

Summaries of Quarterly Solvency Reports (Excerpts)

of

Main Insurance Subsidiaries

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

1st 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 CIRC.
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 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 comply with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report.

II. Basic information

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

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

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 its stake.

3. Shareholding information (by descending order of shareholding percentage as of the end of 2021, 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.,	State-owned	-	90,874,742	0.47	None

Ltd.

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, 4 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 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., Director of Chengdu Xinshen 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 Chairman of Board of Supervisors 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.

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 Legal 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 Supervisor Office 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/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 Caring 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 CPICP/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. 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. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as Deputy General Manager of the Company since March 2017 (approval document: CIRC [2015] No. 543). Previously, Mr. ZENG served as 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. 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 of CPIC AMC, 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 Assistant General Manager of the Company since October 2019 (approval document: CBIRC Shanghai [2019] No. 841). Prior to that, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, Head of General Office of CPIC P/C and Head of Board Office and Head of Supervisory Board Office of CPIC P/C, and General Manager of Corporate Customer Department/Bancassurance Department 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 Head of Transformation Matters for the Company, Head of Office for Deepening Transformation, 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.

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

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

Mr. 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
Assistant General Manager		YU Baoyu

(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 (10K)			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%	6.16%	-0.07%
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)

Branches	Types of penalties	Description of breaches	Date of penalty
Tai An Sub-branch, An Shan, Liaoning	Sub-branch fined 200,000 yuan	Refusal to write compulsory third-party liability auto insurance for taxi cabs	Jan.17, 2022
Jiangmen Key Sub-branch, Guangdong	Key Sub-branch fined 210,000 yuan, one responsible person fined and warned	Payment of benefits to insurance applicants other than those agreed in insurance contracts	Jan.18, 2022
Shan Xi Branch	Branch fined 250,000 yuan, two responsible persons fined and warned	Preparation or submission of false statements	Jan.27, 2022
Meishan Key Sun-branch, Sichuan	Key Sub-branch fined 300,000 yuan, two responsible persons fined and warned	Submission of false materials	Jan.27, 2022
Jiangmen Key Sub-branch, Xinhui Sub-branch, Guangdong	Key Sub-branch fined 100,000 yuan, two responsible persons fined and warned	Deviation from filed terms & clauses for employer liability insurance; untruthfulness of business information of auto insurance, falsification of brokerage business, and payment of benefits to the insured other than those agreed in insurance contracts	Feb.24, 2022
Great Khingan Key Sun-branch, Huma Sub-branch, Heilongjiang	Key Sub-branch fined 130,000 yuan, Sub-branch fined 120,000 yuan, one responsible person fined and warned	Falsification of expenses, failure of internal control and oversight; falsification of video materials of verification and surveying of agricultural insurance	March 16, 2022
Qiandongnan Key Sun-branch, Guizhou	Key Sub-branch fined 420,000 yuan, one responsible person fined and warned	False reports, statements, and materials; falsification of brokerage business; deviation from approved or filed premium rates	March 17, 2022
Shanghai Branch	Branch warned and fined 30,000 yuan	Writing business outside licensed geographies	March 16, 2022

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

Items	As at the end of the reporting period	As at the end of the previous period ¹	Estimation of next quarter under base scenario
Admitted assets (10K RMB)	22,154,277	20,643,217	21,982,513
Admitted liabilities (10K RMB)	16,348,393	14,862,417	16,494,047
Available capital (10K RMB)	5,805,883	5,780,801	5,488,466
Tier 1 core capital (10K RMB)	4,572,274	4,780,801	4,254,857
Tier 2 core capital (10K RMB)	-	-	-
Tier 1 supplement capital (10K RMB)	1,233,610	1,000,000	1,233,610
Tier 2 supplement capital (10K RMB)	-	-	-
Minimum capital (10K RMB)	2,477,967	2,007,243	2,577,102
Minimum capital for quantifiable risks (10K RMB)	2,521,077	2,047,580	2,621,937
Minimum capital for control risk (10K RMB)	-43,110	-40,337	-44,835
Supplement capital (10K RMB)	-	-	-
Core solvency margin surplus (10K RMB)	2,094,307	2,773,558	1,677,755
Core solvency margin ratio (%)	184.5%	238.2%	165.1%
Comprehensive solvency margin surplus (10K RMB)	3,327,917	3,773,558	2,911,364
Comprehensive solvency margin ratio	234.3%	288.0%	213.0%

(II) Liquidity risk indicators²

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 (10K RMB)	YTD	63,406.0	288,395.7	
	Year 2021	288,395.7	-287,991.6	
	Year 2020	-287,991.6	285,033.0	
LCR (%)	LCR1 under base scenario	Next 3 months	114.4%	-
		Next 12 months	103.4%	-

¹ On December 30th 2021, CBIRC published C-ROSS II, which has been implemented from 2022 Q1. The figures of previous quarter were audited and computed based on C-ROSS I.

² As C-ROSS II has been implemented since 2022 Q1, there is no available data of previous quarter for some liquidity risk indicators.

	LCR2 under stress scenario	Next 3 months	254.0%	-
		Next 12 months	122.2%	-
	LCR3 under stress scenario excluding asset disposal	Next 3 months	103.2%	-
		Next 12 months	84.9%	-
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		848.1%	217.7%
	Over the last quarter		119.8%	131.2%

2. Other indicators of liquidity risk

	Items	As at the end of this quarter/during this quarter
Liabilities	Net cash flow from business activities (10K RMB)	34,074
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	0.7
	Ratio of cash outflow from business of special types (%)	1.4%
	Gross premium growth year-on-year (%)	12.7%
Assets	Ratio of cash and liquidity management instruments (%)	3.2%
	Quarterly average financing gear (%)	1.8%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.1%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.04%
	Ratio of fund receivables (%)	17.3%
	Ratio of assets of related parties held (%)	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

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums (10K RMB)	4,948,372	4,948,372
Net profits (10K RMB)	158,574	158,574
Total assets (10K RMB)	22,264,761	22,264,761
Net assets (10K RMB)	4,899,537	4,899,537
Insurance contract liabilities (10K RMB)	13,126,480	13,126,480
Basic earnings per share (RMB yuan)	0.1	0.1
ROE (%)	3.2	3.2
ROA (%)	0.7	0.7
Investment yield (%)	1.3	1.3
Comprehensive investment yield (%)	-0.2	-0.2
Combined ratio (%)	98.4	98.4
Expense ratio (%)	28.0	28.0
Loss ratio (%)	70.4	70.4
Proportion of commission and brokerage expenses (%)	7.8	7.8
Proportion of operating and administrative expenses (%)	14.7	14.7
Written premiums (10K RMB)	4,911,648	4,911,648
Written premiums of auto insurance(10K RMB)	2,590,460	2,590,460
Written premiums of top 5 non-auto insurance business lines (10K RMB)	1,986,299	1,986,299
Written premiums of health insurance	757,169	757,169

(10K RMB)		
Written premiums of liability insurance (10K RMB)	455,616	455,616
Written premiums of agricultural insurance (10K RMB)	346,698	346,698
Written premiums of guarantee insurance (10K RMB)	229,662	229,662
Written premiums of commercial property insurance (10K RMB)	197,155	197,155
Average vehicle premium of auto insurance (RMB yuan)	1,537	1,537
Written premiums by channels(10K RMB)	4,911,648	4,911,648
Agency (10K RMB)	2,829,352	2,829,352
Direct (10K RMB)	1,562,378	1,562,378
Brokerage (10K RMB)	519,918	519,918
Others (10K RMB)	-	-

Note: All calculation of reserves was based on financial statements; ROE and ROA were calculated based on $(\text{net assets as at the beginning of the reporting period} + \text{net assets as at the end of the reporting period}) / 2$, and $(\text{total assets at the beginning of the reporting period} + \text{total assets at the end of the reporting period}) / 2$, 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 C-ROSS II requirements, the Company 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 the infrastructure and capabilities of risk management.

