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中国太平洋保险
China Pacific Insurance

中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

Overseas Regulatory Announcement

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

The announcement is attached hereof for information purpose only.

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
FU Fan
Chairman

Hong Kong, 28 October 2026

As at the date of this announcement, the Executive Directors of the Company are Mr. FU Fan and Mr. ZHAO Yonggang; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Ms. WANG Yuhua, Mr. CHEN Ran, Mr. ZHOU Donghui and Mr. John Robert DACEY; the Independent Non-executive Directors are Ms. CHEN Xin, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I David and Mr. WONG Hin Wing; and the Employee Director is Ms. ZHOU Liyun.

Summary of Quarterly Solvency Report

（Excerpts）

Pacific Anxin Agricultural Insurance Co., Ltd.

3rd Quarter of 2026

Company overview and contact information

Company name (Chinese):	太平洋安信农业保险股份有限公司
Company name (English):	Pacific Anxin Agricultural Insurance Company Limited
Legal representative:	ZHENG Kai
Registered address	3651 Gonghexin Road, Shanghai, the PRC.
Registered capital	1.08bn yuan
Business license number	00000089
Date of opening for business	September 2004
Business scope	Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short-term health and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business (business which requires approval will be conducted subject to approval documents or permits)
Business territories	Shanghai, Zhejiang Province, Jiangsu Province.
Contact person：	LI Mao
Tel. number：	+86-21-66988703
Cell phone:	18817959847
Email:	limao-005@cpic.com.cn

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I. Board chairman and management statement

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

II. Basic information

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

1. Ownership structure and change

Types of shareholders	As at the beginning of the reporting period		Change of shares or stake during the reporting period				As at the end of the reporting period	
	Shares or contribution	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State	0	0	0	0	0	0	0	0
State-owned legal person	108,000	100	0	0	0	0	108,000	100
Private legal person	0	0	0	0	0	0	0	0
Foreign	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0
Total	108,000	100	0	0	0	0	108,000	100

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

2. 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 (unit:10,000shares)	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%	5,365.19 (unit:10,000shares) in lock-up
Shanghai Nongfa Asset Management Co., Ltd.	State-owned	4,201.72	3.89%	0
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	State-owned	3,653.35	3.38%	0
Shanghai Baoshan Fiscal Investment Company	State-owned	3,150.84	2.92%	0
Shanghai Jiading Guangwo Asset Management Co., Ltd.	State-owned	2,504.59	2.32%	0
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	State-owned	2,025.88	1.88%	0
Shanghai Huinong Investment Management Co., Ltd.	State-owned	1,817.99	1.68%	0
Shanghai Qingpu Asset Management Co., Ltd.	State-owned	1,719.37	1.59%	0
Shanghai Jinshan Capital Management Group Co. Ltd.	State-owned	1,640.50	1.52%	0
Shanghai Chongming Asset Operation Co., Ltd.	State-owned	996.86	0.92%	0
Total	——	108,000.00	100.00%	0
Related party relations among shareholders	None			

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

4. Shareholding by directors, supervisors and senior management

None during the reporting period.

5. Share transfer during the reporting period

None during the reporting period.

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

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

1.1 Directors

As of the end of September 2026, the 5th Board of Directors of the Company has 8 directors in total:

Mr. LIU Xiuhua, born in August 1974, holds a bachelor's degree. He has been serving as Non-executive Director of the Company since April 2026 (approval document: NFRA [2026] No. 230), and Vice Chairman of the Company since June 2026. Mr. LIU currently also serves as Market Development Director (*sannong*) of CPIC P/C, a member of the Hunan Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC) and Vice President of the Hunan Insurance Association. Mr. LIU previously served as head of the Admin. Office of Hengyang Central Sub-branch, China Pacific Insurance Co., Ltd; Deputy General Manager of Hengyang Central Sub-branch, Tianan Insurance Co., Ltd; Deputy General Manager and General Manager of Hengyang Central Sub-branch, Deputy General Manager of Hunan Branch, General Manager of Telemarketing Shandong Sub-center, and General Manager and Compliance Director of Hunan Branch, CPIC P/C.

