

Summary of Solvency Report (Excerpts)

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

2022 Interim

Company overview and contact information

Company name (Chinese):	中国太平洋保险（集团）股份有限公司
Company name (English):	CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
Legal representative:	KONG Qingwei
Registered address:	1 Zhongshan Road (South), Huangpu District, Shanghai, PRC.
Registered capital:	RMB9.62 billion
Business license number:	IC2003002
First date for registration:	May 13, 1991
Business scope:	Invest in controlling stakes of insurance companies; supervise and manage the domestic and international reinsurance business of the insurers under its control; supervise and manage the investments by the insurers under its control; participate in international insurance activities as approved.
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I. Board and management statement

We hereby declare that the report has been approved by the 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 statements or material omissions; and they severally and jointly accept responsibility for the contents of this report.

1. Voting results by directors

Name of directors	For	Against	Abstain
Kong Qingwei	✓		
Fu Fan	✓		
Huang Dinan	✓		
Wang Tayu	✓		
Wu Junhao	✓		
Chen Ran	✓		
Zhou Donghui	✓		
Liang Hong	✓		
Lu Qiaoling	✓		
John Robert Dacey	✓		
Liu Xiaodan	✓		
Chen Jizhong	✓		
Lin Tingyi	✓		
Hu Jiabiao	✓		
Jiang Xuping	✓		
Total			

2. Are there directors who can not warrant that the contents of this report are true,

accurate and complete and have fully complied with applicable laws and regulations, or who have raised issues in this regard? (yes no)

II. Basic Information

Shareholding structure, shareholders and change

1. Shareholding structure (unit: share)

	Before change		Increase or decrease (+ or -)					After change	
	Amount	Percentage (%)	New shares issued	Bonus shares	Transfer from reserves	Others	Sub-total	Amount	Percentage (%)
1. Ordinary shares denominated in RMB	6,845,041,455	71.15	-	-	-	-	-	6,845,041,455	71.15
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares (H share)	2,775,300,000	28.85	-	-	-	-	-	2,775,300,000	28.85
4. Others	-	-	-	-	-	-	-	-	-
Total	9,620,341,455	100	-	-	-	-	-	9,620,341,455	100

2. Top 10 shareholders (unit: share)

Name of shareholders	Percentage of shareholding	Total number of shares held	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares subject to pledge or lock-up	Type of shares
HKSCC Nominees Limited	28.82%	2,772,506,227	-173,802	-	H Share
Shenergy (Group) Co., Ltd.	14.05%	1,352,129,014	+25,352,232	-	A Share
Hwabao Investment Co., Ltd.	13.35%	1,284,277,846	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	6.09%	585,814,739	+1,702,400	-	A Share
Shanghai Haiyan Investment Management Company Limited	4.87%	468,828,104	-	-	A Share
China Securities Finance Co., Ltd.	2.82%	271,089,843	-	-	A Share
HKSCC	1.93%	185,763,999	-11,964,542	-	A Share
Shanghai International Group	1.66%	160,000,000	-	-	A Share
Citibank, National Association	1.56%	149,838,515	-202,390	-	A Share
China Structural Reform Fund Corporation Limited	1.19%	114,913,440	-267,700	-	A Share

Description of related relations or concerted actions among the aforesaid shareholder

HKSCC Nominees Limited and HKSCC are connected, as the former is a wholly-owned subsidiary of the latter. Shanghai State-Owned Assets Operation Co., Ltd. is a wholly-owned subsidiary of Shanghai International Group, and they act in concert. Other than this, the Company is not aware of any other connected relations or concerted actions among the above-mentioned shareholders.

Notes:

1. As at the end of the reporting period, the Company did not issue any preferred shares.
2. The shareholding of the top 10 shareholders is based on the lists of registered shareholders provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch (A share) and Computershare Hong Kong Investor Services Limited (H share) respectively.
3. The shares held by HKSCC Nominees Limited are held on behalf of its clients. As SEHK does not require such shareholders to disclose to HKSCC Nominees Limited whether the shares held by them are subject to pledge or lock-up period, HKSCC Nominees Limited is unable to calculate, or make available such data. Pursuant to Part XV of the SFO, a Substantial Shareholder is required to give notice to SEHK and the Company on the occurrence of certain events including a change in the nature of its interest in shares such as the pledging of its shares. As at the end of the reporting period, the Company is not aware of any such notices from Substantial Shareholders under Part XV of the SFO.
4. HKSCC is the nominal holder of shares traded through Shanghai-Hong Kong Connect Programme.
5. Citibank, National Association is the depository of the Company's GDRs, and the underlying A shares of the Company represented by the GDRs have been registered under it; according to Citibank, National Association, as of the end of the reporting period, the remaining number of the GDRs is 29,967,703, which is 26.84% of the number of GDRs issued under approval by the China Securities Regulatory Commission.

III. Business Operation of Major Member Companies

(I) CPIC P/C

In the first half of 2022, the subsidiary enhanced business quality control and reported rapid premium growth, with GWPs amounting to 91.571bn yuan, a year-on-year growth of 12.3%, and net profits of 4.320bn yuan, up 23.3% year-on-year.

As of the end of June 2022, net assets of CPIC P/C stood at 47.734bn yuan, down by 2.4% from the beginning of the year. Comprehensive solvency margin ratio was 225%, down by 63pt from the year beginning, mainly due to impact of adoption of C-ROSS II and business development. Of this,

(1) Available capital 57.115bn yuan, down by 693mn yuan, or 1.2% from the year beginning;

(2) Minimum capital 25.360bn yuan, up by 5.288bn yuan, or 26.3% from the year beginning.

(II) CPIC Life

In the first half of 2022, the subsidiary recorded steady premium growth, with GWPs amounting to 149.054bn yuan, a year-on-year growth of 5.4%, and net profits of 8.860bn yuan, down by 31.2% year-on-year.

As of the end of June 2022, net assets of CPIC Life stood at 100.591bn yuan, down by 0.5% from the beginning of the year. Comprehensive solvency margin ratio was 248%, up by 30pt from the year beginning, mainly due to impact of adoption of C-ROSS II and business development. Of this,

(1) Available capital 350.721bn yuan, down by 4.8%, or 17.850bn yuan from the year beginning;

(2) Minimum capital 141.372bn yuan, down by 16.3%, or 27.540bn yuan from the year beginning.

(III) CPIC Health

During the reporting period, the subsidiary realised GWPs of 2.518bn yuan, and net profits of 30mn yuan. In May 2022, it obtained the regulatory approval of capital injection, with registered capital rising to 3.6bn yuan, further enhancing its capital position.

As of the end of June 2022, net assets of CPIC Health stood at 3.342bn yuan, with comprehensive solvency margin ratio of 294%, up by 156pt from the year beginning, mainly due to impact of adoption of C-ROSS II, capital increase and business development. Of this,

- (1) Available capital 3.170bn yuan, up by 146.5%, or 1.884bn yuan from the year beginning;
- (2) Minimum capital 1.077bn yuan, up by 15.3%, or 143mn yuan from the year beginning.

(IV) CPIC AMC

During the reporting period, the company posted 603mn yuan in asset management fee income, a growth of 13.4% compared with the same period of 2021, with net profits of 300mn yuan, down by 3.9% year-on-year.

As of the end of June 2022, total assets of CPIC AMC amounted to 4.930bn yuan, rising 5.8% from the year beginning, with net assets of 3.908bn yuan, down by 0.2% from the year beginning.

(V) Changjiang Pension

During the reporting period, the subsidiary focused on pension asset management, and steadily conducted related business, and reported net profits of 183mn yuan. As of the end of June 2022, total assets of the company amounted to 6.167bn yuan, down by 2.3% from the year beginning, with net assets of 3.886bn yuan, down by 6.9% from the year beginning.

(VI) Other member companies

In the first half of 2022, CPIC Property recorded net profits of -1mn yuan. As of the end of June 2022, total assets of the company reached 124mn yuan, down by 2.6% from the year beginning, and total liabilities 6mn yuan, down by 28.3% from the year beginning, with net assets of 118mn yuan, down by 0.8% from the year beginning.

In the first half of 2022, CPIC Technology was established and recorded net profits of -56mn

yuan. As of the end of June 2022, total assets of the company reached 837mn yuan, and total liabilities 194mn yuan, with net assets of 644mn yuan.

IV. Solvency Statements

Solvency Statements of Insurance Holding Groups

Name: China Pacific Insurance (Group) Co. Ltd.