First, it implemented SARMRA regulatory feed-backs and C-ROSS II, enhanced the system of regulations: initiated a review of and amendments to risk management policies in line with new regulatory requirements, 2021 SARMRA feed-backs, requirements of the Group and its own realities, such as Provisions on Enterprise Risk Management, Provisions on Risk Appetite Framework Management, Provisions on Insurance Risk Management, Provisions on Market Risk Management, Provisions on Credit Risk Management, Provisions on Operational Risk Management, Provisions on Strategic Risk Management, Implementation Rules on Reputation Risk Management, Implementation Rules on Liquidity Risk Management; conducted annual evaluation and updating of the RAF.

Second, it issued Annual Work Programme of Compliance and Risk Management, persisted in the guidelines of “pro-active, precise, addressing root-causes and sustainable”, and focused on enhancing internal control capabilities; in response to regulatory priorities, the Company focused on results, improving compliance via integration of numerical targets in performance evaluation, strengthening internal control by way of professionalism-building, promoting implementation through enhanced accountability, and intensifying risk management via early warning, early assessment and early-stage prevention, in order to facilitate high-quality development of the Company.

Third, in light of industry trends, regulatory requirements and its own realities, it further optimised management rules and processes in major risk categories: in insurance, it amended rules on product development and the work procedures of

the Product Management Committee, reviewed and improved policy on health insurance business management and the SOP of claims handling, revised Rules on Underwriting and Claims Management of Agricultural Insurance; in investment, it optimised risk management requirements in investment guidelines.

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

1. The last two IRR results

Rated B at the IRR for both Q3 and Q4 of 2021.

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 conducted IRR testing under C-ROSS II as per requirements of CBIRC, submitted data and feed-backs. 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

During the quarter, the Company implemented regulatory requirements, enhanced compliance in business operation and proceeded with operational risk management in an effective manner. The following is what was done:

First, issued Rules on Rectification in Response to Regulatory Opinions and Auditing Recommendations to promote the effectiveness of remedial actions and high-quality business development. The feed-backs may come from regulators, supervisory agencies, internal and external auditors or company management, and the move was intended to enhance corporate governance, improve internal control and ensure the effectiveness of rectification.

Second, organised education and publicity campaigns, such as the publicity around The Law against Organised Crimes which involved all employees as per requirement of CBIRC and the Group. At the same time, based on a review of insurance frauds in 2021, it compiled Collection of Cases on Fraud Crack-down (2021), which was released on the Tianyan (meaning “discerning eyes”) Platform.

Third, conducted special review of issues in insurance products, which were high on regulator’s agenda, strengthened product development management based on an in-depth analysis of regulatory penalties and reasons against 6 industry peers recently.

Fourth, as per requirements for operational risk management under C-ROSS II, it improved operational risk management of IT systems. It orchestrated a study of the Exposure Draft of Norms on Performance Evaluation of Information Technology Application of the Insurance Industry by the Insurance Standards Commission, boosted implementation of regulatory documents on IT and incorporated IT outsourcing risk into its ERM system.

2. Money-laundering risk

In this quarter, the Company vigorously implemented regulatory requirements, steadily proceeded with anti-money laundering (AML) on all fronts, with the money-laundering risk under control. To be specific:

First, filed results of 2021 Annual Inherent Money-laundering Risk Assessment, i.e., Evaluation Form of Inherent Money-laundering Risk and Data Extraction

Oversight Report of Evaluation Form of Inherent Money-laundering Risk with PBoC Shanghai Headquarters as scheduled.

Second, to meet needs of AML, it continuously optimised the use of IT systems: developed and launched the module for follow-up reporting on suspicious transactions, which enabled automated monitoring of such transactions.

Third, in order to enhance its AML capabilities, it conducted 2 campaigns: “Removing Landmines” and “Concerted Efforts for Progress”. The former sought to identify the gaps, while the latter was intended to enhance capacity-building, and explore the use of AI in AML, so as to cement the infrastructure of AML.

Fourth, organised AML training and advocacy programmes, including employees responsible for AML watching a video about crack-down on money-laundering crimes which was co-produced by PBoC headquarters and the top prosecution service; communicating with branch offices over priorities of AML in 2022 via video conference.

3. 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 to be submitted to the board in April for review. There would be 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 during the reporting quarter by senior management and special committees of the board of the Group, pending review of its own board in April.

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, and senior management was briefed on this report.

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.

4. Reputation risk

During the quarter, there occurred 35 incidents relating to reputation risk, and of these, there were no severe (Level I, II) incidents, and all were mild (Level III, IV) cases and have been handled properly. As per Interim Provisions on Reputation Risk Management by Banking and Insurance Institutions (CBIRC[2021]No.4), Regulations on Reputation Risk Management of China Pacific Insurance (Group) Co. Ltd. (CPIC[2021]No.57) and Implementation Rules on Reputation Risk Management of China Pacific Property Insurance Co. Ltd. (CPIC P/C [2021] 242), 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 reputation risk. In brief, the risk during the reporting quarter was under control.

5. 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 Q1, in anticipation of large pay-outs like quarterly pre-payment of income tax, and account settlement during the Spring Festival, the Company made early preparations, and designated personnel at head-office to handle needs for liquidity of branch offices without delay while considering the quarterly account closure requirements. 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 solvency margin ratio movement

As of the end of the reporting quarter, the comprehensive and core solvency margin ratios of the Company stood at 234.3% and 184.5% respectively, down by 53.7pt from the end of the previous quarter¹ for both. Of this, available capital rose by 240mn yuan, and minimum capital up by 4.71bn yuan from the end of the previous quarter.

(1) Available capital

Based on accounting reserves, the Company realised net profits of 1.59bn yuan in the reporting period. Due to capital market volatility, other comprehensive income declined by 1.52bn yuan, and net assets rose by 70mn yuan. Changes to other non-admitted assets and liabilities resulted in an increase of 170mn yuan in available capital.

(2) Minimum capital for insurance risk

¹ The figures of previous quarter refer to audited figures of 2021Q4.

As at the end of the quarter, minimum capital for insurance risk stood at 19.13bn yuan, up by 28.0% from the end of the quarter earlier. Of this, minimum capital for premium reserve risk accounted for 15.92bn yuan, up by 26.9%, due to: 1) due to overall business growth, both retained premium of auto and liability business in the past 12 months and claims reserve for property and liability insurance increased; 2) C-ROSS II removed the excess regressive system, and this, coupled with higher risk factors for auto insurance, liability insurance and short-term A & H, led to an increase in minimum capital for premiums reserve by 3.37bn yuan. Due to the impact of geographical distribution of sum assured and the implementation of C-ROSS II, the minimum capital for catastrophes amounted to 7.36bn yuan, rising 1.78bn yuan from the end of the previous quarter.