Mr. ZHOU Hua, born in August 1977, holds a doctoral degree and is a Fellow of China Association of Actuaries (FCAA, life insurance). Mr. ZHOU has been serving as Independent Director of the Company since April 2024 (approval document: NFRA [2024] No. 254). Mr. ZHOU is a professor at Central University of Finance and Economics (CUFE), Dean of the School of Insurance, CUFE, Dean of China Institute of Actuarial Science, and a Director of China Association of Actuaries. He previously served as teaching assistant, lecturer, associate professor, Vice Director of the Department of Actuarial Science, and Deputy Dean of the School of Insurance at CUFE, among others.

Mr. ZHANG Qiao, born in November 1962, holds a doctoral degree. He has been serving as Independent Director of the Company since December 2022 (approval document: CBIRC [2022] No. 851). Mr. ZHANG currently serves as executive member of the Agriculture Risk Management Council of China, Research Fellow of the National Research Centre on Agriculture and Rural Areas of China Agricultural University, and vice chair of the Panel of Monitoring and Early Warning of China Agricultural Institute. He previously served as Assistant Research Fellow, Deputy Research Fellow and Research Fellow of Agricultural Information Institute of the Chinese Academy of Agricultural Sciences, and lecturer of Shanxi University of Finance and Economics.

Mr. CHEN Xiaoman, born in August 1954, holds a doctoral degree. He has been serving as Independent Director of the Company since June 2026 (approval document: NFRA [2026] No. 319). Mr. CHEN currently serves as Dean of the Institute for Advanced

Studies and Chairman of the Advisory Committee of the School of Data Science of Fudan University, Chairman of Shanghai 860 Technology Co., Ltd., President of Anqing Shanghai Economic and Cultural Promotion Association, and Independent Director of Shanghai Mengchuang Shuangyang Data Technology Co., Ltd. He previously served as a Lecturer, Associate Professor and Professor of the Department of Mathematics of Fudan University, Assistant President, Vice President and Executive Vice President of Fudan University, and Deputy to the 14th Shanghai Municipal People's Congress.

Mr. ZHENG Kai, born in August 1972, holds a master's degree. He has been serving as General Manager and Executive Director of the Company since March and July 2025 respectively (approval documents: NFRA [2025] No. 150 and NFRA [2025] No. 388, 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 head of Economic Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Exchange and Communication Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Coordination Division of Taiwan Affairs Office of Shanghai Municipal Government, and General Manager of Shanghai Urban Areas Business Centre of Anxin Agricultural Insurance Co., Ltd, Deputy General Manager and Board Secretary of the Company.

Mr. ZHU Kaimin, born in June 1984, holds a bachelor's degree. He has been serving as Non-executive Director of the Company since August 2026 (approval document: NFRA [2026] No. 434). Mr. ZHU currently also serves as Deputy General Manager (in charge) of Shanghai Agricultural Development Co., Ltd.. He previously served as head of the Environmental Education Centre and Youth League Branch Secretary of the Shanghai Chongming Dongtan Birds Nature Reserve Management Office, Assistant General Manager of Shanghai Caiguanjia E-commerce Co., Ltd., a partner of Shanghai Nonghai Agricultural Products Sales Co., Ltd., and head of Shanghai Qianmu Chushan Food Development Co., Ltd..

Mr. TIAN Guiming, born in January 1970, holds a master's degree and the professional designation of Certified Public Accountant and Certified Tax Agent. He has been serving as Non-executive Director of the Company since July 2026 (approval document: NFRA [2026] No. 354). Mr. TIAN currently also serves as deputy head of the Financial Management Department of Shanghai Minhang Asset Investment Management (Group) Co., Ltd.. He previously served as Financial Manager of Shanghai Yangyang Sports Goods Co., Ltd., Financial Manager of Yangyang Sports Goods (Suzhou) Co., Ltd., and Financial Manager of Shanghai Mingshi Food Group Co., Ltd..

Mr. GUO Zongjie, born in December 1968, holds a bachelor's degree. He has been serving as Employee Director of the Company since September 2026 (approval document: NFRA [2026] No. 511). He currently serves as Director of the Board Office, Director of the Party Committee Office, head of the Party Building Department and Chairman of the Directly-Affiliated Trade Union of the Company. Mr. Guo served as Employee Supervisor of the Company from December 2020 until March 2026 when the Board of Supervisors was dissolved. He previously served as Director of the General Office, Director of the Party Committee Office, General Manager of the Intermediary Business Department and Chairman of the Directly-Affiliated Trade Union of the Shandong Branch of CPIC P/C; Party Secretary of the Jining Central Sub-branch of CPIC P/C; and Director of the Administrative Office, Director of the Office of the Board of Supervisors and General Manager of the Development and Planning Department of Pacific Anxin Agricultural Insurance Co., Ltd..