(30 June, 2022)

unit: 10 thousand RMB yuan

Items	No. of lines	As at the end of the reporting period 1	As at the beginning of the reporting period 2
Available capital	(1) = (2) + (3) + (4) + (5)	48,968,999	50,662,014
Tier 1 core capital	(2)	32,782,309	49,662,014
Tier 2 core capital	(3)	1,072,087	-
Tier 1 supplement capital	(4)	15,103,867	1,000,000
Tier 2 supplement capital	(5)	10,736	-
Minimum capital	(6) = (7) + (22) + (23)	16,881,817	19,079,389
Minimum capital for quantitative risks	(7) = (8) + (9) + (10) + (11) + (12) + (13) + (14) - (21)	16,881,817	19,079,389
Minimum capital for parent company	(8)	-	-

Minimum capital for insurance member companies	(9)	16,881,817	19,079,389
Minimum capital for banking member companies	(11)	-	-
Minimum capital for securities member companies	(12)	-	-
Minimum capital for trust member companies	(13)	-	-
Minimum capital for quantifiable Group-specific risks	(14) = (15) + (16)	-	-
Minimum capital for risk contagion	(15)	-	-
Minimum capital for concentration risk	(16) = (17) + (18) + (19) - (20)	-	-
Minimum capital for concentration risk - counter parties	(17)	-	-
Minimum capital for concentration risk - industry	(18)	-	-
Minimum capital for concentration risk - customers	(19)	-	-
Risk diversification	(20)	-	-
Decrease in required capital for risk diversification effect	(21)	-	-
Minimum capital for control risk	(22)		
Supplement capital	(23)		
Core solvency margin	(24) = (2) + (3) - (6) × 50%	25,413,488	40,122,319
Core solvency margin ratio	(25) = [(2) + (3)] / (6) × 100%	201%	260%
Comprehensive solvency margin	(26) = (1) - (6)	32,087,181	31,582,625
Comprehensive solvency margin ratio	(27) = (1) / (6) × 100%	290%	266%

Note: As per regulatory requirements, insurance groups began to adopt C-ROSS II in the first half of 2022, and figures as at the beginning of the reporting period were still based on C-ROSS I.

V. Management Analysis and Discussions

(I) Analysis of solvency margin ratios movements during the reporting period

As of the end of June 2022, Group core solvency margin ratio stood at 201%, down by 59pt from the year beginning; comprehensive solvency margin ratio was 290%, up by 24pt from the year beginning, mainly due to impact of adoption of C-ROSS II and business development. Of this,

- 1) Core capital amounted to 338.5bn yuan, down by 158.1bn yuan from the year beginning; available capital 489.7bn yuan, down by 16.9bn yuan from the year beginning.
- 2) Minimum capital 168.8bn yuan, down by 22.0bn yuan from the year beginning.

In short, Group solvency margin ratios stayed healthy and stable, above regulatory minimum levels.

(II) Analysis of changes to IRR and Group risk status during the reporting period

CBIRC is yet to issue rules on Integrated Risk Rating for insurance groups, and so there is no IRR results during the reporting period.

VI. Risk Management Capabilities

(I) Group solvency risk governance

The Company has established a broad-based risk management framework in which all parties involved play their due role: the Board of Directors bears the ultimate responsibility, management provides direct leadership, risk management departments provide coordination, and the 3 lines of defense closely work together. The boards of directors of the Group and its subsidiaries are the supreme authority for the risk management of the organization, and bear the ultimate responsibility for their respective risk management systems and status of operation. The board Risk Management and Related Party Transactions Control Committee performs duties in risk management as is mandated by the board. In the first half of 2022, the committee convened 3 meetings to review relevant risk management matters and

reports.

The Company's Management Committee is mandated to organize and execute the Company's risk management activities. It sets up the position of Chief Risk Officer, reports to the board Risk Management and Related Party Transactions Control Committee on the Company's risk positions and management measures on a quarterly basis. The Management Committee has under it a Working Group of Risk Management and Audit, which serves as a professional decision-making body across functions and departments responsible for the review of risk management plans and policies, execution and oversight, and co-ordination.

The Group headquarters has set up a Risk Management Centre, under which there are Risk Management Department and Legal and Compliance Department, responsible for coordinating daily work in risk management, legal and compliance and internal control. All insurance member companies of the Group have set up Risk Management Departments, which coordinate and implement the various decisions made by the management in the field of risk management, and organize, direct and supervise other departments to execute the daily risk management tasks determined by management. All the other functional departments of the Group headquarters and insurance subsidiaries and their branches have appointed responsible persons for risk management and set up corresponding positions, who are responsible for the risk management work within his/her scope of responsibility and communication with the risk management department.

(II) Risk management strategy and procedure

The overall risk management strategy of the Group is: set reasonable risk management objectives based on development strategies, organisational structure and business features of the Company, and under the guidance of the objectives, support and promote fulfillment of business objectives and strategic planning of the Company via a sound risk management system, stringent risk management processes, and advanced risk management mechanisms and tools.

The Group drafted, as per regulatory solvency regulations, its Risk Appetite Framework (RAF) which is reviewed annually and updated when necessary. In the first half of 2022, the overall execution status of the RAF of both the Group and its insurance subsidiaries was good.

(III) Identification and assessment of Group-specific risks

1. Risk contagion

Risk contagion means that the risk of a member company may spread to other member companies of the same group through internal transactions or other means, thus causing unexpected losses to the group or other member companies. CPIC strictly controls related party transactions (RPTs), enhances risk quarantine mechanisms to minimise the risk of contagion. During the reporting period, relevant measures and their implementation status are as follows:

In risk quarantine, the Company formulated Rules on Management of Risk Quarantine, which seeks to establish a firewall in areas such as legal entity management, financial management, fund management, business operation, information system management, personnel management, branding & publicity, information disclosure, RPTs, and guarantee management, identify paths of contagion and put in place prudent risk quarantine measures. During the reporting period, the Company amended relevant business rules, incorporating risk quarantine requirements into business management processes and effectively preventing risk contagions across member companies.

2. Risk due to opaque organisational structure

This refers to the risk that an insurance group's shareholding structure, management structure, operation process, business type, etc. are excessively complex and opaque, which may cause losses to the Group. The Company strictly abides by regulatory rules, and has drafted Provisional Measures on Management of Risk of Opaque Organisational Structure, which defines relevant management mechanisms and the regular evaluation system. In the first half of 2022, the status of the risk is as follows:

As a wholly-listed insurance group, the Company maintains a clear shareholding structure and there is no cross-shareholding and illegal subscription of capital instruments between insurance member companies and other affiliates under the Group, or between member companies under the Group.

Member companies of the Group have developed an organisational structure

compatible with their own business strategies and business development, with clear boundaries and clear definition of responsibilities, which effectively prevents either overlapping or absence of roles, or over-concentration of powers, and have formed working mechanisms of coordination and checks and balances whereby each company performs its duties.

3. Concentration risk

It refers to the risk that the aggregation of individual risks or risk portfolios of member companies at the group level may cause unexpected losses to the group. In accordance with relevant regulatory requirements, the Company regularly identifies, evaluates, monitors and reports on different types of concentration risks to minimise material adverse effects on its solvency or liquidity.

During the reporting period, the risk status is as follows: The Company sets Upper Limits of the concentration risk along various dimensions and evaluates the risk profiles along these dimensions on a regular basis. During the reporting period, there was no breach or early warning of the Upper Limits on all dimensions, with the risk overall under control. Based on its business realities, the Company focused on the concentration risk arising from investment counter-parties, evaluated the concentration of corporate/enterprise debt securities regularly and the credit risk and financial credit-worthiness of major counter-parties. In the first half of 2022, the concentration risk of investment counter-parties was under control, with credit-ratings of key counter-parties largely stable. There was no occurrence of concentration risk that may pose a substantial threat to its solvency or liquidity.

4. Non-insurance risk

CPIC stays focused on the core business of insurance, which dictates its investment in non-insurance sectors, with limited risk exposure and impact. In strict compliance with regulatory rules, it formulated Provisional Regulations on Management of Non-insurance Member Companies, prudently manages investment in non-insurance areas, pro-actively manages and prevents the adverse effect on the solvency of both the Group and its member insurers by the business operation of its non-insurance member companies. In the first half of 2022, the risk status is as follows:

First, in relation to investment by non-insurance affiliates, the Company strictly abides

by CBIRC rules, and has put in place a non-insurance equity investment governance system based on shareholding and corporate governance. There is an Investment Decision-making Committee under management Asset Liability Management Commission, responsible for coordination of major equity investments of member companies under the Group, so as to ensure a consistently clear shareholding structure of the Group and full compliance with the Risk Appetite and Risk Upper Limits in non-insurance areas. Non-insurance member companies would follow their respective governance procedures and equity investment approval processes, and submit proposals to competent decision-making bodies.

Second, in terms of non-insurance management, the Company closely follows Administrative Provisions on Supervision of Insurance Groups by CBIRC and other applicable rules and regulations, designates leading departments for management of non-insurance risks, regularly evaluates the risk exposure in this area and reports to the board. It intensified equity management and risk monitoring of its member companies, evaluates and adjusts the development strategies in non-insurance areas in a timely manner. It has also set up quarantine mechanisms in assets and liquidity so that investments in non-insurance member companies will not harm the interests of policyholders.