(3) Minimum capital for market risk

As at the end of the quarter, minimum capital for market risk stood at 6.19bn yuan, up by 17.7% from the end of the previous quarter. Under C-ROSS II, the scope for calculation of interest rate risk on bonds was expanded, and this, coupled with adjustment of risk factors, resulted in an increase of 2.37bn yuan in minimum capital for interest rate risk as compared with the previous quarter.

(4) Minimum capital for credit risk

As at the end of the quarter, minimum capital for credit risk stood at 10.56bn yuan, up by 50.2% from the end of the quarter earlier. Of this, interest rate spread risk accounted for 1.10bn yuan, up by 118.2%; counter-party defaults risk 10.23bn yuan, up by 48.5%. Due to increase of premium receivables in this quarter, of which, that of health insurance grew by 5.12bn yuan, that of liability insurance up by 2.05bn yuan and that of agricultural insurance increased by 1.70bn yuan, the minimum capital for counter-party defaults risk was up by 780mn yuan. Under C-ROSS II, the new “look-through” requirements for trust plans, infrastructure debt investment plans and property investment plans and

adjustment of risk factors for mortgage assets led to increased credit risk exposure, and the minimum capital for counter-party default risk of debt non-underlying assets rose by 1.98bn yuan.

(5) Minimum capital for control risk

In 2021, the Company scored 83.94 points at CBIRC SARMRA, and at as the end of the quarter, accordingly, the minimum capital for control risk, considering industry average adjustment, was -430mn yuan.

3. Changes to liquidity risk indicators analysis

(1) Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios standards of the Company, i.e., LCR1 and LCR2 above 100% and LCR3 above 50% in the next 3 months and 1 year under the base and stress scenarios all met regulatory requirements. 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.

(2) Retrospective adverse deviation ratio of net cash flows from business activities

The Company projected future cash flows from business activity in a prudent and objective way. The deviation ratio in the past 2 quarters was consistently higher than the regulatory minimum of -30%.

(3) Net cash flows

In the reporting period, net cash flows of the Company amounted to 630mn yuan. Of this,

Net cash inflow from the operating activities was 340mn yuan, an increase of 690mn yuan from the same quarter of 2021, mainly due to increased cash inflow from primary insurance premiums of 38.49bn yuan, up by 13.1% year-on-year.

Net cash outflow from investment activities was 2.44bn yuan. Of this, cash inflow from recovery of investment and payment of investment income reached 9.82bn, up by 12.0% from the same period of last year; cash paid for investments was 12.20bn, down by 5.1%. The net cash outflow is the result of normal asset allocation in light of the current investment strategy of the Company.

Net cash inflow from financing activities was 2.74bnyuan, mainly as a result of increase in financial assets sold under agreements to repurchase.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Life Insurance Co., Ltd.

1st 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.
Contact person:	XIAO Junshi
Office Tel. number:	021-33965144

Cell phone: 18721512956

Email: xiaojunshi@cpic.com.cn

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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 comply with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report.

II. Basic information

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

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

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 order of shareholding percentage as of the end of Q1 2022, unit: 10,000 shares or 10,000 RMB yuan)

Names of shareholders	Types of shareholders	Change to shareholding during Q1 2022	Shares held as at the end of Q1 2022	Shareholding percentage as at the end of Q1 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, 4 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 does not have a de facto controller. China Pacific Insurance (Group) Co., Ltd. is the controlling shareholder, holding 98.292% of the shares of the Company.

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

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

(II) Basic information, remuneration and changes of directors, supervisors and senior management

1. Basic information of directors, supervisors and senior management

(1) Directors

The 7th Board of Directors of the Company has 7 directors in total:

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Director of the Company since March 2018 (approval document: CIRC Approval [2018] No. 320). Mr. MA currently serves as Vice President of CPIC Group, Member of Consumer Rights

Protection Committee of the Company, 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., Director of Shanghai Chengyi New Energy Venture Capital Co., Ltd., Director of Chengdu Xinshen Venture Capital Co., Ltd., Supervisor of Shanghai Chengyi Capital Co., Ltd., Supervisor of Everbright Banking Co., Ltd., 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.

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 Chief Legal Councilor of CPIC Group, Member of Consumer Rights Protection Committee of the Company, and Director of CPIC P/C, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal Compliance Department, Head of Board Office, General Manager of Risk Management Department, Risk & Compliance Officer and Chief Risk Officer of CPIC Group 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 Chairperson of Consumer Rights Protection Committee of the Company, Director of CPIC AMC, CPIC Health and Changjiang Pension respectively, and Chairman of CPIC Life Hong Kong. Ms. PAN previously served as Deputy CFO, CFO, Deputy General Manager, Vice Chairperson, and General Manager of the Company, and Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group.

(2) Supervisors

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 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 Computer Audit 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 March 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 June 2021.

Mr. WANG Guangjian, born in June 1965, has a master's degree. Mr. HUANG 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 the 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 CPIC Pension Industry Investment Management Co., Ltd., Chairman of Shanghai Ruiyongjing Real Estate Development Co., Ltd., Chairman and Legal Representative of Pacific ORPEA (Shanghai) Pension Enterprise 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 Pension Industry 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 and Operation and Planning Department of CPIC Life Ningbo Branch, GM of CPIC Life Jiangxi Branch, GM of CPIC Life Henan Branch and GM of CPIC Life 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 Division 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 qualification of 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 division head, division head of the Group Business

Department of CPIC Life, division 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 positions in October 2021.

Mr. JIANG Yifeng, born in January 1978, holds a doctoral degree. He currently serves as Board Secretary (approval document: CBIRC [2021] No. 976), Assistant General Manager (approval document: CBIRC [2021] No. 746) 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	-
City Island Developments Limited	0.1	0.1	-	100.00	100.00	-
Tianjin Trophy Real Estate Co., Ltd.	35,369	35,369	-	100.00	100.00	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	300,000	300,000	-	100.00	100.00	-
Pacific Health Care Management Co. Ltd.	50,000	50,000	-	100.00	100.00	-
CPIC Elderly Care Industry Development (Chengdu) Co. Ltd.	97,200	97,200	-	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	87,500	90,000	2,500	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	51,000	61,000	10,000	100.00	100.00	-
CPIC Elderly Care (Nanjing) Co. Ltd.	12,900	12,900	-	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	56,308	-	100.00	100.00	-
Beijing Borui Heming Insurance Agency Co. Ltd.	5,200	5,200	-	100.00	100.00	-
China Pacific Life Insurance (Hong Kong) Company Limited	100,000	100,000	-	100.00	100.00	-
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34.00	34.00	-
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	983,500	-	70.00	70.00	-
Shanghai Shantai Health Care Technology Co. Ltd.	4,000	4,000	-	40.00	40.00	-
Zhongbao Rongxin Private Equity Fund Management Co. Ltd.	150,000	150,000	-	10.14	10.14	-
Lianren Healthcare Big Data Technology Co. Ltd.	50,000	50,000	-	25.00	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)

During the reporting period, the Company received an administrative penalty from Shanghai Branch of the People's Bank of China. Type of penalty: fine; Amount: 4.70mn yuan; Breach: 1. Failure to perform identification of customers. 2. Failure to store customer ID data and transaction records. 3. Conducting transaction with unidentified customers.

