

Summary of Solvency Report (Excerpts)

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

2024 Interim

Company overview and contact information

Company name (Chinese):	中国太平洋保险（集团）股份有限公司
Company name (English):	CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
Legal representative:	FU Fan
Registered address:	1 Zhongshan Road (South), Huangpu District, Shanghai, PRC.
Registered capital:	RMB9.62 billion
Business license number:	000013
First date for registration:	May 13, 1991
Business scope:	Invest in controlling stakes of insurance companies; supervise and manage the domestic and international reinsurance business of the insurers under its control; supervise and manage the investments by the insurers under its control; participate in international insurance activities as approved.
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CONTENTS

I. BOARD AND MANAGEMENT STATEMENT.....	4
II. BASIC INFORMATION.....	5
III. BUSINESS OPERATION OF MAJOR MEMBER COMPANIES	7
IV. SOLVENCY STATEMENTS.....	8
V. MANAGEMENT ANALYSIS AND DISCUSSIONS	9
VI. INTEGRATED RISK RATING.....	17

I. Board and management statement

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

1. Voting results by directors

Name of directors	For	Against	Abstain
WANG Tayu	✓		
LIU Xiaodan	✓		
CHEN Ran	✓		
LAM Tyng Yih, Elizabeth	✓		
LO Yuen Man, Elainen	✓		
CHIN Hung I David	✓		
ZHOU Donghui	✓		
ZHAO Yonggang	✓		
JIANG Xuping	✓		
HUANG Dinan	✓		
FU Fan	✓		
LU Qiaoling	✓		
John Robert DACEY	✓		
Total	13		

Note: Mark “ ✓ ” in corresponding blanks according to opinions of directors.

2. Are there any directors who cannot guarantee or harbor any doubt about the truthfulness, accuracy, completeness or compliance of the contents of this report? (yes no)

II. Basic Information

(I) Shareholding structure, shareholders and change

1. Shareholding structure (unit: share)

	As at the beginning of the reporting period		Increase or decrease (+ or -) of shareholding during the reporting period					As at the end of the reporting period	
	Amount	Percentage (%)	New shares issued	Bonus shares	Transfer from reserves	Others	Sub-total	Amount	Percentage (%)
1. Ordinary shares denominated in RMB	6,845,041,455	71.15	-	-	-	-	-	6,845,041,455	71.15
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares (H share)	2,775,300,000	28.85	-	-	-	-	-	2,775,300,000	28.85
4. Others	-	-	-	-	-	-	-	-	-
Total	9,620,341,455	100	-	-	-	-	-	9,620,341,455	100

2. Top 10 shareholders (unit: share)

Name of shareholders	Percentage of shareholding	Total number of shares held	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares subject to pledge or lock-up period	Type of shares
HKSCC Nominees Limited	28.82%	2,772,542,057	-41,050	-	H Share
Shenergy (Group) Co., Ltd.	14.05%	1,352,129,014	-	-	A Share

Hwabao Investment Co., Ltd.	13.35%	1,284,277,846	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	6.34%	609,929,956	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	4.87%	468,828,104	-	-	A Share
HKSCC	2.84%	272,872,196	+36,346,204	-	A Share
China Securities Finance Co., Ltd.	2.82%	271,089,843	-	-	A Share
Shanghai International Group	1.66%	160,000,000	-	-	A Share
Yunnan Hehe (Group) Company Limited	0.95%	91,868,387	-	-	A Share
Shanghai Jiushi Company Limited	0.95%	90,949,460	+1,211,700	-	A Share

HKSCC Nominees Limited and HKSCC are related, as the former is a wholly-owned subsidiary of the latter.