(IV) Other risks faced by the Group

1. Strategic risk

The Company did not have any major strategic risk events in the first half of 2022, and the strategic risk management work was as follows:

Firstly, in terms of the construction of strategic risk management system, the Company established and improved the strategic risk management system and the strategic development planning management system in accordance with C-ROSS II rules, and further clarified the strategic risk management organisational structure and work responsibilities. Secondly, in terms of strategic planning management, the Company completed the evaluation report on the implementation of the development plan in 2021 and the implementation plan for the development plan in 2022. At the same time, the Group completed the review of the evaluation report on the implementation of the 2021 annual

development plan of its main member companies to ensure that the implementation of the plans of its main member companies is consistent with the overall strategic goals and implementation progress of the Group. Thirdly, in terms of strategic risk limits monitoring, the Company added a new strategic risk limit indicator of “Market rankings of property and life insurance companies by primary premium income” in the risk appetite system in 2022. According to the data on primary premium income disclosed by listed companies, no strategic risk exceeded the limit.

2. Reputational risk

The Company strictly implemented the (Provisional) Measures for the Reputational Risk Management of Banking and Insurance Institutions, and in accordance with the new regulatory requirements such as the Measures for the Supervision and Administration of Insurance Group Companies and the Regulations on C-ROSS II of Insurance Companies, attached great importance to and continuously strengthened the overall reputational risk management within the Group, improved the reputational risk governance structure with sound organization and clear responsibilities, and further strengthened the construction of relevant mechanisms and systems.

In the first half of 2022, under the leadership of the Group, the Company’s branches/sub-branches at all levels actively promoted the implementation of the "seven measures" for reputational risk management in areas such as risk awareness, responsibility transmission, team building, system linkage, culture cultivation, communication channels, etc., to comprehensively cultivate the reputation risk control culture, which effectively enhanced the Group-wide reputational risk awareness as well as the capabilities for reputational risk prevention and control, and helped the construction of a whole-process closed-loop management system for reputation risk management. During the reporting period, the Company’s reputational risk remained stable, and it experienced no major reputational risk events with no reputational risk limit exceeded.

In the 4th (2021) China Financial Brand Case Annual Competition, the Group's whole-process closed-loop management system for reputational risk management won the "Reputation Management Case Annual Award". CPIC was the only insurance company among the winners of this award.

3. Liquidity Risk

Under a unified comprehensive risk management framework, the Company established and improved the liquidity risk management system, revised its liquidity risk management measures and emergency plans, improved liquidity risk appetite and limit indicators, optimized management mechanisms and procedures, and regularly monitored liquidity risks, thus continuously improving its liquidity risk management.

Following the Group's integrated management and control model, member companies of CPIC formulated appropriate liquidity risk appetite, limit indicators and management systems based on their own conditions. At the same time, through daily liquidity monitoring and reporting mechanisms, they ensured that they met both the regulatory requirements and those of the Group for liquidity risk management. During the reporting period, the Group and all member companies enjoyed good liquidity performance, with no major liquidity risk event or breaching of liquidity limit.

4. Operational risk

In accordance with the requirements of new regulatory rules, the Company revised the "Measures for Operational Risk Management" to further clarify the organisational structure and job responsibilities of the Group's operational risk management, as well as the operational risk management requirements for member companies, and completed the training for all staff on the operational risk management system. The Group and its subsidiaries carried out the 2022 annual risk and internal control self-assessment to identify and assess operational risks in their operation and management, while continuously improving the Group's internal control.

VII. Integrated Risk Rating

(I) Results of the last 2 rounds of IRR

CBIRC is yet to issue rules on Integrated Risk Rating for insurance groups, and so there is no IRR results during the reporting period.

(II) Remedial actions taken or to be taken

Rectification measures taken during the reporting period and status included:

First, established a new Group risk management system which covers risk governance, risk strategies, management of major risk categories in line with new rules such as C-ROSS II and Administrative Provisions on Supervision of Insurance Groups. Based on its realities in risk management, the Company amended the Group Risk Management Policies and supportive rules and regulations for implementation, which further improved the closed-loop risk management processes of the Group and incorporated risk management requirements into business rules.

Second, optimised organisational structure for risk management. In the light of latest regulatory requirements, industry best practices, and its own situation, the Company further clarified roles and responsibilities of management of Group-specific risk and major risk categories, and put in place an all-encompassing organisational system with each participant playing its due role and also working together, boosting the integration of risk management and business management.

Third, improved Group risk appetite and limit management system. In a bid to achieve full coverage of risk management responsibilities, closed-loop management of risk appetite which can translate into effective constraints for business operation, the Company reviewed the risk indicators, completed the Risk Appetite Framework modelling under C-ROSS II, promoted the use of risk management in asset allocation, capital planning and all-round financial budgeting via enhanced risk appetite transmission and stress test models, so that the RAF can better facilitate key business decisions.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

2nd Quarter of 2022

Company overview and contact information

Company name (Chinese):	中国太平洋财产保险股份有限公司
Company name (English):	China Pacific Property Insurance Company Limited
Legal representative:	GU Yue
Registered address:	South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Registered capital:	19.47bn yuan
Business license number:	P10021VSH
Date opening for business:	November 2001
Business scope:	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and personal accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CBIRC.
Business territories:	The People's Republic of China (excluding Hong Kong, Macao and Taiwan)
Contact person:	CHEN Mo
Office Tel. number:	021-33966153
Cell phone:	13564760117
Fax number:	021-68871589
Email:	chenmo-004@cpic.com.cn

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I. Board and management statement

The report has been approved by the 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.

1. Voting results by directors

Name of directors	For	Against	Abstain
SU Shaojun	√		
WU Junhao	√		
ZHANG Weidong	√		
ZHANG Yuanhan	√		
ZHANG Yuhua	√		
YU Bin	√		
GU Yue	√		
Total	7		

2. Are there any directors who cannot guarantee or harbor any doubt about the truthfulness, accuracy, completeness or compliance of the contents of this report?

(yes no)

II. Basic information

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

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

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

2. De facto controller

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

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

Names of shareholders	Types of shareholders	Change during the reporting period	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Others (listed company)	-	19,178,214,743	98.50	None
Shenergy Group Co., Ltd.	State-owned	-	90,874,742	0.47	None

Shanghai Haiyan Investment Management Company Limited	State-owned	-	90,620,982	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	-	59,586,361	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	-	50,703,172	0.26	None
Total	---	-	19,470,000,000	100	---

Related party relations among shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.
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4. Shareholding by directors, supervisors and senior management

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

5. Share transfer

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

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

1. Basic information on directors, supervisors and senior management

(1). Directors

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

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

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

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

CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., and Chief Risk Officer of CPIC Health.

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

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

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

Auditing Officer, Internal Auditing Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

(2). Supervisors

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

Ms. LI Shuhui, born in July 1972, holds a master's degree, and has been serving as Supervisor of the Company since April 2018 (approval document: CBIRC [2018] No. 125). Ms. LI currently serves as Deputy General Manager and Finance Responsible Person of Anxin Agricultural Insurance. Previously, she served as General Manager of Finance Department and Asset Management Department of the Company, General Manager of Audit Center/Audit Technology Division of CPIC Group, Supervisor of CPIC Health, Internal Auditing Responsible Person of Changjiang Pension, Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd., Supervisor of Anxin Agricultural Insurance, and Supervisor of CPIC Online.

Mr. CAO Junhua, born in March 1966, has a PhD degree. He has been serving as Supervisor of the Company since May 2021 (approval document: CBIRC [2021] No. 376). Mr. CAO currently serves as Lead Auditor of Internal Audit Management Department of CPIC Group, Internal Auditing Responsible Person of CPIC AMC and supervisor of Pacific Insurance Elderly Caring Investment Management Co., Ltd..

Previously, he served as Head of Secretary Department of General Office of CPIC Life, Deputy Chief of Board Office of CPIC Group, Assistant General Manager of CPIC P/C Suzhou Branch, Deputy General Manager of Legal Compliance Department of CPIC P/C Suzhou Branch, Head of Specialised Capacity-building Team of Audit Center of CPIC Group, Deputy General Manager (in charge), General Manager of General Audit Department of Audit Center of CPIC Group, General Manager of Audit Department (North China) of Audit Center of CPIC Group and Deputy Chief of Party Discipline Inspection Team of CPIC Group.

(3) Senior management

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

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

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Deputy General Manager of the Company since April 2021 (approval document: CBIRC [2021] No. 226). Mr. ZHANG currently also serves as Director of the Company. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen Branch, General Manager of CPIC P/C Sichuan Branch, Secretary of Discipline Inspection Commission of CPIC P/C, and Deputy Party Secretary of CPIC P/C. Prior to

that, Mr. ZHANG served as the Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Leadership Group of Heze, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

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

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

Mr. XI Yulin, born in November 1962, received university education, and has been serving as Deputy General Manager of the Company since May 2021 (approval document: CIRC [2015] No. 543 (qualification for Assistant General Manager)). He has also been serving as Executive Director and General Manager of CPIC Online since August 2017. Previously, Mr. XI served as General Manager of CPIC P/C Suzhou Branch, and Assistant General Manager (auto insurance) of CPIC P/C.

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

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

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

Mr. LI Chao, born in March 1981, holds a master's degree, and has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No.496). Prior to this, Mr. LI served as Deputy General Manager of CPIC

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

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

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

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

Manager of CPIC P/C Henan Branch, General Manager of Gansu Branch and Hubei Branch respectively.