1.2 Senior management at head-office level

As of the end of September 2026, the Company has 7 members of senior management:

Mr. ZHENG Kai, born in August 1972, holds a master’s degree. He has been serving as General Manager and Executive Director of the Company since March and July 2025 respectively (approval documents: NFRA [2025] No. 150 and NFRA [2025] No. 388, 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 head of Economic Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Exchange and Communication Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Coordination Division of Taiwan Affairs Office of Shanghai Municipal Government, and General Manager of Shanghai Urban Areas Business Centre of Anxin Agricultural Insurance Co., Ltd, Deputy General Manager and Board Secretary of the Company.

Ms. LI Shuhui, born in July 1972, holds a master's degree and the designation 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 [2019] No. 984, and CBIRC Shanghai [2019] No. 983 respectively). She currently also serves as Chief Information Officer and the Responsible Person for Consumer Privacy Protection of the Company. She previously served as Deputy General Manager of the Second Division/Internal Audit Center, General Manager of Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Audit Responsible Person of Changjiang Pension, Supervisor of CPIC Online Services, Supervisor of Anxin Agricultural Insurance Co., Ltd, and General Manager of Finance Department and Asset Management Department of CPIC P/C, and Supervisor of CPIC P/C, and Interim Board Secretary of the Company.

Mr. HUANG Xiaofeng, born in March 1971, holds a master's degree. He has been serving as Assistant General Manager of the Company (approval document: CBIRC [2022] No. 409) since June 2022. Mr. Huang concurrently also serves as Board Secretary of the Company(approval document: NFRA [2025] No. 729). Previously, he served as deputy head of Gaodong Township, head of Heqing Township, Pudong New Area, Shanghai; Deputy Director of Rural Affairs Office of CPC Pudong New Area, Deputy Director of District Agricultural Committee of Pudong New Area, member of CPC Committee of Anxin Agricultural Insurance Co., Ltd. and General Manager of its Shanghai Nanhui Sub-branch, Deputy Party Secretary and Deputy General Manager of Shanghai Branch of Anxin Agricultural Insurance Co., Ltd., member of CPC Committee/General Manager of Agricultural Insurance Market Development Department and General Manager of Agricultural Insurance Business Management Department of Pacific Anxin Agricultural Insurance Co., Ltd.

Mr. WU Gang, born in August 1970, holds a bachelor's degree. He has been serving as Compliance Responsible Person (as Chief Compliance Officer of the Company since July 2025)and Chief Risk Officer since June 2022 (approval document: CBIRC [2022] No. 403). Previously, Mr. WU served as Assistant General Manager, Deputy General Manager (in charge) and General Manager of CPIC P/C Ningxia Branch, General Manager of CPIC P/C Gansu Branch, and General Manager of the Legal Affairs and Compliance Department of CPIC P/C.

Mr. HU Dexiong, born in August 1983, holds a master's degree. He has been serving as Assistant General Manager of the Company since March 2024 (approval document: NFRA [2024] No.99). Mr. HU currently also serves as Spokesperson of the Company. He previously worked with Anxin Agricultural Insurance Company Limited, serving as Deputy Manager of the Policy Research Office of the Agricultural Insurance Department, Deputy Manager of the Branch Management Section of the Strategic Development Department, Assistant General Manager and Deputy General Manager of the Strategic Development Department, Deputy General Manager of the Agricultural Insurance Market Development Department, Deputy General Manager (in charge) and General Manager of the Product Research and Development Department. He also served as General Manager of the Development & Planning Department of the Company.

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 [2019] No. 1096). Ms. YANG currently serves as General Manager of the 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. LIN Yang, born in June 1976, holds a master's degree and the professional designation of Intermediate Auditor. He has been serving as Internal Audit Responsible

Person of the Company since May 2026 (approval document: NFRA [2026] No. 277). Mr. LIN currently also serves as Deputy General Manager of the Internal Audit Department for Northeast China of CPIC Group, and General Manager of the Internal Audit Department of the Company. Mr. LIN previously served as an Auditor of the Internal Audit Department of CPIC Life; Auditor, Supervising Auditor, Senior Auditor and Deputy General Manager of the Internal Audit Business Department of CPIC Group, and Internal Audit Controller of CPIC Life (HK).