Description of related relations or concerted actions among the aforesaid shareholder

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

Notes:

1. As at the end of the reporting period, the Company did not issue any preferred shares.
2. The shareholding of the top 10 shareholders is based on the lists of registered shareholders provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch (A share) and Computershare Hong Kong Investor Services Limited (H share) respectively. The nature of A shareholders is the same as the nature of their accounts registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch.
3. The shares held by HKSCC Nominees Limited are held on behalf of its clients. As SEHK does not require such shareholders to disclose to HKSCC Nominees Limited whether the shares held by them are subject to pledge or lock-up period, HKSCC Nominees Limited is unable to calculate, or make actual such data. Pursuant to Part XV of the SFO, a Substantial Shareholder is required to give notice to SEHK and the Company on the occurrence of certain events including a change in the nature of its interest in shares such as the pledging of its shares. As at the end of the reporting period, the Company is not aware of any such notices from Substantial Shareholders under Part XV of the SFO.
4. HKSCC is the nominal holder of shares traded through Shanghai-Hong Kong Connect Programme.

III. Business Operation of Major Member Companies

(I) CPIC Life

CPIC Life achieved solid momentum in business development. In the first half of 2024, the subsidiary recorded written premiums of 170.105bn yuan, a year-on-year growth of 0.3%; net profit of 20.055bn yuan, a year-on-year growth of 43.0%.

As of the end of June 2024, its comprehensive solvency margin ratio was 205%, a decline of 5pt from the year beginning, mainly due to impact of interest rate movements, capital market volatility, business development, changes to asset allocation and issuance of capital bonds. Of this,

(1) Actual capital amounted to 328.318bn yuan, up by 5.2%, or 16.313bn yuan from the year beginning;

(2) Minimum capital 159.919bn yuan, up by 7.5%, or 11.196bn yuan from the year beginning.

(II) CPIC P/C

In the reporting period, the subsidiary further cemented the foundation of high-quality development. It reported 111.803bn yuan in primary premium income, a year-on-year growth of 7.8%, and net profit of 4.792bn yuan, a growth of 18.6% from the same period of 2023.

As of the end of June 2024, its comprehensive solvency margin ratio stood at 220%, up by 6pt from the year beginning, mainly due to impact of interest rate movements, capital market volatility, business development and changes to asset allocation. Of this,

(1) Actual capital amounted to 66.793bn yuan, up by 5.018bn yuan from the year beginning, or a growth of 8.1%;

(2) Minimum capital 30.359bn yuan, up by 1.461bn yuan, or 5.1% from the year beginning.

(III) CPIC Health

The company saw a pick-up in business growth. During the reporting period, it realised 1.252bn yuan in insurance revenue and health management fee income, and net profit of 43mn yuan.

As of the end of June 2024, its comprehensive solvency margin ratio stood at 256%, down by 2pt from the year beginning, mainly due to interest rate movements, capital market volatility, business development and changes to asset allocation. Of this,

(1) Actual capital amounted to 3.755bn yuan, up by 7.7%, or 267mn yuan from the year

beginning;

(2) Minimum capital 1.469bn yuan, up by 8.7%, or 117mn yuan from the year beginning.

(IV) CPIC AMC

During the reporting period, the company delivered solid investment results. As of the end of June 2024, it posted 326.503bn yuan in third-party AuM, up by 45.0% from the end of 2023.

(V) Changjiang Pension

As at 30 June 2024, Changjiang Pension recorded 433.824bn yuan in third-party assets under trustee management, up by 5.6% from the end of 2023; 376.430bn yuan in third-party assets under investment management, up by 6.9% from the end of 2023.

(VI) Other member companies

As of the end of June 2024, total assets of CPIC Property reached 176mn yuan, with net assets of 153mn yuan; total assets of CPIC Technology reached 1.799bn yuan, with net assets of 727mn yuan.

IV. Solvency Statements

Solvency Statements of Insurance Holding Groups

Name: China Pacific Insurance (Group) Co. Ltd.
(30 June, 2024)

unit: 10 thousand RMB yuan

Items	No. of lines	As at the end of the reporting period 1	As at the beginning of the reporting period 2
Actual capital	(1) = (2) + (3) + (4) + (5)	47,977,120	45,693,824
Tier 1 core capital	(2)	30,969,140	29,176,067
Tier 2 core capital	(3)	2,019,633	1,214,761
Tier 1 supplement capital	(4)	14,983,223	15,298,572
Tier 2 supplement capital	(5)	5,123	4,424
Minimum capital	(6) = (7) + (21) + (22)	19,077,754	17,801,725