During the reporting period, two members of senior management of the Company, received administrative penalties from Shanghai Branch of the People's Bank of China. Type of penalty: fine; Amount: 70,000 yuan; Breach (one of them): 1. Failure to perform identification of customers. 2. Failure to store customer ID data and transaction records; Breach (the other of them): 1. Failure to perform identification of customers. 2. Conducting transaction with unidentified customers.

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 branches, namely, Ping Ding Shan Key Sub-branch of He'nan Branch, Zhangzhou Key Sub-branch of Fujian Branch, and Shandong Branch each receiving an administrative penalty. Besides, Tai An Key Sub-branch of Shandong Branch received a regulatory letter.

III. Key indicators

(I) Key solvency metrics

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter	As at the end of last quarter	Next quarter estimates
Admitted assets	169,717,045	162,503,410	171,997,394
Admitted liabilities	135,203,264	125,646,404	138,077,828
Available capital	34,513,781	36,857,006	33,919,566
Tier 1 core capital	20,128,509	36,857,006	19,734,684
Tier 2 core capital	459,895	0	279,380
Tier 1 supplement capital	13,914,108	0	13,894,554
Tier 2 supplement capital	11,269	0	10,947
Minimum capital for quantifiable risks	14,080,824	17,151,057	14,343,193
Minimum capital for control risk	-86,458	-259,839	-88,069
Supplement capital	0	0	0
Minimum capital	13,994,366	16,891,218	14,255,125
Core solvency margin surplus	6,594,038	19,965,788	5,758,940
Core solvency margin ratio	147%	218%	140%
Comprehensive solvency margin surplus	20,519,415	19,965,788	19,664,441
Comprehensive solvency margin ratio	247%	218%	238%

(II) Regulatory indicators for liquidity risk

1. Liquidity coverage ratios (LCR)

Indicators	Estimates as at the end of this quarter	
	Next 3 months	Next 12 months
LCR under base scenario	486%	498%
LCR under stress scenario	691%	321%
LCR under stress scenario excluding asset disposal	192%	192%

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

Indicators	As at the end of this quarter
Retrospective adverse deviation ratio of net cash flows from operating activities	11%

3. Net cash flows

Indicators	unit: 10,000 RMB yuan During this quarter
Net cash flows	286,329
Net cash flow from operating activities	5,341,495
Net cash flow from investment activities	-5,882,202
Net cash flow from financing activities	827,036

(III) Indicators for monitoring liquidity risk

Indicators	unit: 10,000 RMB yuan As at the end of this quarter/during this quarter
1. Net cash flow from operating activities	5,341,495
2. Comprehensive surrender ratio	0.63%
3-1. Net cash flow from participating accounts	2,020,116
3-2. Net cash flow from universal accounts	1,278,453
4. Total premiums growth year-on-year	5.5%
5. Ratio of cash and liquidity instruments	1.6%
6. Quarterly average financial leverage ratio	4.9%
7. Share of domestic fixed income assets rated AA and below	3.6%
8. Share of investments in listed stocks with a stake of 5% or	0.5%

above	
9.Share of receivables	1.8%
10.Share of related party assets held by the Company	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 Q3 and Q4 of 2021.

(V) Key business metrics

1.Key business metrics

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter/during this quarter	YTD
Gross written premiums	9,945,028	9,945,028
Net profits	359,207	359,207
Total assets	170,214,020	170,214,020
Net assets	9,805,784	9,805,784
Insurance contract liabilities	133,420,735	133,420,735
Basic earnings per share (RMB yuan)	0.43	0.43
ROE (%)	3.61	3.61
ROA (%)	0.22	0.22
Investment yield (%)	0.91	0.91
Comprehensive investment yield (%)	-0.26	-0.26

IV. Risk management capabilities

(I) Company overview

Established in November 2001, the Company is the life insurance subsidiary of CPIC Group. As per Articles 5 and 6 of Solvency Regulatory Rules No. 12: Solvency Aligned Risk Management Requirements and Assessment on classification of insurance companies, it is a Category I insurance company. As of the end of Q1, 2022, its written premiums amounted to 112.7bn yuan, with total assets of 1,702.1bn yuan, and 35 provincial-level branches.

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

The Company attaches great importance to risk management. It identified gaps in solvency risk management systems and took effective remedial actions to enhance

solvency risk management based on findings of regulatory assessment of its peers as well as those of its own internal audits. Below is a summary of what was done in Q1 2022.

First, proceeded with the optimisation of the risk management system in an all-around way, and initiated the gap review and rules amendments, based on the official version of C-ROSS II.

Second, set the RAF, risk tolerance and key risk indicators for 2022 as per regulatory rules, Group policies and the needs of business management of the Company.

Third, reviewed the mechanism of data filing, improved data quality management, and established an integrated platform for indicator monitoring so as to enhance efficiency.

In Q2 of 2022, the Company intends to focus on the following areas for its solvency risk management.

First, proceed with the optimisation of the risk management system, and continue with rules amendments and improvement in adherence, based on the official version of C-ROSS II.

Second, initiate a 2022 SARMRA self-review, implement C-ROSS II standards, and review, in a holistic way, risk management systems of the Company.

Third, study and interpret regulatory policies on IRR, clarify definitions of relevant metrics to be filed, and conduct the IRR filing for Q1.

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 Q3 and Q4 of 2021.

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 enhance basic management.

(II) Self-assessment of unquantifiable risks

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

1. Methods, processes and results of self-assessment

As part of its work in quarterly differentiated supervision, the Company organises, every quarter, a self-review of operational risk, strategic risk, reputation 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 [2018] No.166), Provisions on Data Loss Recovery of Operational Risk (CPIC Life [2017] No.283), Rules on Operational Risk and Internal Control (2017) (CPIC Life [2017] No.360), 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 reputation risk, in Q1 2022, the Company monitored and detected 37 reports (original) of adverse publicity on the media, down by 33.9% year-on-year. Of this, there were 11 Level III reports, accounting for 29.7%, 26 Level IV reports, representing 70.3%, and there were no Level I or II major reputation risk incidents, indicating manageable reputation risk. Self-media and social media tend to be the high-risk area, which accounted for 70.3% of negative reports, though down by 2.9pt from a year earlier. In terms of content, the share of mis-selling was 43.3%; that of regulatory punishments 24.3%; that of claims disputes 13.5%; that of products and services 8.1% and the rest 10.8%.

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, resurgence of COVID-19, population ageing, and pressures on exports could take their toll on China's economic growth in the short term. But the long-term trends of economic recovery remain intact. The Company pressed ahead with the implementation of Changhang Action Programme, pushed forward 8 projects in a systematic manner, and particularly focused on the paradigm shift of the agency channel by means of career-based, professional and digitally-empowered restructuring of the agency force, while building the Golden Triangle of "products + services". It would persist in the Changhang Action Programme and strive for healthy and steady development.

With respect to liquidity risk, net cash flows YTD amounted to 2.86329bn yuan, with sufficient LCRs under all scenarios, with the retrospective deviation ratio of net cash flows from business activities at 11%, within regulatory limits. 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 comprehensive solvency margin ratio of the Company was 247%, with a margin surplus of 205.19415bn yuan, versus the ratio of 218% from the previous quarter. Starting from this quarter, the industry implemented C-ROSS II, and given different evaluation standards, the ratios between this quarter and the quarter earlier are not directly comparable.

(1) As of the end of this quarter, available capital amounted to 345.13781bn yuan, versus 368.57006bn from the previous quarter, which was computed based on C-ROSS I.