Note: Effective March 2026, the Company no longer has a Board of Supervisors, and the members of the 4th Board of Supervisors of the Company automatically ceased to hold office.

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

Positions	Predecessors	Incumbents
Chairman of the Board of Directors	SONG Jianguo	-
Shareholder Director	XING Zhibin	ZHU Kaimin
Employee Director	-	GUO Zongjie

Note: Mr. SONG Jianguo resigned as Chairman and Director of the Board of Directors on August 28, 2026. In accordance with the Company Law and the Articles of Association of the Company, Vice Chairman LIU Xiuhua will perform the duties of the board chairman until a new chairman is elected.

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

None.

(III) Subsidiaries, joint ventures or associate ventures

None during the reporting period.

(IV) Breaches and administrative penalties during the reporting period

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

None.

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

None.

3. Regulatory measures against the Company by NFRA (former CBIRC)

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: 10,000 yuan

Lines	Item	As of the end of Q3 2026	As of the end of Q2 2026	Next quarter estimates
1	Admitted assets	662,714	695,365	637,062
2	Admitted liabilities	355,470	385,322	333,151
3	Actual capital	307,244	310,043	303,911
3.1	Tier-1 core capital	275,223	279,653	271,891
3.2	Tier-2 core capital	-	-	-
3.3	Tier-1 supplement capital	32,020	30,390	32,020
3.4	Tier-2 supplement capital	-	-	-
4	Minimum capital	100,402	94,756	95,101
4.1	Minimum capital for quantifiable risks	98,178	92,657	92,994
4.1.1	Minimum capital for life insurance risk	-	-	-
4.1.2	Minimum capital for non-life insurance risk	88,932	81,234	82,787
4.1.3	Minimum capital for market risk	41,535	39,895	41,112
4.1.4	Minimum capital for credit risk	21,599	24,871	21,259
4.1.5	Diversification effect for quantifiable risks	42,979	43,048	41,831
4.1.6	Loss absorption for special-type insurance contracts	-	-	-
4.2	Minimum capital for control risk	2,224	2,099	2,107

4.3	Supplement capital	-	-	-
5	Core solvency margin	174,821	184,896	176,790
6	Core solvency margin ratio	274.12%	295.13%	285.90%
7	Comprehensive solvency margin	206,841	215,286	208,810
8	Comprehensive solvency margin ratio	306.01%	327.20%	319.57%

(II) Regulatory indicators for liquidity risk

Items			As at the end of/ during Q3 2026	As at the end of/ during Q2 2026
Liquidity Coverage Ratio (%)	LCR1	Next 3 months	141.5%	110.6%
		Next 12 months	112.1%	125.2%
	LCR2	Next 3 months	200.8%	184.2%
		Next 12 months	124.2%	139.5%
	LCR3	Next 3 months	95.3%	91.4%
		Next 12 months	82.3%	100.6%
Retrospective adverse deviation ratio of net cash flows from business activities			107.2%	358.2%
Net cash flows (RMB 10,000)	YTD		365	2,987
	FY 2025		2,196	2,196
	FY 2024		405	405

(III) Other indicators for liquidity risk

Item	As of the end of/ during Q3 2026	As of the end of/ during Q2 2026
1. Net cash flows from operating activities(10,000 yuan)	7,693	6,347
2. Net cash flows from operating activities per 100 yuan in premiums (yuan)	4.5	5.0
3. Share of cash outflow for special types of business	6.1%	0.0%
4. Written premiums growth year-on-year	2.1%	2.7%
5. Share of cash and liquidity management instruments	1.8%	3.6%

6. Quarterly average financial leverage ratio	1.4%	3.8%
7. Share of domestic fixed income assets rated AA and below	0.5%	0.6%
8. Share of investments in listed stocks with a stake of 5% or above	0.0%	0.0%
9. Proportion of receivables	14.7%	13.8%
10. Proportion of related party assets held by the Company	0.0%	0.0%

Notes:

1.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) ÷ (Total claim expenses + Total claim reserves) ×100%. Business of special types includes financing guarantee insurance business and non-auto business that accounts for more than 5% of total claim expenses, and the latter refers to non-auto insurance business that incurs, due to catastrophes or major claims, estimated or actual claim expenses after reinsurance exceeding 5% of total non-auto claim expenses of the previous year.