Mr. XU Zhichun, born in October 1962, holds a master's degree. He has been serving as Internal Auditing Responsible Person of the Company (approval document: CBIRC Shanghai [2019] No. 956) since November 2019. Previously, Mr. XU served as Deputy General Manager and General Manager of CPIC P/C Wuxi Branch, General Manager of Claims Department and Auto Insurance Claims Department of CPIC P/C respectively, General Manager of CPIC P/C Guangdong Branch, General Manager of Operations Center of CPIC P/C, and General Manager of Shanghai Sub-Center of Operations Center of CPIC P/C.

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

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

Position	Predecessor	Incumbent
General Manager		ZENG Yi
Deputy General Manager		SU Zhanwei

(III) Subsidiaries, joint ventures or associates

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

Name of companies	Number of shares (10,000)			Percentage of shareholding (%)		
	End of last quarter	End of this quarter	Change	End of last quarter	End of this quarter	Change (pt)
Subsidiaries						
China Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	-
Joint ventures						
Shanghai Juche Information Technology Co., Ltd.	148	148	-	25.20%	25.20%	-

Zhongdao Automobile Assistance Co., Ltd.	1,280	1,280	-	20.32%	20.32%	-
Shanghai Lexiang Sijin Technology Joint-stock Co., Ltd.	369	369	-	6.09%	6.09%	-
Shanghai Heji Business Management Partnerships (LP)	20,000	20,000	-	99.00%	99.00%	-
Associates						
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	2,550	-	51.00%	51.00%	-
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	1,071	-	35.70%	35.70%	-

(IV) Breaches

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

Between April 1 and June 30, CBIRC and its branches issued 10 administrative penalties to branch offices of the Company, with 1.505mn yuan in fine for branches and 310,000 yuan in fine for individuals, totalling 1.815mn yuan. Breaches mainly concerned booking of false expenses, falsification of brokerage business for expense-booking, and granting extra benefits to insured other than those specified in insurance contracts.

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

(Yes No)

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

(Yes No)

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

(Yes No)

III. Key solvency and business metrics

(I) Key solvency metrics

Unit: RMB yuan 10,000

Items	As at the end of the reporting period	As at the end of the previous period	Estimates for next quarter under base scenario
Admitted assets	23,538,205	22,154,277	23,607,534
Admitted liabilities	17,826,691	16,348,393	17,726,064
Available capital	5,711,515	5,805,883	5,881,470
Tier 1 core capital	4,391,342	4,572,274	4,561,298
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,320,172	1,233,610	1,320,172
Tier 2 supplement capital	-	-	-
Minimum capital	2,536,038	2,477,967	2,650,441
Minimum capital for quantifiable risks	2,580,116	2,521,077	2,696,552
Minimum capital for control risk	-44,078	-43,110	-46,111
Supplement capital	-	-	-
Core solvency margin surplus	1,855,304	2,094,307	1,910,857
Core solvency margin ratio (%)	173.2%	184.5%	172.1%
Comprehensive solvency margin surplus	3,175,476	3,327,917	3,231,029
Comprehensive solvency margin ratio (%)	225.2%	234.3%	221.9%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of the reporting period	As at the end of the previous period	
Net cash flows (RMB 10,000)	YTD	164,179	63,406	
	Year 2021	288,396	288,396	
	Year 2020	-287,992	-287,992	
LCR (%)	LCR1	Next 3 months	117.1%	114.4%
		Next 12 months	103.5%	103.4%
	LCR2	Next 3 months	218.6%	254.0%
		Next 12 months	121.9%	122.2%

	LCR3	Next 3 months	76.9%	103.2%
		Next 12 months	83.5%	84.9%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		119.8%	848.1%
	Over the last quarter		927.3%	119.8%

2. Other indicators of liquidity risk

	Items	This quarter (YTD)	Last quarter (YTD)
Liabilities	Net cash flow from business activities (RMB 10,000)	560,906	34,074
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	6.2	0.7
	Ratio of cash outflow from business of special types (%)	2.3%	1.4%
	Gross premium growth year-on-year (%)	11.7%	12.7%
Assets	Ratio of cash and liquidity management instruments (%)	3.4%	3.2%
	Quarterly average financing gear (%)	1.0%	1.8%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.1%	0.1%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.03%	0.04%
	Ratio of fund receivables (%)	17.1%	17.3%
	Ratio of assets of related parties held (%)	3.5%	3.8%

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

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

Ratio of receivables (%): Ratio of receivables=(Premium receivables + Reinsurance receivables) ÷ total assets by the end of the reporting period × 100%, the value of Premium receivables, Reinsurance receivables and total assets is the book value of respective account as at the end of the reporting period.

Ratio of assets of related parties held: Ratio of assets of related parties held = Total investment assets of

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

(III) Key business metrics

Unit: RMB yuan 10,000

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	4,208,705	9,157,078
Net profits	273,436	432,010
Total assets	23,640,789	23,640,789
Net assets	4,773,403	4,773,403
Insurance contract liabilities	13,896,475	13,896,475
Basic earnings per share	0.1	0.2
ROE (%)	5.7	8.9
ROA (%)	1.2	1.9
Investment yield (%)	1.3	2.6
Comprehensive investment yield (%)	1.8	1.6
Combined ratio (%)	95.1	96.7
Expense ratio (%)	26.1	27.0
Loss ratio (%)	69.0	69.7
Proportion of commission and brokerage expenses (%)	7.8	7.8
Proportion of operating and administrative expenses (%)	14.7	16.0
Written premiums	4,382,389	9,294,036
Written premiums of auto insurance	2,515,362	5,105,822
Written premiums of top 5 non-auto insurance business lines	1,528,097	3,514,396
Written premiums of health insurance	271,008	1,028,176
Written premiums of agricultural insurance	584,962	931,660

Written premiums of liability insurance	352,722	808,338
Written premiums of guarantee insurance	171,555	401,217
Written premiums of commercial property insurance	147,850	345,005
Average vehicle premium of auto insurance (RMB yuan)	2,734	2,817
Written premiums by channels	4,382,389	9,294,036
Agency	2,636,190	5,465,543
Direct	1,287,301	2,849,680
Brokerage	458,897	978,814
Others	-	-

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

IV. Risk management capabilities

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

As per CBIRC rules on classification of insurance companies contained in Solvency Regulatory Standards No. 12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In 2021, its annual written premiums amounted to 157.78bn yuan; total assets stood at 207.70bn yuan; there are 37 provincial-level branch offices.

(II) Results of last solvency risk management valuation

In the last (Year 2021) solvency risk management valuation, the Company scored 83.94 points. Of this, infrastructure and environment of risk management was 16.44 points, targets and instruments of risk management was 8.24 points, insurance risk management was 8.64 points, market risk management was 8.17points, credit risk management was 8.60 points, operational risk management was 8.44 points, strategic risk management was 8.61 points, reputation risk management was 8.45 points, liquidity risk management was 8.35 points.

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

During the quarter, the Company mainly took the following measures to improve risk management, especially in infrastructure and culture.

First, we improved the foundation of our risk management. The Company optimized the organizational structure of risk management, established the Internal Audit and Risk Management and Related Party Transactions Control Committee and the Strategy and Asset Liability Management and Consumer Rights Protection Committee under the board of directors; we implemented the requirements from the Solvency Regulatory Rules for Insurance Companies (II), revised and issued strategy-level regulations such as the "Measures for Comprehensive Risk Management" and management rules for major risk categories, the "Management Rules for Risk Appetite System" and the "Management Rules for the Penetration of Investment Assets", as well as risk governance regulations such as the "Administrative Measures for Solvency Information Disclosure"; optimized the risk appetite transmission mechanism, and updated and released the Company's risk preference system in 2022 based on the Company's strategic goals, development level and business characteristics, and continued to monitor relevant indicators;

Second, we carried out investigation and self-inspection. We conducted quarterly and annual investigations of potential reputational risks to further improve our initiative, foresight and effectiveness in reputational risk management; and organized self-inspection on risk and internal control in 2022 to continuously consolidate the foundation of our internal control.

Third, we promoted the development of our risk management culture, organized our second "Risk & Compliance Month" with the theme "focusing on capability enhancement and building a risk control ecology" to promote integrated risk

control capability among our employees and units at all levels, and create a good risk compliance culture.

(IV) Status of SAMRA self-assessment

Not applicable in this quarter.

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

1. The last two IRR results

Rated B at the IRR for Q4 of 2021; AA for Q1 of 2022.

2. Self-assessment results

The Company strictly abides by CBIRC rules, improves work mechanisms and operational processes of IRR (differentiated supervision), and files information as required and in a timely manner on a quarterly basis, while ensuring the truthfulness, compliance and completeness of the data.

In the reporting quarter, it submitted data for IRR under C-ROSS II. Given the vast simplification of metrics under C-ROSS II and the adjustment of classification of business lines concerning operational risk, it modified the filing procedure, focusing on functionalities at headquarters to improve efficiency. Going forward, the Company will keep in touch with the regulator and industry peers, continue to optimise data definitions and the evaluation process.