Minimum capital for quantitative risks	(7) = (8) + (9) + (10) + (11) + (12) + (13) – (20)	19,304,185	18,012,787
Minimum capital for parent company	(8)	-	-
Minimum capital for insurance member companies	(9)	19,304,185	18,012,787
Minimum capital for banking member companies	(10)	-	-
Minimum capital for securities member companies	(11)	-	-
Minimum capital for trust member companies	(12)	-	-
Minimum capital for quantifiable group-specific risks	(13) = (14) + (15)	-	-
Minimum capital for risk contagion	(14)	-	-
Minimum capital for concentration risk	(15) = (16) + (17) + (18) - (19)	-	-
Minimum capital for concentration risk - counter parties	(16)	-	-
Minimum capital for concentration risk - industry	(17)	-	-
Minimum capital for concentration risk - customers	(18)	-	-
Risk diversification effect	(19)	-	-
Decrease in required capital for risk diversification effect	(20)	-	-
Minimum capital for control risk	(21)	(226,431)	(211,061)
Supplement capital	(22)	-	-
Core solvency margin	(23) = (2) + (3) – (6) × 50%	23,449,896	21,489,965
Core solvency margin ratio	(24) = [(2) + (3)] / (6) × 100%	173%	171%
Comprehensive solvency margin	(25) = (1) – (6)	28,899,366	27,892,098
Comprehensive solvency margin ratio	(26) = (1) / (6) × 100%	251%	257%

Note: Decrease in required capital for risk diversification effect and supplement capital at the group level are yet to be defined by the regulator.

V. Management Analysis and Discussions

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

As of the end of June 2024, Group comprehensive solvency margin ratio stood at 251%, down by 6pt from the year beginning; core solvency margin ratio was 173%, up by 2pt from the year

beginning, mainly due to interest rate movements, capital market volatility, business development, changes to asset allocation and bond issuance of its subsidiaries. Of this,

1) Actual capital amounted to 479.8bn yuan, up by 22.9bn yuan from the year beginning; core capital 329.9bn yuan, up by 26.0bn yuan from the year beginning.

2) Minimum capital 190.8bn yuan, up by 12.8bn yuan from the year beginning.

In short, Group solvency margin ratios stayed solid, all above regulatory minimum levels.

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

The regulator is yet to carry out Integrated Risk Rating for insurance groups.

In the first half of 2024, the Group enjoyed sound and stable operation overall with effective implementation of its risk appetite. All the risk indicators remained stable, with the overall risk under control. No risk events with significant impact occurred in the reporting period.

The international landscape remains complex and challenging, with rising uncertainty amid technological advancement and industrial upgrade. On the domestic front, China has entered a stage where opportunities are intertwined with risks. In the face of tightening of regulation, the insurance industry has an arduous task of coordinating transformation and high-quality development. In particular, there is mounting pressure on life insurers to match assets and liabilities in an environment of low interest rates and narrowing of spread; natural disasters like flooding will drive up the combined ratio of P/C insurance business; the use of new technologies and business innovations will lead to increased complexities of risk profiles.

In the face of such risks, we will stay prudent in our risk appetite, carefully handle risks and uncertainties in our business operation, implement the “5 Priorities” of financial services in a bid to facilitate high-quality development of the Company and better serve the real economy. To this end, first, we will adhere to value growth, enhance integration of risk management and business development, build risk management capabilities that are compatible with business development, and maintain high ratings at regulatory evaluation; second, ensure effective control of major risks, combine risk prevention with risk mitigation, optimise tools for risk monitoring, reinforce risk forecast and early-warning, improve mechanism for risk handling and ensure the prevention of major risks; third, deepen integrated risk control, enhance the “substantiveness” of risk upper limits as business constraints under the framework of unified risk appetite and risk tolerance to forestall systemic risks.