2.Ratio of receivables (%): Ratio of receivables= (Premium receivables + Reinsurance receivables) ÷ Total assets by the end of the reporting period × 100%. Premium receivables, reinsurance receivables and total assets refer to their respective book value as at the end of the reporting period.

3.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.

(IV) Key business metrics

unit：10,000 yuan

Indicators	**As at the end of/ during Q3 2026**	**As at the end of Q3 2026/YTD**
Gross written premiums	49,285	195,478
Net profit	-3,313	7,326
Total assets	571,186	571,186
Net assets	298,872	298,872
Insurance contract liabilities	205,943	205,943
Basic earnings per share (yuan)	-0.03	0.07
ROE	-1.1%	2.4%
ROA	-0.6%	1.3%
Investment yield	0.8%	5.0%

Comprehensive investment yield	1.4%	3.6%
Profitability indicators		
1. Combined ratio	--	106.5%
2. Expense ratio	--	18.1%
3. Loss ratio	--	88.4%
4. Proportion of commission and brokerage expenses	--	1.3%
5. Proportion of operating and administrative expenses	--	12.8%
Scale indicators		
1. Written premiums	42,089	169,349
2. Written premiums of auto insurance	-	-
3. Written premiums of top 5 non-auto insurance business lines	40,931	164,042
Largest non-auto business line	28,142	119,613
Second largest non-auto business line	5,642	21,860
Third largest non-auto business line	5,655	15,271
Fourth largest non-auto business line	1,158	4,482
Fifth largest non-auto business line	335	2,816
4. Average vehicle premium of auto insurance	-	-
5. Written premiums by channels	42,089	169,349
Agency	2,318	6,871
Direct	37,837	155,315
Brokerage	1,934	7,163
Others	-	-

Note: 1. All calculation of reserves was based on financial statements; the expense ratio, the loss ratio and combined ratio were based on earned premiums; comprehensive investment yield includes changes in fair value of AFS assets, which is not included in calculation of investment yield.

2. Net profit, total assets, net assets, and insurance contract liabilities listed above were based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of Finance in 2017, and Accounting Standard for

Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020; basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of aforementioned indicators.

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

Average investment yield in the past 3 years	2.95%
Average comprehensive investment yield in the past 3 years	4.07%

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

IV. Risk management capabilities

(I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the former CIRC. In FY2025, its written premiums amounted to 2.062bn yuan, and as of the end of 2025, total assets stood at 6.749bn yuan, with 3 provincial-level branch offices. According to Article 6 of Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment, it is a Category II insurance company.

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

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 75.47 points.

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

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

In insurance risk, we retrospectively reviewed the results of the Company's reserve assessment for the previous 2 fiscal years, which showed favourable developments; implemented the regulatory requirement for “consistency between filed and actual expenses”, and completed the revision and wrap-up of products such as credit

guarantee insurance; carried out disaster response simulations and mock exercises, formulated priorities for risk response before and after disasters during the flood season.

In terms of market risk, we carried out quantitative assessment and quarterly analysis of ALM, which, among others, measured and analysed the impact of market fluctuations on investment yields, monitored the matching of costs and returns, with projections of key indicators to meet both regulatory and in-house ALM requirements.

As for credit risk, we proceeded with day-to-day collection of fund receivables, particularly the collection of premium receivables; monitored credit risk of investment plans and closely tracked changes in risk exposure.

On the side of operational risk, we formulated the Implementation Rules on Adoption of Special Preventive Measures against Money Laundering, continued with the integration of the beneficial owner information inquiry system as per PBoC requirements, and faithfully fulfilled our AML obligations; improved the IT risk management system, and monitored technology risk indicators on a regular basis, thereby building a systematic and standardised closed-loop management mechanism; continued with the Compliance Lectures series to provide training on key internal policies of the Company.

With regard to the strategic risk, we completed the quarterly report on the implementation status of the Company's development plan for Q2 2026; monitored ESG risks to help ensure high-quality development of the Company.

For reputational risk management, we circulated Weekly Risk Alert Reports among relevant personnel to help detect and mitigate potential risks; conducted crisis response drills and quarterly review of potential risk triggers to cement the foundations of reputational risk management and improve coordination in public opinion management.