(II) Status of various risks of the Company

1. Operational risk

No major operational risk events occurred in the Company during this quarter. The Company actively followed regulatory requirements, strengthened compliance operations, and promoted its work on operational risk and money

laundering risk management. The overall operational risk and money laundering risk status were stable and under control. The main work includes:

First, we implemented the rectification of issues identified in the regulatory notification. First of all, we sorted out the opinions from the notification and compiled a list and a rectification list, and reviewed the rectification of problems reported in previous years. Secondly, we organized special meetings, set forth detailed tasks, publicized rectification requirements, and consolidated rectification responsibilities to promote effective implementation of the rectification. Thirdly, we continued to track the progress and report to the boards of directors of the Company and the CPIC Group in a timely manner.

Second, we strengthened the management of insurance products. The Company organized a comprehensive review of insurance products on sale, management mechanisms and key measures, reviewed the weaknesses in management and control, clarified the direction and measures for follow-up improvement, and further improved the compliance review mechanism for the development of agricultural insurance products to ensure compliance in product supervision, thus improving the Company's systematic product development and management capabilities, and protecting the legitimate rights and interests of insurance consumers.

Third, we strengthened our employees' sense of responsibility and accountability. We compiled special courses for online training on accountability for all employees, who were also tested on their understanding of relevant accountability regulations, thus enhancing their sense of responsibility. The "List of Issues Concerning Operation and Management Violations (2022 Edition)" was updated and issued, and the Company's accountability system kept improving.

Fourth, as per requirements of the "Guidelines for Self-Assessment of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions", we started anti-money laundering self-assessment work for 2022, and held two

training and publicity sessions at both head office and branch level, where we gave a comprehensive introduction to the self-assessment system, index system, system development, process design, etc. that were already completed in the earlier stage, and clarified the division of responsibilities and work plans of relevant business lines/departments.

Fifth, we held publicity month activities on the theme of preventing illegal fundraising. The Company actively responded to the arrangements of the China Banking and Insurance Regulatory Commission, and organized the 2022 Prevention of Illegal Fund Raising Publicity Month activities throughout the Company in June under the theme "Keep your money safe".

Sixth, we carried out the "Risk & Compliance Month" activities. In response to regulatory requirements on high-quality development and systematic capacity building, the Company held the second "Risk & Compliance Month" event in May. With the theme "Focus on Capability Improvement and Joint Construction of Risk Control Ecology", and under the principle of "green, low-carbon, streamlined and efficient", the event was carried out successfully and achieved good results.

Seventh, we organized relevant anti-money laundering activities – "Team up to achieve progress together". As of the end of the second quarter, we completed a total of five projects, developed seven RPA robots, and carried out various anti-money laundering communication work, including suspicious transaction model demonstration, sharing videos of sand painting about anti-money laundering, etc., with remarkable results.

2. Strategic risk

There was no occurrence of risk incidents which may impact the execution of the strategic planning of the Company in this quarter. What was done in strategic risk management:

First, formulated 2022 Business Development Plan based on the annual break-down tasks and implementation steps of the overarching development plans, which was reviewed by the board in Q2, with quarterly progress evaluation to ensure strict execution of the Plan.

Second, assessed the execution of 2021 Business Development Plan based on actual implementation status, which was reviewed in Q1 by senior management and board committees of the Group, and then by the board in Q2.

Third, stepped up strategic risk management in aspects of talent management, business management, investment management and overseas management, collected and analysed information regularly, and enhanced monitoring of the risk via multiple dimensions such as premium growth, solvency margin ratios, IRR results and regulatory evaluation of corporate governance.

Fourth, assessed the overall status of its strategic risk in a timely, all-around and facts-based manner, and the conclusions and summary were integrated into the ERM report of the Company, on which the board and senior management was briefed.

Going forward, the Company will continue to closely follow the developments of economic and regulatory environment, and may choose to adjust its strategic planning in accordance with progress of new policies and their impact on the market, as well as its own development needs, so as to ensure full alignment of its business operation and the planning framework, and the fulfillment of the targets defined in the strategic plan.

3. Reputational risk

During the quarter, there were no severe reputational risk incident. As per Interim Provisions on Reputational Risk Management by Banking and Insurance Institutions (CBIRC[2021]No.4), Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd. (CPIC[2021]No.57) and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co.

Ltd. (CPIC P/C [2022] 86), when conducting business and branding activities, the Company will further enhance risk screening and prevention, step up fast response and coordination after the risk emerges and intensify revisit and optimisation after the completion of risk-handling, accumulate the “asset” of reputation and focus on early-stage intervention of reputational risk. In brief, the risk during the reporting quarter was under control.

4. Liquidity risk

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities, pays special attention to large cash outflows arising from major claims, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q2, in anticipation of large pay-outs like quarterly pre-payment of income tax, and 2021 tax settlement, settlement of 2021 Insurance Security Fund contribution, reinsurance accounts settlement, and payment of shareholder dividends, the Company made early preparations, and handled needs for liquidity of branch offices in a timely manner. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

With the implementation of new IRR regulations, the IRR result for the Company in Q1 2022 was AA, an improvement from the previous quarter. The overall risk profile of the Company remains stable, with solvency margin ratios stable and strong, business operation and net cash flows from business activities demonstrating signs of improvement amid stability, strategic risk, reputational risk and operational risk all in the normal status, and there was no occurrence of major incidents.

2. Analysis of solvency margin ratio movement

As of the end of the reporting quarter, the comprehensive and core solvency margin ratios of the Company stood at 225.2% and 173.2% respectively, down by 9.1pt and 11.4pt respectively from the end of the previous quarter.

Available capital fell by 940mn yuan from the previous quarter, mainly due to payment of shareholder dividends.

Minimum capital rose by 580mn yuan from the previous quarter. Of this, minimum capital for insurance risk dropped by 100mn yuan, due to geographical distribution of sum assured, with minimum capital for catastrophes down by 710mn yuan; minimum capital for market risk increased by 1.17bn yuan, mainly as a result of higher risk exposure of bonds; minimum capital for interest rate risk rose by 860mn yuan, and that for credit risk by 240mn yuan, largely because of increased risk exposure on term and negotiable deposits, which led to an increase in minimum capital by 230mn yuan for counter-parties defaults.

The Company formulated solvency Risk Upper Limits and monitoring indicators compatible with its risk profile and risk appetite, and its own realities, with tracking of the indicators on a regular basis. In the meantime, it continued to ensure stable and sufficient solvency positions via enhanced business quality control, raised risk awareness and optimised asset and business mix, etc.

3. Changes to liquidity risk indicators analysis

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e. LCR1 and LCR 2, in the next 3 months and 1 year under the base and stress scenarios were above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from operating activities in the past 2 quarters consistently higher than the regulatory minimum of -30%. In the reporting period, net cash flows of the Company amounted to 1.64bn yuan. Of this, net cash inflow from operating activities was 5.61bn yuan; net cash outflow from investment activities 6.66bn yuan; net cash inflow from financing activities 2.65bn yuan.

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

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Life Insurance Co., Ltd.

2nd 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:	8.42bn 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
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Email: hanshuwan@cpic.com.cn

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I. Board and management statement

(I) Board and management statement

The report has been approved by the chairman of the 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) Status of review by the board

1. Voting results by directors

Name of directors	For	Against	Abstain
MA Xin	√		
SU Shaojun	√		
WU Junhao	√		
ZHANG Weidong	√		
ZHANG Yuanhan	√		
CAI Qiang, John	√		
PAN Yanhong	√		
Total	7		

2. Are there directors who can not warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, or who have raised issues in this regard? (yes no)

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	-	-	-	-	842,000	100
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	842,000	100	-	-	-	-	842,000	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 shareholders	Change to shareholding during 1H 2022	Shares held as at the end of Q2 2022	Shareholding percentage as at the end of Q2 2022 (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Listed company	-	827,621.84	98.292	-
Shenergy Group Co., Ltd.	State-owned	-	4,597.90	0.546	-
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned	-	4,576.09	0.544	-
Shanghai Haiyan Investment Management Company Limited	State-owned	-	3,140.45	0.373	-
Yunnan Hehe (Group) Co., Ltd.	State-owned	-	2,063.72	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.				

Note: The Company has a diversified shareholding structure, without any de facto controller.

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 June 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 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 Head on Transformation Matters, and Head of Board Office of CPIC Group, 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., and 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, and Director of Chengdu Xinshen Venture Capital Co., Ltd.

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

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 June 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 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 of CPIC Life Yudong Branch.

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

Mr. ZHANG Lei, born in July 1976, holds a master's degree in economics and a title of senior auditor. He has been serving as Supervisor of the Company (approval document: CBIRC [2021] No.397) since June 2021. He currently also serves as General Manager of Legal and Compliance Department of the Company, and Director of Office of Board of Supervisors of the Company. Previously, he served as Deputy Director of Computerised Auditing Division, Deputy Director (in charge), Director of Social Security Audit Division, and Director of Corporate Audit Division of Shanghai Special Representative Office of National Audit Office, Chief Auditor (life insurance) of Audit Technology Department of Audit Center of CPIC Group, Chief Auditor (life insurance) of Digitalized Audit Technology Department of CPIC Group, General Manager of Investment Audit Department of CPIC Group, and Internal Auditing Responsible Person of Changjiang Pension.