VI. Risk Management Capabilities

(I) Group solvency risk governance

The Company has established a broad-based risk management framework in which all parties involved play their due roles: the Board of Directors bears the ultimate responsibility, management provides direct leadership, risk management departments focus on coordination, and the 3 lines of defense closely work together. The boards of directors of the Group and its subsidiaries are the supreme authority in risk management of the organisation, and bear the ultimate responsibility for their respective risk management systems and status of operation. The board Risk Management Committee performs duty in risk management as is vested by the board. In the first half of 2024, the committee convened 2 meetings to review relevant risk management matters and reports.

The Company's Management Committee is mandated to organise and execute the Company's risk management activities. The Company set up the position of Chief Risk Officer, who reports to the board Risk Management Committee on the its risk positions and management measures on a quarterly basis. The Management Committee has under it a Working Group of Risk Management and Internal Audit, which serves as a professional decision-making body across functions and departments, responsible for the review of risk management programmes and policies, execution and oversight, and general co-ordination.

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

The Group Internal Audit Centre audits, on an annual basis, the status and results of operation of the Group solvency-aligned risk management system, as well as the status of implementation of risk management policies, and reports to the board.

(II) Risk management strategies and implementation

1. Risk management strategies

The overall risk management strategy of the Company is: in view of its development strategies, organisational structure and business characteristics, support and promote fulfillment of business objectives and strategic planning of the Company via a sound risk management system, stringent risk management processes, and scientific risk management mechanisms and tools under the guidance of risk management objectives.

Risk management is a core element of the Company's operation and management. The Company takes a centralised approach to risk management - setting up an overarching risk management framework with centralised design of risk management organisational structure, unified risk management objectives, unified risk management policies and core risk measurement tools, and unified design and development of risk management information systems to guide and supervise the Group's risk management work. While maintaining their independent risk governance and setting up necessary firewalls, each subsidiary is responsible for managing various risks within their business segment in accordance with the basic goals and policies, systems and processes, methods and tools of the Group's risk management.

2. Risk appetite systems and objectives

Based on its rules on risk appetite system, the Company formulates the Group Risk Appetite System, which is reviewed and updated on an annual basis when necessary.

The Company adopts a "prudent" risk appetite, and cautiously manages various risks in its business operation. The Company and its insurance subsidiaries maintain a sufficient level of solvency, and pursue stable profitability and sustained value growth while ensuring appropriate liquidity, maintain a sound risk management status and market image. It continuously upgrades the risk control system that is compatible with its status as a listed company in SSE, SEHK, and LSE, integrates ESG requirements into the ERM system, with leadership in promoting healthy and stable development of the industry.

The Company's risk tolerance includes five core dimensions: maintaining adequate capital, pursuing stable profitability, achieving sustained value growth, ensuring appropriate liquidity, and maintaining a sound risk management status and a good market image. The Company sets overall risk limits and cascades them to its subsidiaries. Based on their own business characteristics and needs, each subsidiary further breaks down the limits for various risks and applies them to daily business decisions, risk monitoring and early warning to achieve healthy

interaction and balance between risk management and business development.

3. Risk management tools

The Company uses a wide range of risk management tools, including risk management information system, comprehensive budgeting, asset liability management, capital planning and stress testing, etc., to manage the risks within the business scope of the Group and its major member companies. The Group and all its member companies have clearly defined their respective risk management plans and processes, and regularly monitor and supervise their implementation to ensure effective application of the tools.

To be specific, first, the Company set up a risk management information system to monitor key risk indicators and gradually achieve the transmission of financial statements and data between business departments and branches. Second, it adopted comprehensive budgeting management, put in place relevant rules and policies, and formulated scientific business plans to help it achieve the medium- and long-term development objectives based on its overarching strategic plans, risk appetite, goals of sustainable value growth, and by means of budget preparation, implementation, analysis, adjustment and evaluation. The member companies effectively promote the implementation of comprehensive budgeting under the guidance of the Group. Third, in ALM, the Company formulated asset-liability management rules, implements prudent asset-liability risk management as per risk appetite and other constraints; develops, implements, monitors, and refines its asset-liability management framework and strategies continuously. Fourth, in terms of capital planning, the Company established a sound capital management system. In compliance with regulatory requirements, it assesses various risks and their capital requirements, putting in place a diversified capital replenishment mechanism to ensure that it is adequately capitalised to withstand risks and meet business development needs. The capital planning of each member company aligns with that of the Group. Fifth, the Company adopted a coordinated stress testing model that is both unified and differentiated, whereby the Group Management Committee takes direct leadership, with clear division of responsibilities and close cooperation between relevant departments and member companies, ensuring highly-efficient implementation. The Group sets out unified objectives, methods and standards of stress testing, carries out stress testing for headquarters and the entire Group; while member companies are responsible for their respective stress testing work, as well as providing the required data and professional opinions as per Group stress testing