With regard to liquidity risk, we continued to optimise cash flow projection modelling, enhanced retrospective review of net cash flows from operating activities, conducted review of cash flow budgets; tracked the status of claims, evaluated the impact of claims prepayment on cash flows in a timely manner to ensure liquidity; continued to communicate with CPIC AMC to ensure an asset allocation compatible with needs for cash flows; continuously monitored and assessed market liquidity and interest rate movements and their impact on liquidation of investment assets; stepped up collection of impaired and other types of receivables, continued to improve fund turnover and risk control; strengthened cash flow management in reinsurance and followed up on recoveries of claims and commissions.

(IV) Status of SARMRA self-assessment

Not applicable during the reporting period.

V. Integrated risk rating (differentiated supervision)

(I) IRR results of the previous two quarters

The Company was rated AAA at the IRR (differentiated supervision) by NFRA (formerly CBIRC) for both Q1 and Q2 2026. It has briefed the board on IRR results, with follow-up tracking and analysis.

(II) Measures taken or to be taken for improvement

In the reporting quarter, in strict compliance with requirements of the NFRA and PBoC, as well as other industry regulations, the Company enhanced media monitoring and analysis, formulated contingency plans for crisis response so as to lower the incidence of reputational risk events; strengthened cash flow management, particularly in areas of premium receivables and reinsurance fund settlement, in order to improve liquidity risk management.

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

1. Operational risk

1.1 Operational risk status

In the quarter, the Company strictly complied with regulatory requirements, proceeded steadily with the identification, assessment, control and mitigation of operational risk, with the risk staying within acceptable levels. First, it formulated rectification plans for various defects newly discovered in audits, carried out rectification with regular status follow-up, urged relevant parties to complete rectification according to the submitted plan; second, updated database of operational risk losses, with analysis and evaluation of such losses via risk management systems; third, formulated or revised the Regulations on Operational Risk Management, Policies on Information Technology Outsourcing and Guidelines on Handling of Disputes in Multiple Ways, among others, with strict enforcement on the ground to effectively control operational risk.

1.2 Methods of operational risk assessment

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

1.3 Process of operational risk assessment

In the quarter, first, the Company conducted an assessment of IRR operational risk status, organised a review by relevant departments of operational risk in mis-selling,

fraudulent claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up rectification. Second, monitored key indicators of operational risk in light of risk upper limits, management reports and remedial actions, with clear definition of their ownership by departments or branch offices. Third, conducted quarterly risk self-assessment in money laundering and insurance frauds. Fourth, carried out an impact assessment in the event of material changes.

1.4 Results of operational risk assessment

The review detected no serious flaws which may trigger operational risk. The monitoring of risk upper limits also indicated that the status of operational risk of the Company was in the comfort zone.

2.Strategic risk

2.1 Status of strategic risk

The strategic risk facing the Company mainly includes the following:

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

2.2 Methods of strategic risk assessment

Evaluation of market environment of industry strategic risk, the risk in formulation of strategic planning of the Company and the risk in its implementation, as per Solvency Regulatory Standards of Insurance Companies No.11 and related IRR indicators.

2.3 Process of strategic risk assessment

Collected and analysed information on a regular basis, enhanced review of the implementation status against budgets formulated at the year beginning, and communicated the gaps by business geographies/ business lines to company middle and senior management.

2.4 Results of strategic risk assessment

The Company will continue to step up business development and product innovation, with a focus on urban agriculture. It will explore a standardised model for urban agricultural insurance business via policy & needs analysis, duplication of product innovations, dynamic risk management and ecosystem collaboration, adopt a step-by-step approach and drive profitable, sustainable and resilient business growth.

3.Reputational risk

3.1 Status of reputational risk

In the reporting quarter, the Company organised a screening of reputational risk, which showed that public opinion of the Company was stable, and there was no risk of media crisis.

3.2 Methods of reputation risk assessment

During the quarter, first, we monitored online media through the Group’s monitoring platform, with statistical analysis of sensitive words; second, organised efforts by the spokesperson and brand specialists to implement the Group’s brand management policies and to collect and handle media information in a timely manner; third, the Company issued the "Risk Early Warning" weekly reports with risk alerts to senior management and part-time reputational risk management staff to effectively prevent potential risks. We also conducted a company-wide screening of potential reputational risks, further enhanced reputational risk management capabilities, promoted the establishment of a full-process, closed-loop risk management system, so as to create a favourable environment for the Company's sustainable, healthy and stable development.

3.3 Process of reputational risk assessment

Leveraged the Group platform for collection and statistical analysis of sensitive words on the Internet or in media reports, which would enable early responses or mitigation measures.

