable in insurance business, reinsurance, asset management, corporate governance, IT systems, legal cases management and others.

In reputational risk, the Company gives priority to risk screening including regular screening, routine screening and ad hoc screening so as to enhance at-source management of adverse publicity. It set up a risk-handling working group at headquarters, with dedicated positions on reputational risk management at both headquarters and branch offices in a bid to step up coordination. Training and drills have become an important part of daily risk management, which consist of specialised programmes in handling of media crisis and media interviews leveraging the expertise of in-house and third-party experts, and support for branch offices in routine training and drills via seminars, and the formulation, dissemination of handbooks. In Q3 2022, the Company monitored and detected 85 reports (original) of adverse publicity on the media, less than in the same period of 2021. Of this, there were 25 Level III reports, accounting for 29.4%, 60 Level IV reports, representing 70.6%, and there were no Level I or II major incidents, indicating manageable reputational risk. Self-media and social media tend to be the high-risk area. In terms of content, the share of mis-selling, claims disputes and regulatory punishments 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, complicated COVID-19 situation and a challenging international environment heightened pressures on economic growth. But given the host of measures to shore up the economy by the government, the long-term trends of economic growth remain intact. The Company pressed ahead with the implementation of Changhang

Action Programme, pushed forward 8 projects in a systematic manner, with the Career-based Agency Force Project centering on “5 Directions and 3 Mosts” delivering initial results. It would persist in the Changhang Transformation and strive for healthy and steady development.

With respect to liquidity risk, net cash flows YTD amounted to 5.63476bn yuan, with sufficient LCRs under all scenarios. Relevant indicators show that the liquidity management of the Company was sound and effective, with the liquidity risk overall under control.

## **VI. Management Analysis and Discussions**

### **(I) Changes to solvency analysis this quarter**

As of the end of this quarter, the core solvency margin surplus amounted to 61.10353bn yuan, with the core solvency margin ratio of 143%, down by 8pt from the previous quarter; the comprehensive solvency margin surplus amounted to 199.25994bn yuan, with the comprehensive solvency margin ratio of 241%, down by 7pt from the previous quarter. Reasons for change are as follows:

1. As of the end of this quarter, available capital amounted to 340.95680bn yuan, versus 350.72050bn of the previous quarter, down by 2.8%, mainly due to:

(1) During the reporting quarter, core capital decreased by 10.34516bn yuan, due to the impact of capital market volatility and changes to insurance contract liabilities under solvency reporting.

(2) Supplement capital rose by 581.46mn yuan;

2. As of the end of this quarter, minimum capital amounted to 141.69686bn yuan, versus 141.37241bn as of the end of the previous quarter, up by 0.2%, mainly due to:

(1) Minimum capital for insurance risk during the quarter increased by 11.87mn yuan;

(2) Minimum capital for market risk during the quarter fell by 376.03mn yuan, as a result of fall of equity market;

(3) Minimum capital for credit risk during the quarter increased by 458.69mn yuan;

- (4) Risk diversification effect and loss absorption decreased by 231.91mn yuan, which raised minimum capital requirements;
- (5) Subtraction from minimum capital by control risk increased by 2mn yuan.

**(II) Changes to regulatory liquidity risk indicators**

The LCR for the next 3 months is 127%, and that for the next 12 months is 106%, which can still satisfy the minimum requirement of 100%. The LCR in the next 12 months under the stress scenario and the stress scenario without considering disposal of assets was 238% and 116%, respectively, all staying in comfort zones.

Net cash flows YTD grew steadily, amounting to 5.63476bn yuan as of the end of the quarter.