requirements.

(III) Identification and assessment of Group-specific risks

1.Risk contagion

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

In term of RPT management, as per relevant regulatory requirements, the Company established long-term mechanisms for RPT management, improved internal control and risk management to curb intra-Group risk contagion, vigourously promoted RPT management system-building so as to enhance the accuracy and data-processing capacity, and systematic management capacity of the entire RPT management process. The Company formulated Regulations on Related Party Transactions and its Implementation Rules, established the board Audit and Related Party Transactions Control Committee, set up the cross-departmental Office of Related Party Transactions, and defined division of RPT management roles and responsibilities. During the reporting period, the Company improved monitoring of risk indicators on major RPTs as per regulatory requirements and further enhanced filing of standardised RPT data so as to strengthen overall RPT management.

As for risk quarantine, in strict conformity with regulatory requirements, the Company formulated risk quarantine policies and systems, set up risk firewalls in areas such as corporate management, financial management, capital management, business operation, information management, personnel management, as well as brand publicity, information disclosure, related party transactions and guarantee management; identified risk contagion routes, established and implemented prudent risk quarantine management mechanisms and measures. During the reporting period, the Company revised and issued Regulations on Risk Quarantine to update relevant rules and policies; conducted self-assessment of risk quarantine in finance, guarantee and business operation and completed annual risk evaluation of IT outsourcing in order to further improve the effectiveness of risk quarantine management.

2. Risk due to opaque organisational structure

It refers to the risk that an insurance group's shareholding structure, management structure, operational process, business types, etc. are excessively complex and opaque, which may cause losses to the group. In strict compliance with regulatory requirements, the Company drafted and issued Policies on Risk Management of Opaque Organisational Structure in the first half of 2024, which defined and updated relevant management mechanisms and requirements. The status of the risk of opaque organisational structure in the reporting period is as follows:

As a listed insurance holding group, CPIC maintains a clear shareholding/management structure, and there is no breach of caps on tiers of either shareholding or management structures. There is no cross-shareholding or illegal subscription of capital instruments between its insurance member companies and other associated companies of the Group, or between its member companies.

Based on their strategic planning and business development needs, the Group and each member company have established compatible organisational structures with clear boundaries and both vertically- and horizontally-aligned management responsibilities. There is no overlapping or gaps of functions, or over-centralisation of responsibilities and powers, given establishment of work mechanisms with clear definition of roles and responsibilities, good coordination and checks and balances.

3. Concentration risk

Concentration risk refers to the risk of unexpected losses for an insurance group when individual risks or risk portfolios of its member companies are concentrated at the group level. In accordance with relevant regulatory requirements, CPIC formulated regulations on concentration risk management, regularly identifies, evaluates, monitors and reports on different types of concentration risks of the Group and its member companies along 4 dimensions, i.e., transaction counter-parties, underlying industries of investment assets, customers and business, and their sub-dimensions, to prevent or mitigate material adverse effects of concentration risk on its solvency or liquidity.

CPIC has a risk limit indicators system for concentration risk, covering all the dimensions and their sub-dimensions, and uses the system to regularly evaluate the concentration risk on each dimension. During the reporting period, the overall concentration risk status was in the comfort zone, and there was no breach of limits or occurrence of concentration risk which would pose a material threat to the solvency or liquidity of the Company. In view of its business realities and risk profiles, the Company focuses on the concentration risk relating to investment

counter-parties, and the credit risk and financial situation of its major counter-parties. During the reporting period, the Company's major investment counter-parties maintained stable ratings, with related concentration risk under control. It amended and issued Policies on Management of Concentration Risk to further define risk management mechanisms along different dimensions.