3.4 Results of reputational risk assessment

During the reporting period, adverse publicity of the Company stayed under control, and there was no occurrence of reputational risk or events which may trigger the risk.

4. Liquidity risk

4.1 Status of liquidity risk

The Company derives liquidity mainly from cash received as premiums, and from investment and financing activities. Demand for liquidity mainly stems from cash needed for claims payment, daily expenditures, investment and dividends distributed to shareholders.

As a specialised agricultural insurance firm, it mainly faces liquidity risk in the following areas:

First is the time lag in settlement of agricultural insurance premium receivables by governments. The subsidy for agricultural insurance would normally be accrued in advance and settled in the next year. Thus, the time lag has an impact the Company’s cash flows. To address this, it vigorously conducted communications with government agencies in charge of agriculture and finance at various levels, seeking to optimise the process of fiscal subsidy transfers so that it could receive the fund at an early date and mitigate the risk arising from receivables.

Second is the catastrophe risk. The insurance business of the Company is mainly in the Yangtze River Delta, which is an area vulnerable to natural disasters like typhoons. As such, the Company formulates contingency plans for claims payment, assesses its impact on cash flows, ensures coordination with cash flows

from investment and financing activities so as to ensure the sufficiency and security of liquidity.

Third is reinsurance settlement. Part of the Company's inward reinsurance business has a relatively long settlement cycle, with terms for periodic full settlement. Therefore, the time lag in settlement of insurance premiums payable may have impact on its cash flows. The Company will enhance management, formulate budgets according to terms of contracts including sums and time of payment, to ensure sufficient liquidity.

Moreover, the Company stays focused on ALM, closely follows liquidity indicators such as the share of securities sold under repurchase and the share of liquid assets to ensure an asset allocation and availability of financing instruments that can match needs for cash flows in the short- and medium-term term.

As at the end of Q4 2025, LCR under the base scenario (LCR1) for the next 12 months and LCR under the stress scenario (LCR2) for the next 12 months were both above 100%, indicating a sound status in liquidity risk.

4.2 Methods of liquidity risk assessment

Calculated liquidity coverage ratios, retrospective adverse deviation ratios of net cash flows from operating activities, with projection of net cash flows and stress testing of cash flows as per Solvency Regulatory Standards No. 13.

4.3 Process for liquidity risk assessment

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

4.4 Results of liquidity risk assessment

Assessment based on regulatory indicators and cash flow stress testing indicated sufficient liquidity to meet needs of the Company.

VI. Management analysis and discussions

(I) Changes to solvency margin ratios and reasons

As of the end of the quarter, the comprehensive and core solvency margin ratios of the Company was 306.01% and 274.12% respectively, down 21.2pt and 21.0pt respectively from the preceding quarter, still maintaining a strong position.

Actual capital was 3.072bn yuan, a decrease of 28mn yuan from the previous quarter, mainly due to a decline in net profit in the quarter.

Minimum capital stood at 1.004bn yuan, an increase of 56mn yuan from the preceding quarter. Of this, minimum capital for insurance risk rose by 77mn yuan,

mainly due to occurrences of catastrophes in the quarter, which led to higher exposures to reserve risk; minimum capital for market risk increased by 16mn yuan, mainly because of increased exposure to equity price risk and overseas equity asset risk; that for credit risk fell by 33mn yuan, mainly due to a decrease in bank deposits, which led to lower exposure to counter-party default risk; risk diversification effect dropped by 1mn yuan.

(II) Changes to liquidity risk indicators and reasons

As per C-ROSS II standards on liquidity, the liquidity coverage ratios of the Company, i.e., LCR1 and LCR2 in the next 3 months and 12 months under the base and stress scenarios respectively were both above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from operating activities in the past 2 quarters consistently equal to or above the regulatory minimum level of -30%. In 2026, net cash flows of the Company on a YTD basis amounted to 4mn yuan. Of this, net cash flows from operating activities was 77mn yuan; net cash flows from investment activities 528mn yuan; net cash flows from financing activities -601mn yuan. To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from operating, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefit payments. Besides, the Company, under SAA, allocates a certain proportion of its investment assets to highly liquid assets to meet liquidity requirements, which enables it to meet short-term cash flow requirements arising from business volatility. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

(III) Change to IRR and reasons

The Company was rated AAA at the IRR (differentiated supervision) for both Q1 and Q2 2026 by NFRA.