(3) Senior management

As of the end of June 2022, the Company has 17 members of senior management in

total:

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

Mr. WANG Guangjian, born in June 1965, has a master's degree. Mr. WANG currently serves as the Executive Deputy General Manager of the Company (approval document: CBIRC [2019] No.637) and General Manager of the Group Business Unit of the Company. He is also Director of Shanghai Dabao Guisheng Information Technology Co., Ltd. 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 Taiyuan Branch, GM of CPIC Shanxi Branch, GM of CPIC 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 of the Company since August 2019.

Mr. ZHOU Xiaonan, born in April 1966, holds a master's degree. He currently serves as Deputy General Manager (approval document: CIRC [2014] No.770), Chief Compliance Officer (approval document: CBIRC [2018] No.595), and Chief Risk Officer of the Company. Mr. ZHOU previously served as General Manager of CPIC Life Nanyang Central Sub-Branch, Assistant General Manager, Deputy General Manager (in charge), and General Manager of CPIC Henan Branch, and General Manager of CPIC Guangdong branch. Mr. ZHOU has been serving as Deputy General Manager of the Company since August 2014.

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 of Shanghai Ruiyongjing Real Estate Development 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 Ningbo Branch, GM of the Control Management Center of CPIC Life Ningbo Branch, GM of Contract Department, GM of Operation and Planning Department of CPIC Life Ningbo Branch, 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 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. LI Jing, born in September 1972, holds a master's degree. He is currently Assistant GM of the Company (approval document: CBIRC Shanghai [2019] No. 660), Director of CPIC Life HK, and Director of Lianren Healthcare Big Data Technology Co., Ltd. Mr. LI previously served as deputy section head, section head of the Group Business Department of CPIC Life, section head of the Development and Planning Department of CPIC Life, Deputy GM of CPIC Life Ningbo Branch, assistant to GM of the Development and Planning Department of CPIC Life, Deputy GM, GM of the Market Department of CPIC Life, GM of CPIC Life Sichuan Branch, and GM of CPIC Life Zhejiang Branch. He took up his current position in August 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). Mr. DAI previously served as Assistant Manager, Deputy Manager of CPIC Life Bijie Central Sub-Branch, Deputy Manager (in charge), Manager of Guiyang Business Department of CPIC Guizhou Branch, Deputy Manager of Business Division of CPIC Life Guizhou Branch, Manager of Individual Business Management Department of CPIC Life Guizhou Branch, Assistant GM, Deputy GM of CPIC Life Guizhou Branch, and Senior Deputy GM, GM of CPIC Life Shanghai Branch. He took up his current position in August 2019.

Mr. TAI Fuchun, born in December 1967, holds a master's degree. He currently serves as Assistant General Manager of the Company (approval document: CBIRC [2021] No.745). Mr. TAI previously served as Assistant General Manager, Deputy General Manager and

General Manager of CPIC Life Shanxi Branch, General Manager of the Customer Resource Management Department of CPIC Life, General Manager of CPIC Life Shandong Branch, Deputy Chief 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 General Manager of the Human Resources Department 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. 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)

(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	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	300,000	500,000	200,000	100.00	100.00	-

Pacific Health Care Management Co. Ltd.	50,000	50,000	-	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	90,000	90,000	-	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	61,000	66,000	5,000	100.00	100.00	-
CPIC Elderly Care (Nanjing) Co. Ltd.	12,900	14,900	2,000	100.00	100.00	-
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	23,000	23,000	-	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.	56,308	57,308	1,000	100.00	100.00	-
Beijing Borui Heming Insurance Agency Co. Ltd.	5,200	5,200	-	100.00	100.00	-
China Pacific Life Insurance (Hong Kong) Company Limited	100,000	100,000	-	100.00	100.00	-
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34.00	34.00	-
Shanghai 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	25.00	-

(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, Suqian Central Sub-branch of Jiangsu Branch, Baoji Key Sub-branch of Shaan'xi Branch, Xuzhou and Wuxi Yixing Key Sub-branches of Jiangsu Branch, Linyi Key Sub-branch of Shandong Branch, Lianyungang Key Sub-branch of Jiangsu Branch, and Xinyang Key Sub-branch of He'nan Branch each receiving an administrative penalty. Besides, Heihe and Hegang Key Sub-branches of Heilongjiang Branch received a Regulatory Opinion Letter.

III. Key indicators

(I) Key solvency metrics

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter	As at the end of last quarter	Next quarter estimates
Admitted assets	175,365,017	169,717,045	178,563,441
Admitted liabilities	140,292,966	135,203,264	142,466,115
Available capital	35,072,050	34,513,781	36,097,326
Tier 1 core capital	20,242,468	20,128,509	20,613,775
Tier 2 core capital	1,072,087	459,895	1,719,728
Tier 1 supplement capital	13,746,759	13,914,108	13,753,588
Tier 2 supplement capital	10,736	11,269	10,234
Minimum capital for quantifiable risks	14,137,241	13,994,366	14,471,530
Minimum capital for control risk	14,224,581	14,080,824	14,560,936
Supplement capital	-87,340	-86,458	-89,406
Minimum capital	-	-	-
Core solvency margin surplus	7,177,314	6,594,038	7,861,973
Core solvency margin ratio	151	147	154
Comprehensive solvency margin surplus	20,934,809	20,519,415	21,625,795
Comprehensive solvency margin ratio	248	247	249

(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		
Next 3 months	119	486
Next 12 months	104	498
LCR2 under stress scenario		
Next 3 months	669	691
Next 12 months	331	321
LCR3 under stress scenario excluding asset disposal		
Next 3 months	174	192
Next 12 months	203	192
Retrospective adverse deviation ratio of net cash flows from business activities (%)	35	11
Net cash flow YTD (RMB yuan 10,000)	335,365	286,329

(III) Indicators for monitoring liquidity risk

Indicators	unit: 10,000 RMB yuan	
	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
1. Net cash flow from operating activities	8,412,391	5,341,495
2. Comprehensive surrender ratio	1.04	0.63
3-1. Net cash flow from participating accounts	3,236,494	2,020,116
3-2. Net cash flow from universal accounts	1,496,576	1,278,453
4.Total premiums growth year-on-year	6.5	5.5
5.Ratio of cash and liquidity instruments	1.5	1.6
6.Quarterly average financial leverage ratio	4.5	4.9
7.Share of domestic fixed income assets rated AA and below	3.4	3.6

8.Share of investments in listed stocks with a stake of 5% or above	0.5	0.5
9.Share of receivables	1.7	1.8
10.Share of related party assets held by the Company	2.8	2.9

(IV) IRR results

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an A rating of the Company for both Q4 of 2021 and Q1 of 2022.

(V) Key business metrics

1.Key business metrics

Indicators	unit: 10,000 RMB yuan	
	As at the end of this quarter/during this quarter	YTD
Gross written premiums	4,960,328	14,905,356
Net profits	526,831	886,038
Total assets	175,832,605	175,832,605
Net assets	10,059,138	10,059,138
Insurance contract liabilities	137,558,258	137,558,258
Basic earnings per share (RMB yuan)	0.63	1.05
ROE (%)	5.30	8.79
ROA (%)	0.30	0.52
Investment yield (%)	1.11	2.02
Comprehensive investment yield (%)	1.68	1.45

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 Q2, 2022, its written premiums amounted to 165.4bn yuan, with total assets of 1,758.3bn yuan, and 35 provincial-level

branches.

(II) Results of last solvency risk management valuation

In the last (Year 2017) SARMRA evaluation, 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. There was no SARMRA assessment by the regulator between 2018 and 2021.

(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 Q2 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, set the RAF, risk tolerance and key risk indicators for 2022, which were released after review by the board, the Asset Liability Management Executive Committee, followed by regular monitoring.

Third, conducted an all-around review of the ERM systems in soundness of rules and effectiveness of adherence, while pushing for rectification of gaps by relevant departments.

In Q3 of 2022, the Company intends to focus on the following areas for its solvency

risk management.

First, complete a 2022 SARMRA self-assessment based on C-ROSS II standards, which would review the risk management systems of the Company in a holistic way, with reports submitted to the regulator.

Second, fully review the strengths and weaknesses of solvency risk management of the Company in the run-up to regulatory auditing, with follow-up rectification or upgrading of the risk management systems based on findings of the regulator.

(IV). Status of SARMRA self-assessment

According to its plan, the Company initiated the SARMRA self-assessment in Q2 2022, and is proceeding with relevant work. Results will be released in Q3 solvency report.