(2) As of the end of this quarter, minimum capital amounted to 139.94366bn yuan, versus 168.91218nn from the previous quarter, which was computed based on C-ROSS I.

(II) Changes to regulatory liquidity risk indicators

During the reporting quarter, the net cash flows of the Company amounted to 2.86329bn yuan. Of this, net cash flows from business activities reached 53.41495bn, pointing to sufficient liquidity from business activities.

The LCR in the next 12 months under the base scenario, the stress scenario and the stress scenario without considering disposal of assets was 498%, 321% and 192%, respectively, all staying in comfort zones.

Summary of Quarterly Solvency Report (Excerpts)

Pacific Health Insurance Co., Ltd.

1st 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	1.7 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
Fax number:	+86-21-68870641
Cell phone:	13761619886
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 comply 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 vote on this Report

Director	Agree	Disagree	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)

Pacific Health Insurance Co., Ltd.

April 25, 2022

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 person	170,000.00	100.00	170,000.00	100.00
Domestic natural person	-	-	-	-
Foreign	-	-	-	-
Others	-	-	-	-
Total	170,000.00	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.	144,586.70	85.051
China Pacific Life Insurance Co., Ltd.	25,413.30	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 [2019] 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.

Note: Since 23 March 2022, YIN Yanling has been serving as Acting Actuarial Responsible Person of CPIC Health, and starting from this date, ZHANG Yuanhan no longer served as Chief Actuary of CPIC Health.

(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	1,104,876.04	1,022,543.80	1,081,171.78
Admitted liabilities	982,512.51	893,939.84	955,127.63
Available capital	122,363.53	128,603.96	126,044.15
Tier-1 core capital	109,874.29	128,603.96	114,319.92
Tier-2 core capital	-	-	-
Tier-1 supplement capital	12,489.24	-	11,724.23
Tier-2 supplement capital	-	-	-
Minimum capital	97,083.56	93,367.59	107,209.37
Minimum capital for capitalizable risks	95,766.77	92,884.59	105,753.34
Minimum capital for control risk	1,316.79	483.00	1,456.03
Minimum capital for supplement capital	-	-	-
Solvency margin surplus	-	-	-
Core solvency margin surplus	12,790.73	35,236.37	7,110.55
Comprehensive solvency margin surplus	25,279.97	35,236.37	18,834.78
Core solvency margin ratio (%)	113	138	107
Comprehensive solvency margin ratio (%)	126	138	118

(II) Indicators for monitoring liquidity risk

Indicators	Reporting quarter	Last quarter
Actual cash flow (unit:10,000 yuan)	-7,315.22	149,761.94
Retrospective adverse deviation ratio of net cash flows from business activities (%)	-118	40
Overall liquidity coverage ratio under base scenario (3 months)(%)	991	-
Overall liquidity coverage ratio under base scenario (12 months)(%)	290	-
Overall liquidity coverage ratio under mandatory stress scenario (3 months)(%)	1695	-
Overall liquidity coverage ratio under mandatory stress scenario (12 months)(%)	318	-
Overall liquidity coverage ratio under self-assessment stress scenario (3 months)(%)	1424	-
Overall liquidity coverage ratio under self-assessment stress scenario (12 months)(%)	353	-
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (3 months)(%)	989	-
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (12 months)(%)	180	-

Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (3 months)(%)	845	-
Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (12 months)(%)	251	-
Net cash flow from business activities (unit: 10,000 yuan)	-11,188.84	-23,893.81
GWP year-on-year growth (%)	-18.93	24.85
Share of cash flow and liquidity management tools (%)	19.02	20.88
Quarterly average financial leverage ratio (%)	1.06	0.57
Share of domestic fixed assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above	-	-
Share of receivables (%)	23.53	18.17
Share of related party assets held by the Company (%)	3.82	1.01

(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	143,217.20	143,217.20
Net profits	1,074.37	1,074.37
Total assets	1,116,856.52	1,116,856.52
Net assets	139,862.45	139,862.45
Insurance contract liabilities	370,276.38	370,276.38
Basic earnings per share (yuan)	0.01	0.01
ROE (%)	0.76	0.76
ROA (%)	0.10	0.10
Investment yield (%)	0.82	0.82
Comprehensive investment yield (%)	0.35	0.35

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of March 2022, its gross written premiums amounted to 1.4321720 billion yuan (primary premiums: 245.0462 million yuan, ceded premiums: 1.1871258 billion yuan), and its total assets stood at 11.1685652 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 both Q3 and Q4 of 2021.

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

Measures taken to improve risk management in Q1 of 2022 mainly included three aspects: risk management system update, risk preference setting and annual risk management work plan formulation. Firstly, for solvency risk management, the Company assessed and updated measures for the management of policy, insurance, market, credit, liquidity, operational, reputation, and strategic risks, and submitted them to the Company's Management Committee for deliberation, and they will also be submitted to the Board of Directors for approval in the second quarter of 2022. Secondly, the Company evaluated the implementation of its risk preference in 2021, and set up its risk preference statement and risk tolerance for 2022 within CPIC Group's 2022 risk preference framework and in view of its own risk profiles and risk status. Thirdly, in line with CPIC Group's risk management work plan and strategic plan for 2022, the Company identified the priorities of its risk management in 2022 and clarified the work objectives and plans for annual risk management to keep improving its risk management in an orderly manner.

In Q1 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 in Q1.

(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 reputation risk management, and 8.68 points for liquidity risk management. As per Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the final score of the Company for Q1 of 2022 was 77.25 points.

V. Integrated risk rating (differentiated supervision)

(I) The last two IRR results

The Company was rated A at the IRR by CBIRC for both Q3 and Q4 of 2021, and described as an insurance company that meets the solvency standards and has low levels of operational, reputation, strategic and liquidity risk.

(II) Measure taken or to be taken for improvement

In Q1 2022, following the Evaluation Criteria for Unquantifiable Risks of Insurance Companies, the Company continued to take key control measures on the operational and liquidity risks identified in self-assessment as requiring improvement.

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

Liquidity risk: The Company's liquidity risk mainly stems from insurance claims, daily operating expenses and impairment of investment assets. As of Q1 2022, the Company hadn't experienced any liquidity risk situation. It has a relatively high proportion of liquid assets and a high five-day liquidity ratio, which helps the Company effectively respond to various liquidity needs. At the same time, the Company maintains a certain level of leverage ratio and financing activity to ensure that it can obtain funds in a timely manner in case of emergencies, so as to relieve liquidity pressure. On the whole, the source of liquidity for the Company is greater than its liquidity demand, thus a low risk of liquidity gap.

Operational risk: In terms of compliance and internal control, the Company didn't violate any regulations or receive administrative penalties from regulators in Q1 2022. There was zero violation per 100 million in premiums and zero regulatory penalty per 100 million

standard premiums for the Company. In terms of information systems, the availability 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 Q1, the Company didn't experience any loss incident arising from operational risks in sales, underwriting, policy owner service, claims settlement and investment, or any case of insurance fraud.

Reputation risk: The Company's public opinions monitoring system includes CPIC Group's public opinion monitoring system, the big data financial terminal monitoring system and third-party professional public opinions monitoring services. The system can effectively monitor negative publicity of the Company and its counterparties on a daily basis. In daily work, the Company strictly implements various reputation risk management processes covering pre-assessment, in-process handling and post-event accountability. In Q1 2022, the Company did not experience any reputation risk incident from mainstream or other 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 the Company, it 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 Q1 2022.