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 of the Company for both Q4 of 2021 and Q1 of 2022. The Company's IRR (differentiated supervision) of Q1 2022 remained unchanged 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 operation risk, the Company issued Provisions on Operational Risk Management (CPIC Life [2022] No.170), Provisions on Data Loss Recovery of Operational Risk (CPIC Life [2022] No.234), Measures on Operational Risk and Internal Control(2022) (CPIC Life [2022] No.274), in a bid to clearly define the responsibility of operational risk management, and establish more scientific and regular risk mitigation mechanisms. Based on analysis of IRR

indicators and the monitoring of operational risk metrics, the risk status was good and risks were manageable in sales, U/W and POS, claims management, reinsurance, asset management, corporate governance, financial management, reserve management, IT, legal cases management and compliance.

In reputational risk, the Company gives priority 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 publicity crisis and media interviews leveraging the expertise of in-house and third-party experts, and support for branch offices via special-purpose training, and the formulation, dissemination of handbooks. In Q2 2022, the Company monitored and detected 67 reports (original) of adverse publicity on the media, less than in the same period of 2021. Of this, there were 20 Level III reports, accounting for 29.9%, 47 Level IV reports, representing 70.1%, and there were no Level I or II major incidents, indicating manageable reputational risk. Self-media and social media tend to be the high-risk area. In terms of content, the share of mis-selling and 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 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 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 3.35365bn yuan, with sufficient LCRs under all scenarios. Relevant indicators show that the liquidity

management of the Company was sounds and effective, with the liquidity risk overall under control.

VI. Management Analysis and discussions

(I) Changes to solvency analysis this quarter

As of the end of this quarter, the core solvency margin ratio of the Company was 151%, with a margin surplus of 71.77314bn yuan, up by 4pt from the previous quarter; the comprehensive solvency margin ratio of the Company was 248%, with a margin surplus of 209.34809bn yuan, up by 1pt from the previous quarter. Reasons for change are as follows:

1. As of the end of this quarter, available capital amounted to 350.72050bn yuan, versus 345.13781bn of the previous quarter, rising by 1.6%, mainly due to:

(1) During the reporting quarter, core capital increased by 7.26151bn yuan, while supplement capital fell by 1.67882bn yuan;

(2) Net assets grew by 2.53354bn yuan in the quarter.

2. As of the end of this quarter, minimum capital amounted to 141.37241bn yuan, versus 139.94366bn as of the end of the previous quarter, up by 1.0%, mainly due to:

(1) Minimum capital for insurance risk during the quarter decreased by 9.66mn yuan;

(2) Minimum capital for market risk during the quarter increased by 1.36166bn yuan, as a result of increase in liabilities and equity investments;

(3) Minimum capital for credit risk during the quarter decreased by 37.87mn yuan;

(4) Risk diversification effect and loss absorption decreased by 123.45mn yuan, which raised minimum capital requirements;

(5) Subtraction from minimum capital by control risk increased by 8.83mn yuan.

(II) Changes to regulatory liquidity risk indicators

The LCR for the next 3 months is 119%, and that for the next 12 months is 104%, 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 331% and 203%, respectively, all staying in comfort zones.

Net cash flows YTD grew steadily, amounting to 3.35365bn yuan as of the end of the quarter, rising 490.36mn yuan from the previous quarter.

Summary of Quarterly Solvency Report (Excerpts)

Pacific Health Insurance Co., Ltd.

2nd Quarter of 2022

Company overview and contact information

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

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I. Board and management statement

The report has been approved by the 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 while each of them being directly responsible for the reporting items within their respective responsibilities.

1. Director's voting results

Director	For	Against	Abstain
MA Xin	√		
WANG Mingchao	√		
WANG Yong	√		
ZHANG Weidong	√		
ZHANG Yuanhan	√		
PAN Yanhong	√		
Total	6		

Note: the "√" indicates the director's vote.

2. Are there any directors who cannot guarantee or harbor any doubt about the truthfulness, accuracy, completeness or compliance of the contents of this report?

(Yes No)

II. Basic information

(I) Ownership structure and shareholders

1. Ownership structure

Shares held by	Shares or contribution as at the end of reporting period (unit: 10,000 shares)	Percentage (%)	Shares or contribution as at the beginning of reporting period (unit: 10,000 shares)	Percentage (%)
Domestic legal persons	360,000.00	100.00	170,000.00	100.00
Domestic natural persons	-	-	-	-
Foreign	-	-	-	-
Others	-	-	-	-
Total	360,000.00	100.00	170,000.00	100.00

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

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

3. Shareholding by directors, supervisors and senior management

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

4. Share transfer during the reporting period

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

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (6 in total)

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

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

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

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

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

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

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

General Manager, General Manager, and Vice Chairman of CPIC Life.

2. Supervisors (3 in total):

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

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

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

3. Senior management (8 in total)

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

Mr. LI Jieqing, born in November 1968, holds a bachelor's degree and the title of Economist. He has been serving as Deputy General Manager of the Company (approval document: CIRC [2016] No.450) since May 2016 and has been serving as Chief Risk Officer of the Company since August 2021. Previously, Mr. LI served as Head of Risk and Compliance, Compliance Responsible Person and Chief Risk Officer of CPIC Group, Director of CPIC P/C, CPIC Life, CPIC AMC and the Company.

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

Mr. SONG Quanhua, born in February 1973, holds a master's degree. He has been serving as Deputy General Manager of the Company (approval document: CBIRC [2021] No.691) since September 2021. Mr. SONG previously served as secretary of the Secretariat of the General Office of China Pacific Insurance Company, Deputy General Manager of CPIC Life Ningbo branch, General Manager of CPIC Life Dalian branch, Director of Party Affairs Department of CPIC Life headquarters, General Manager of New Channel Business Department of CPIC Life, General Manager of Corporate Channel Business Marketing Department of CPIC Life, Deputy General Manager of the

Health and Elderly Care Business Center of CPIC Life, Deputy General Manager of Group Business Center of CPIC Life, and General Manager of Pacific Medical & Healthcare Management Co., Ltd.

Ms. YIN Yanling, born in June 1972, holds a master's degree and is a member of China Association of Actuaries. She has been serving as Finance Responsible Person of the Company since September 2021 (approval document: CBIRC [2021] No.729) and has been serving as Acting Actuarial Responsible Person of the Company since March 2022. Previously, she served as Head of the Actuarial Management Division of Planning and Finance Department of CPIC Group, Assistant General Manager of Planning and Finance Department of CPIC Group, Deputy General Manager (in charge) of Financial Investment Department/Actuarial Department, Deputy General Manager (in charge) of Financial Management Department/Actuarial Department, Deputy General Manager of Risk Management Department/Risk Monitoring Department, General Manager of Financial Management Department/Actuarial Department, and General Manager of Actuarial Department of CPIC Group, General Manager of Actuarial Department of CPIC Life, and Acting Finance Responsible Person of the Company.

Mr. ZHOU Qing, born in January 1978, holds a master's degree and legal professional qualification. He has been serving as Board Secretary of the Company since March 2015 (approval document: CIRC [2015] No.167). Mr. ZHOU is also General Manager of Strategic Development Department of the Company. Previously, Mr. ZHOU served as Deputy General Manager of Investor Relations Department of CPIC Group, General Manager of Administration and Personnel Department of the Company, General Manager of Legal and Compliance Department of the Company, Compliance Responsible Person of the Company, and General Manager of Beijing Branch of the Company.

Ms. WEN Qin, born in October 1975, holds a bachelor's degree and has legal professional qualification. She has been serving as Compliance Responsible Person of the Company since September 2019 (approval document: CBIRC [2019] No.796). Ms. WEN is also Legal Responsible Person and General Manager of Risk and Compliance Department of the Company. Previously, she served as General Manager and Legal Responsible Person of Legal Compliance Department of Lujiazui Cathay Life Insurance Co., Ltd. and Assistant General Manager and Legal Responsible Person of Legal Compliance Department of Cathay Life Insurance Co., Ltd.

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

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

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

There was no change during the reporting period.

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

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: 10,000 RMB yuan

Items	As at the end of this quarter	As at the end of last quarter	Next quarter estimates
Admitted assets	1,081,102.21	1,104,876.04	1,094,539.03
Admitted liabilities	764,056.76	982,512.51	775,332.04
Available capital	317,045.45	122,363.53	319,206.99
Tier-1 core capital	304,059.56	109,874.29	306,635.25
Tier-2 core capital	-	-	-
Tier-1 supplement capital	12,985.89	12,489.24	12,571.74
Tier-2 supplement capital	-	-	-
Minimum capital	107,676.27	97,083.56	109,984.53
Minimum capital for capitalizable risks	106,206.80	95,766.77	108,490.80
Minimum capital for control risk	1,469.47	1,316.79	1,493.73
Minimum capital for supplement capital	-	-	-
Solvency margin surplus			
Core solvency margin surplus	196,383.29	12,790.73	196,650.72
Comprehensive solvency margin surplus	209,369.18	25,279.97	209,222.46
Core solvency margin ratio (%)	282	113	279
Comprehensive solvency margin ratio (%)	294	126	290

(II) Indicators for monitoring liquidity risk

Indicators	Reporting quarter	Last quarter
Actual cash flow (unit:10,000 yuan)	-153,836.93	-7,315.22
Retrospective adverse deviation ratio of net cash flows from business activities (%)	158	-118
Overall liquidity coverage ratio under base scenario (3 months)(%)	116	991
Overall liquidity coverage ratio under base scenario (12 months)(%)	169	290
Overall liquidity coverage ratio under mandatory stress scenario (3 months)(%)	1556	1695
Overall liquidity coverage ratio under mandatory stress scenario (12 months)(%)	328	318
Overall liquidity coverage ratio under self-assessment stress scenario (3 months)(%)	1313	1424
Overall liquidity coverage ratio under self-assessment stress scenario (12 months)(%)	368	353
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (3 months)(%)	313	989
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (12 months)(%)	76	180

Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (3 months)(%)	306	845
Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (12 months)(%)	199	251
Net cash flow from business activities (unit: 10,000 yuan)	15,180.57	-11,188.84
GWP year-on-year growth (%)	-8.67	-18.93
Comprehensive surrender ratio	0.01	-
Share of cash flow and liquidity management tools (%)	5.28	19.02
Quarterly average financial leverage ratio (%)	2.58	1.06
Share of domestic fixed income assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above	-	-
Share of receivables (%)	17.45	23.53
Share of related party assets held by the Company (%)	3.91	3.82

(III) Key business metrics

Indicators	unit: 10,000 yuan	
	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	108,626.47	251,843.67
Net profits	1,975.50	3,049.87
Total assets	1,094,059.63	1,094,059.63
Net assets	334,238.90	334,238.90
Insurance contract liabilities	366,538.31	366,538.31
Basic earnings per share (yuan)	0.01	0.01
ROE (%)	0.83	1.28
ROA (%)	0.18	0.29
Investment yield (%)	1.19	2.04
Comprehensive investment yield (%)	1.69	2.07

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of June 2022, its gross written premiums amounted to 2,518.4367 million yuan (primary premiums: 525.9369 million yuan, inward ceded premiums: 1,992.4998 million yuan), and its total assets stood at 10.9405963 billion yuan. It has 4 provincial-level branch offices, and according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

The Company was rated A at the IRR for Q4 of 2021 and B for Q1 of 2022.

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

In Q2, as per C-ROSS II, the Company vigorously promoted and implemented risk management measures, while continuously enhancing risk management systems and processes in Risk Appetite Framework (RAF) and risk management reporting. Firstly, in compliance with C-ROSS II requirements and Group risk management policies, it completed the amendments to solvency risk management policies and measures for the management of 7 key risk categories, marking the transition towards a C-ROSS II-oriented risk management system; at the same time, the Company steadily proceeded with the updating of supportive policies, such as establishing the training system, revising rules on RAF, risk management performance evaluation, risk management reporting procedures, solvency information disclosure, and development planning, etc. Secondly, the Company further improved its RAF, optimised the transmission mechanism and models for risk appetite in light of the Risk Appetite Statement for 2022, formulated the Risk Upper Limits based on risk tolerance, regulatory requirements and risk management needs of the Company, using both qualitative and quantitative methods, and drafted and issued the 2022 Annual Risk Appetite Framework. It conducted advocacy and training of the mechanisms and requirements of Risk Upper Limits across the entire organisation, defining the concrete risk management objectives for all departments and branches in 2022, enhancing the integration of RAF requirements and business decision-making. Thirdly, the Company improved the risk management reporting system within Group integrated framework to increase the primary responsibilities of relevant departments. Reporting duties would be aligned with management responsibilities, and the lead departments for major risk

categories would be responsible for risk monitoring, risk data calculation, risk alerts, formulation of mitigation measures, preparation of risk reports, while risk & compliance departments make recommendations on key high-risk areas based on ERM principle. Thus, risk management can be more closely intertwined with risk defense functionalities, especially in front-line defense lines.

In Q2 of 2022, all the Company's risk management measures and processes were effectively implemented in accordance with the provisions of the Company's risk management system, and there were no major risk incidents.

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

As per the notification from CBIRC, the Company used its SARMRA assessment result from 2017 for the year of 2021, which was 78.96 points. To be specific, it consisted of 14.07 points for risk management infrastructure and environment, 7.54 points for risk management objectives and tools, 8.02 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.36 points for operational risk management, 8.08 points for strategic risk management, 8.22 points for reputational risk management, and 8.68 points for liquidity risk management.

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, and was rated B for Q1 of 2022.

(II) Measure taken or to be taken for improvement

In Q2 2022, the Company reviewed the gaps as detected by the IRR against C-ROSS II indicator criteria, and based on its realities, classified the indicators into 4 categories, i.e., top priority, priority, stable and long-term targets, with formulation of prioritised rectification measures.

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

Liquidity risk: For this quarter, net cash flow was -1.538 billion yuan, mainly because the

capital increase of 1.9 billion yuan was approved by the regulator and cash at hand became invested assets, causing large cash outflows. Of this, net cash flow was better than estimates by 162 million yuan, meaning a favourable deviation of 158%, mainly due to combined settlement of reinsurance funds by CPIC Life and corporate income tax rebate. During the reporting period, all LCRs under various scenarios and all liquidity indicators were within regulatory limits.

Operational risk: In terms of compliance and internal control, the Company didn't violate any regulations or receive administrative penalties from regulators in Q2 2022. There was zero violation per 100 million yuan in premiums and zero regulatory penalty per 100 million yuan in standard premiums for the Company. In terms of information systems, the reliability rate of the Company's core systems remained at 100%, and no economic losses were incurred due to IT system failures. It also maintained a relatively stable workforce. In Q2, the Company didn't experience any losses arising from operational risk in sales, underwriting, post-sales service, claims settlement or investment, and there was no occurrence of insurance fraud.

Reputational risk: The Company's media monitoring system includes CPIC Group's own system, and third-party monitoring services, which can effectively monitor negative publicity of the Company and its insurance and investment counter-parties on a daily basis. In daily work, the Company strictly implements various reputation risk management processes covering pre-assessment, risk handling and post-event accountability. In Q2 2022, the Company did not experience any reputational risk incident on mainstream or other types of media.

Strategic risk: The Company formulated the "2021-2023 Development Plan" and annual business goals, and made decisions on its strategic positioning, implementation path, and expected results. The Company has a clear strategic direction and put in place specific implementation arrangements. Guided by the strategic goals of the Group and its own goals, the Company expects to achieve further development and business breakthrough via transformation. By target break-down and implementation, regular business performance analysis, and active analysis of the external environment and internal strengths and weaknesses, the Company made timely strategic decisions to adapt to the market environment and promptly identified, evaluated and controlled its strategic risks. No strategic risk event occurred in the Q2 2022.

VI. Management analysis and discussions

On 11 May 2022, the capital increase of 1.9 billion yuan was approved by the regulator. (CBIRC Approval[2022]No. 301), and with this, the registered capital of the Company increased to 3.6 billion yuan, greatly enhancing its capital position.

(I) Solvency Analysis

1. Available capital

As of 30 June 2022, the Company's net assets was 3,342.3890 million yuan, and after deducting items such as intangible assets other than land use rights, long-term deferred expenses, and the differences in reserves under the accounting standards and C-ROSS II standards (amounting to 171.9345 million yuan), the available capital stood at 3,170.4545 million yuan, a sharp increase from the previous quarter mainly due to capital increase of 1.9 billion yuan as approved by the regulator.

2. Minimum capital

The minimum capital of the Company at the end of Q2 was 1,076.7627 million yuan, rising by 10.91% from the previous quarter, mainly as a result of fast growth of investable assets after the capital injection, and increased minimum capital for market risk. Of this, minimum capital for insurance risk was 1,102.5564 million yuan, that for market risk 289.3887 million yuan, that for credit risk 257.5661 million yuan, diversification effect for quantifiable risk 587.4432 million yuan, that for control risk 14.6947 million yuan.

3. Solvency margin ratio

As of 30 June 2022, the Company's core solvency margin surplus was 1,963.8329 million yuan, and the core solvency margin ratio was 282%; comprehensive solvency margin surplus was 2,093.6918 million yuan, and the comprehensive solvency margin ratio was 294%. In Q2 of 2022, the core and comprehensive solvency margin ratios rose considerably by 169pt and 168pt respectively from the previous quarter, mainly due to share capital increase of 1.9 billion yuan which was approved by the regulator.

(II) Liquidity risk

For this quarter, net cash flow was -1.538 billion yuan, mainly because the capital increase of 1.9 billion yuan was approved by the regulator and cash at hand became invested assets,

causing large cash outflows. Of this, net cash flow was better than estimates by 162 million yuan, meaning a favourable deviation of 158%, mainly due to combined settlement of reinsurance funds by CPIC Life and corporate income tax rebate. During the reporting period, all LCRs under various scenarios and all liquidity indicators were within regulatory limits.

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

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Anxin Agricultural Insurance Co., Ltd.

2nd 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
Tel. number:	+86-21-66988703
Cell phone:	18817959847
Email:	limao-005@cpic.com.cn

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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%
Retrospective adverse deviation ratio of net cash flows from operating activities	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.