VI. Management analysis and discussions

In Q1 2022, actively responding to the impacts of Covid-19, the Company ensured both pandemic control and business development. It posted 1,432 million yuan in gross written premiums and 11 million yuan in net profits. Core solvency margin ratio and comprehensive solvency margin ratio stood at 113% and 126% respectively at the end of the quarter. The major tasks of 2022 were advancing smoothly as planned. The Company enhanced the infrastructure for its Internet-based business, completed the design of its new core system of Internet business in the first quarter, and improved its

intelligent online services as well as national service capabilities. Its direct Internet sales revenue enjoyed fast growth. The Company carried out an integration of medical insurance, medical treatment and medicine resources and innovation of managed care products by launching on 21 March its first exclusive high-end juvenile insurance "Hemu Xiaoyuanbao", jointly developed with United Family Healthcare. Preparations were under way for the Company's first managed care insurance product. The Company also strengthened the interaction and collaboration for health ecosystem to enhance specialization of its health service products and expand its medical network. During the pandemic, the Company leveraged its professional strength to offer customers services such as home delivery of medicine, online health consultation, and online claims settlement; its CPC members actively participated in various public welfare and volunteer activities, a reflection of the Company's professional responsibility during COVID.

In accordance with the Company's strategic development requirements, to enhance the Company's capital strength, meet business development needs and maintain sufficient solvency, in December 2021 the Company issued to its shareholders - China Pacific Insurance (Group) Co., Ltd. and China Pacific Life Insurance Co., Ltd. - 1.9 billion additional shares with a face value of 1 yuan per share, to be subscribed by China Pacific Insurance (Group) Co., Ltd. and China Pacific Life Insurance Co., Ltd. in cash in proportion to their respective shareholding percentages, i.e. China Pacific Insurance (Group) Co., Ltd. contributed 1,615,969,000 yuan in cash and China Pacific Life Insurance Co., Ltd. contributed 284,031,000 yuan in cash. After the completion of this capital injection, the Company's registered capital will increase to 3,600,000,000 yuan, and China Pacific Insurance (Group) Co., Ltd. will still hold 85.051% of the shares, and China Pacific Life Insurance Co., Ltd. will hold 14.949% of the shares. On 20 December 2021, the total capital increase of 1.9 billion yuan from the two shareholders was paid in full and is now pending approval from the China Banking and Insurance Regulatory Commission.

(I) Solvency Analysis

1. Available capital

As of 31 March 2022, the Company's net assets was 1,398,624,500 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 174,989,200 yuan), the available capital stood at 1,223,635,300 yuan.

2. Minimum capital

The minimum capital of the Company at the end of Q1 was 970,835,600 yuan, including 1,097,829,100 yuan for insurance risk, 134,135,200 yuan for market risk, 203,376,900 yuan for credit risk, 477,673,500 yuan for quantitative risk diversification, and 13,167,900 yuan for control risk.

3. Solvency margin ratio

1) As of 31 March 2022, the Company's core solvency margin surplus was 127,907,300 yuan, and the core solvency margin ratio was 113%; the Company's comprehensive solvency margin surplus was 252,799,700 yuan, and the comprehensive solvency margin ratio was 126%. In Q1 of 2022, the core solvency margin ratio dropped 25pt from the previous quarter, mainly due to the implementation of C-ROSS II regulations, and the reclassification of deferred income tax assets from tier-1 core capital to tier-1 supplement capital; comprehensive solvency margin ratio dropped 12pt from last quarter, mainly because that after the implementation of C-ROSS II, the adjustment of relevant factors and expanded range of assets occupied by relevant minimum assets in interest rate risk calculation led to significant increase in the respective minimum capital for insurance risk, market risk and credit risk.

2) At the end of this quarter, the minimum capital of the Company was 970,835,600 yuan, an increase of 3.98% from the end of the previous quarter. Although C-ROSS II exerts a huge impact on the Company, we have applied for and been granted a transition period. So the occupation of the minimum capital was not significantly increased.

To ensure a smooth development of businesses while reducing capital consumption, the Company will explore and take corresponding measures on tactical asset allocation, counterparty selection and transaction settlement efficiency arrangements.

(II) Liquidity risk

Under the base scenario and the stress scenario, the net cash flow of the Company in the next quarter will be greater than zero. The company's liquidity coverage ratio indicators and various liquidity monitoring indicators under various scenarios are within the normal range.

For this quarter, the net cash flow was -73,152,200 yuan, the net cash flow from operating activities was -111,888,400 yuan, the net cash flow from investing activities was -144,806,600 yuan, and the net cash flow from financing activities was 183,542,800 yuan.

According to the prediction from the last quarter, the net cash flow from operating activities under the base scenario for this quarter would be 620,903,400 yuan, but the actual result was -111,888,400 yuan, the deviation was -732,791,800 yuan. So the retrospective adverse deviation ratio of net cash flows from operating activities was -118%, mainly due to the fact that about 700 million of reinsurance receivables did not arrive as expected in the first quarter due to the changes in the settlement method, thus causing the large negative deviation in operating cash flow in Q1.

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 presentation of the its liquidity risk level.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Anxin Agricultural Insurance Co., Ltd.

1st 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	1.08 billion yuan
Business license number	00000089
Date opening for business	September 2004
Business scope	Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short- term health and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business (subject to approval by regulators as per relevant laws and regulations)
Business territories	Shanghai, Jiangsu Province, Zhejiang Province.
Contact person:	LI Mao
Tel. number:	+86-21-66988703
Cell phone:	18817959847
Email:	lim@aaic.com.cn

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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 comply with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report.

China Pacific Anxin Agricultural Insurance Company Limited
April 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		Change of shares or stake				End of reporting period	
	Shares or contribution	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State	0	0%	0	0	0	0	0	0%
State-owned legal person	108,000	100%	0	0	0	0	108,000	100%
Private legal person	0	0%	0	0	0	0	0	0%
Foreign	0	0%	0	0	0	0	0	0%
Others	0	0%	0	0	0	0	0	0%
Total	108,000	100%	0	0	0	0	108,000	100%

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

2. Controlling shareholder or de facto controller

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

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

Names of shareholders	Types of shareholders	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Property Insurance Co., Ltd.	State-owned	73,205.68	67.78%	0
Shanghai Agricultural Development Co., Ltd.	State-owned	7,718.03	7.15%	0
Shanghai Minhang Asset Investment (Group) Co., Ltd.	State-owned	5,365.19	4.97%	0
Shanghai Nongfa Asset Management Co., Ltd.	State-owned	4,201.72	3.89%	0
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	State-owned	3,653.35	3.38%	0
Shanghai Baoshan Fiscal Investment Company	State-owned	3,150.84	2.92%	0
Shanghai Jiading Guangwo Asset Management Co., Ltd.	State-owned	2,504.59	2.32%	0
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	State-owned	2,025.88	1.88%	0
Shanghai Huinong Investment Management Co., Ltd.	State-owned	1,817.99	1.68%	0
Shanghai Qingpu Asset Management Co., Ltd.	State-owned	1,719.37	1.59%	0
Shanghai Jinshan Capital Management Group Co. Ltd.	State-owned	1,640.50	1.52%	0
Shanghai Chongming Asset Operation Co., Ltd.	State-owned	996.86	0.92%	0
Total	— —	108,000.00	100.00%	0
Related party relations among shareholders	None			

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

4. Shareholding by directors, supervisors and senior management

None during the reporting period.

5. Share transfer during the reporting period

None.

(II) Directors, supervisors and senior management

1. Directors, supervisors and senior management

1.1 Directors

As of the end of March 2022, the 4th Board of Directors of the Company has 8 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, 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.

1.2 Supervisors

As of the end of March 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 March 2022, the Company has 6 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. ZHUANG Yi, born in December 1969, holds a master's degree and the title of Accountant. He has been serving as Compliance Responsible Person of the Company

since January 2014 (approval document: CIRC Approval [2014] No. 6). Mr. ZHUANG is also Chief Risk Officer of the Company. He previously served as Deputy Director (in charge) of the Internal Audit Division, General Manager of the Auto Insurance Department, General Manager of Jing'an Sub-branch, and General Manager of the Customer Service Department of PICC Shanghai Branch, General Manager of the Auto Insurance Department, and General Manager of the Internal Audit Department and the Compliance and Legal Department/Risk Management Department of Anxin Agricultural Insurance Co., Ltd.

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.

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.

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

Position	Predecessor	Incumbent	Remarks
Director	YIN Wenqian	XING Zhibin	Departure upon term expiry
Supervisor	CEHN Yuanliang	-	Departure upon term expiry
Supervisor	XIA Haiying	-	Departure upon term expiry
Supervisor	WENG Yingchun	-	Departure upon term expiry
Employee supervisor	-	CEHNG Song	New appointment upon term expiry
Deputy general manager	HUANG Xiongfei	-	Departure

(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	5,153,890,439	5,209,326,305	5,674,063,721
Admitted liabilities	2,269,219,154	2,346,395,616	2,753,983,443
Actual capital	2,884,671,284	2,862,930,689	2,920,080,278
Tier-1 core capital	2,671,649,927	2,862,930,689	2,707,058,921
Tier-2 core capital	0	0	0
Tier-1 supplement capital	213,021,358	0	213,021,358
Tier-2 supplement capital	0	0	0
Minimum capital	764,638,084	672,977,207	816,624,436
Minimum capital for quantifiable risks	750,417,669	662,020,763	801,437,201
Minimum capital for life insurance risk	0	0	0
Minimum capital for non-life insurance risk	524,944,349	486,760,711	544,237,347
Minimum capital for market risk	232,074,398	162,123,250	255,512,184
Minimum capital for credit risk	337,483,220	230,445,694	374,444,222
Diversification effect for quantifiable risks	344,084,299	217,308,892	372,756,551
Loss absorption for special-type insurance contracts	0	0	0
Minimum capital for control risk	14,220,415	10,956,444	15,187,235
Supplement capital	0	0	0
Core solvency margin surplus	1,907,011,843	2,189,953,482	1,890,434,484
Core solvency margin ratio	349.40%	425.41%	331.49%
Comprehensive solvency margin surplus	2,120,033,201	2,189,953,482	2,920,080,089
Comprehensive solvency margin ratio	377.26%	425.41%	357.58%

(II) Regulatory indicators for liquidity risk

LCR	Q1 2022		Q4 2021	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 under base scenario	113.39%	103.08%	-	-
LCR2 under stress scenario – compulsory test	239.03%	130.90%	-	-
LCR2 under stress scenario-self test	210.21%	122.96%	-	-
LCR3 under stress scenario excluding asset disposal-compulsory test	118.89%	102.22%	-	-
LCR3 under stress scenario excluding asset disposal-self test	113.11%	100.98%	-	-
Retrospective adverse deviation ratio of net cash flows from operating activities	-18.08%		21.95%	
Net cash flows YTD (unit: 10,000 yuan)	-1,475.69		3,041.26	
Net cash flows in 2021 (unit: 10,000 yuan)	3,041.26		1,033.22	
Net cash flows in 2020 (unit: 10,000 yuan)	1,033.22		-457.80	

(III) Monitoring indicators for liquidity risk

unit: yuan

Indicators	Item	Q1 2022	Q4 2021
1. Net cash flows from operating activities	Amount	-138,443,811	114,631,660
	Cash inflow from operating activities YTD	201,183,210	1,790,611,840
	Cash outflow from operating activities YTD	339,627,021	1,675,980,180
2. Net cash flows from operating activities from each premium of 100 yuan	Amount	-36.17	7.2
	Net cash flows from operating activities YTD	-138,443,811	114,631,660

	Premiums YTD	382,738,829	1,592,634,243
3. Weight of cash outflow for certain business	Percentage	0.00%	-
	Claims for business of special types	0	-
	Incurred and reported outstanding claim reserves for business of special types	0	-
	Claims	180,605,229	-
	Incurred and reported outstanding claim reserves	-48,158,002	-
4. Total premiums growth year-on-year	Percentage	24.19%	15.66%
	Total premiums YTD	382,738,829	1,592,634,243
	Total premiums YTD at the same period of last year	308,186,970	1,377,040,758
5. Weight of cash and liquidity management instruments	Percentage	1.26%	3.74%
	The book value of cash and liquidity management instruments at the end of the period	64,454,625	196,211,537
	The ending balance of total assets	5,107,504,088	5,241,142,750
6. Quarterly average financial leverage ratio	Percentage	2.06%	8.52%
	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	106,666,667	446,318,333
	The ending balance of total assets	5,184,504,088	5,241,142,750
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	5,107,504,088	5,241,142,750
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	5,184,504,088	5,241,142,750
9. Proportion of receivables	Percentage	15.09%	15.01%
	Premium receivables	550,983,718	409,609,116
	Reinsurance receivables	231,525,995	376,842,962
	The ending balance of total assets	5,184,504,088	5,241,142,750
10. Proportion of related party assets held by the Company	Percentage	1.86%	1.72%
	Total investment assets of related parties held by the Company	96,348,200	90,000,000
	The ending balance of total assets	5,184,504,088	5,241,142,750

(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	382,492,568	382,492,568
Net profits	48,503,364	48,503,364
Total assets	5,184,504,088	5,184,504,088
Net assets	2,751,387,947	2,751,387,947
Insurance contract liabilities	1,756,654,076	1,756,654,076
Basic earnings per share	0.045	0.045
ROE	1.77%	1.77%
ROA	0.93%	0.93%
Investment yield	1.45%	1.45%

Comprehensive investment yield	0.45%	0.45%
Profitability indicators	--	--
Combined ratio	--	97.89%
Expense ratio	--	26.63%
Loss ratio	--	71.26%
Proportion of commission and brokerage expenses	--	3.57%
Proportion of operating and administrative expenses	--	18.33%
Scale indicators	--	--
Written premiums	382,738,829	382,738,829
Written premiums of auto insurance	-	-
Written premiums of top 5 non-auto insurance business lines	358,509,750	358,509,750
Largest non-auto business line	220,766,741	220,766,741
Second largest non-auto business line	60,715,927	60,715,927
Third largest non-auto business line	41,949,068	41,949,068
Fourth largest non-auto business line	18,257,190	18,257,190
Fifth largest non-auto business line	16,820,826	16,820,826
Average vehicle premium of auto insurance	-	-
Written premiums by channels	382,738,829	382,738,829
Agency	47,088,218	47,088,218
Direct	320,752,360	320,752,360
Brokerage	14,898,251	14,898,251
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

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

First, it vigorously promoted the implementation of C-ROSS II. As per Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company formulated the list of tasks, setting out concrete implementation actions, responsible departments and time frames. In Q1, it focused on amendments to risk management policies, RAF management and Rules on Management of Key Risk Categories, so as to improve the completeness of rules and regulations. At the same time, in view of the “deductions” items in the last risk management self-assessment, it pushed for roll-out of remedial actions across functions, stepped up risk control of key areas and enhanced adherence.

Second, it amended and issued Policies on Management of Reinsurance Business, clarifying retained risk limits, inward and outward reinsurance rules, and management of reinsurance partners so that there would be clearer rules to follow in the business; amended and issued Rules on Underwriting and Claims Management of Agricultural Insurance, seeking to strengthen full-process U/W and claims management and prevent business risks. At the same time, it released Rules on Risk Unit Classification and Retained Risk Limit on Each Risk Unit, so as to improve the use of its underwriting capacity and step up business risk control.

Third, 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.

Fourth, it completed the filing of IRR data for Q4 2021, 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.

V. Integrated risk rating (differentiated supervision)

(I) The last two IRR results

The Company was rated A at the IRR by CBIRC for both Q3 and Q4 of 2021.

(II) Measure taken or to be taken for improvement

In last quarter, the IRR result of the Company was A, and the comprehensive and core solvency margin ratios as of the end of this quarter was 377.26% and 349.40% respectively. In Q1, first, the Company continued to monitor factors which may impact its solvency positions to ensure sound and relatively stable solvency margin ratios, and strengthened its overall risk management levels; second, as for unquantifiable inherent risks, it amended Regulations on Operational Risk Management, Policies on Management of Reinsurance Business, Rules on Underwriting and Claims Management of Agricultural Insurance, while ensuring effective adherence on the ground; third, participated in on-line training of reputation risk management organised by the Group, which effectively enhanced its own reputation risk management system.

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

1. Operational risk

1.1 Operational risk status

In Q1 2022, the Company made plans for rectification based on new findings of

internal audits, and took vigorous steps to carry them out, with follow-up status tracking to ensure completion of rectification as scheduled. Second, as per requirements of C-ROSS II and based on its own realities, it amended Regulations on Operational Risk Management, Policies on Management of Reinsurance Business, Rules on Underwriting and Claims Management of Agricultural Insurance, while ensuring effective adherence on the ground, with operational risk overall 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, departments or branch offices strengthened identification and analysis of operational risk, including time of occurrence or detection of operational risk incidents, branch offices or business lines involved, causes, types of losses, severity, incident descriptions and supportive documentation, which would be fed into the database for losses from operational risk.

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 adjustment of lay-out of branch offices and strategic planning.

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, regionally or by business lines, 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 Reputation risk

3.1 Status of reputation risk

In Q1, the Company followed up on reputation risk management during the pandemic, such as reporting of its measures to tackle the pandemic, roll-out of routine pandemic prevention measures and balance this with normal work, as per requirements of local government and pandemic control programmes of CPIC P/C. Given the resurgence of COVID-19 in Shanghai in March, it shouldered its responsibility in serving the nation and protecting people's livelihood, participated in social administration, contributed to social harmony and stability. In response to calls from the Shanghai Government for ensuring the supply of food, it set up a special task force, lobbied the policy-makers which released new policies on price index insurance for green leaves vegetables; linked systems with the government and realised on-line application for 8 types of green leaves vegetables insurance in Shanghai, providing comprehensive risk cover for vegetable farms, rural co-operatives and farmers. The Company joined hands with the Group and launched a publicity campaign, and renowned on-line media such as Xinhua, China Daily and Shanghai Securities all ran reports on this, helping to project a positive image of the Company, and promoting its

branding.

At the same time, on the occasion of March 15 Consumer Rights Protection Advocacy Week in 2022, and in line with the theme of the event, i.e., empowering well-informed decisions by consumers, enhancing their risk awareness and sense of satisfaction, it conducted on-line publicity and education programmes via animated videos and posters to disseminate agricultural insurance knowledge, and to improve its overall service standards.

3.2 Methods of reputation risk assessment

First is to monitor on-line media through the platform of the Group; second, the news Spokesman, brand management professionals and reputation risk managers of the Company were integrated into the Group brand management system; third, established management system for correspondents, stepped up “mining” of materials of positive publicity. In-house correspondents in branches would ensure the reporting of significant events or major pandemic control measures, and other incidents which may constitute major reputation risk.

3.3 Process of reputation 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 reputation risk assessment

During the reporting period, there was no material adverse media publicity, and neither were there incidents which were related to or might trigger reputation 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 58% of total premiums, and of this, the share of fiscal subsidies was around 65%. 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 in the short time. In response, the Company put in place mechanisms to closely monitor likelihood of disasters, issue early warning and prepare for relief and damage-reduction effort; 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 377.26% and 349.40% respectively, which fell by 48.2pt and 76.0pt respectively, and yet pointing to sound solvency positions. Of this, actual capital was 2.885 billion yuan, up by 22 million yuan from the previous quarter, mainly due to quarterly net profits of 49 million yuan, an increase of 9 million yuan in catastrophe reserve for agricultural insurance, and a reduction of 18 million yuan in other comprehensive income; minimum capital was 765 million yuan, rising by 92 million yuan from the last quarter, as a result of increase in minimum capital by 38 million yuan for insurance risk, by 70 million yuan for market risk, 107 million yuan for credit risk and by 127 million yuan in dispersion effect.

The calculation of minimum capital for various risks was based on The Notice of CBIRC on Adoption of Solvency Regulatory Rules II for Insurance Companies (CBIRC [2021] No. 51). The minimum capital for insurance risk changed mainly because as per Solvency Regulatory Rules II for Insurance Companies (hereinafter referred to as Rules II), risk factors for business lines were adjusted, leading to higher risk exposure in premiums and reserves; changes to minimum capital for market risk were mainly due to revised rules for calculation of minimum capital and new requirement for “look-through” measurement for assets under

Standards II; changes to minimum capital for credit risk stemmed mainly from higher default risk as a result of adopting “look-through” measurement for assets.

(II) Change to liquidity risk indicators and reasons

The ending balance of cash and cash equivalents of this quarter was 64.4546 million, down by 14.7569 million from 79.2115 million at the end of the last quarter. The decrease in cash was mainly due to lower net cash flows from operating activities as a result of less cash received from premium income from direct insurance contracts during the quarter.

LCR1s of the next 3 months and next 12 months under base scenarios were 113.39% and 103.08%, respectively.

LCR2s of the next 3 months and next 12 months under stress scenarios (compulsory assessment) were 239.03% and 130.90%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-assessment) were 210.21% and 122.96%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding asset disposal (compulsory assessment) were 118.89% and 102.22%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding asset disposal (self-assessment) were 113.11% and 100.98%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of this and last quarter were -18.08% and 21.95%, respectively. The projected amount of claims on direct insurance contracts for this quarter was lower than the actual value. The projected amount of claims on direct insurance contracts for the last quarter was higher than the actual value.

The net cash flow YTD was -14.7569 million. The net cash flow for the last

financial year was 30.4126 million, and 10.3322 million in the previous.

(III) Change to IRR and reasons

The Company was rated A at the IRR by CBIRC for both Q3 and Q4 of 2021.