4. Non-insurance risk

The Company's non-insurance business and investments focused on sectors along the insurance value chain, such as health care, elderly care and technology. It steps up collaboration between these sectors, promotes integration of products and services and innovates their mode of delivery, in a bid to foster competitive advantage in niche markets and enhance its overall competitiveness. The Company strictly complies with relevant regulations, prudently manages investment activities in non-insurance fields, and constantly monitors, prevents adverse effects of operating activities of non-insurance member companies on the solvency of the Group and its insurance member companies.

In terms of investment by non-insurance member companies, CPIC has established an equity investment management system for non-insurance areas based on equity shareholding and corporate governance system. It has set up an investment decision-making panel under the Assets and Liabilities Management Committee to organise and coordinate major equity investments of its member companies. Such investments are in compliance with relevant regulatory policies and internal management rules of the Group. They are also aligned with the Company's risk appetite and limits in non-insurance areas.

In management of non-insurance business, CPIC strictly complies with relevant regulatory regulations, evaluates the risk exposure and impact on solvency of non-insurance investments regularly, with formulation of special reports to be submitted to the board. It monitors the alignment of its non-insurance investments and strategic planning, with timely assessment and adjustment, if necessary, of the development strategies of non-insurance business. The Company has also set up quarantine mechanisms in assets and liquidity between its insurance and non-insurance member companies to ensure that investments in non-insurance member companies will not harm the interests of policyholders.

In the first half of 2024, the Company reshaped the management system of non-insurance business and issued Rules on Non-Insurance Management, Rules on Management of Non-Insurance Subsidiaries and Rules on Non-Insurance Risk Management, seeking to enhance overall non-insurance management of the Group via improvement in management

mechanisms, work processes, division of responsibilities and supportive tools.

(IV) Results of SARMRA assessment

In 2022, the regulator conducted an on-site SARMRA assessment of the Company, and the result was 81.77 points. It consisted of 12.28 points for solvency risk governance, 12.76 for risk management strategies and implementation, 9.88 for risk contagion management, 9.6 for risk management of opaque organisational structure, 10.06 for concentration risk management, 9.27 for non-insurance risk management, 8.35 for other risk management, and 9.57 for capital management.

VI. Integrated Risk Rating

(I) Results of the last 2 rounds of IRR

Not applicable. The regulator is yet to carry out Integrated Risk Rating for insurance groups.

(II) Remedial actions taken or to be taken

Not applicable.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

2nd Quarter of 2024

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:	19.948bn yuan
Business license number:	000014
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:	WANG Yucheng
Office Tel. number:	021-33962680
Cell phone:	13917427405
Email:	wangyucheng-003@cpic.com.cn

CONTENTS

I. BOARD AND MANAGEMENT STATEMENT.....	2
II. BASIC INFORMATION.....	3
III. KEY INDICATORS.....	12
IV. RISK MANAGEMENT CAPABILITIES.....	17
V. INFORMATION ON IRR (DIFFERENTIATED SUPERVISION).....	18
VI. MANAGEMENT ANALYSIS AND DISCUSSIONS.....	21

I. Board and management statement

The report has been approved by the board of directors. The board 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.

1. Voting results by directors

Name of directors	For	Against	Abstain
SU Shaojun	√		
ZHANG Yuanhan	√		
YU Bin	√		
GU Yue	√		
ZENG Yi	√		
Total	5		

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

II. Basic information

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

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

Types of shareholding	As at the end of the preceding period		Change				As at the end of the reporting period	
	Shares	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Subtotal	Shares	Percentage (%)
State	29,895	1.5	-	-	-	-	29,895	1.5
Private legal persons	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural persons	-	-	-	-	-	-	-	-
Others (listed companies)	1,964,914	98.5	-	-	-	-	1,964,914	98.5
Total	1,994,809	100	-	-	-	-	1,994,809	100

2. De facto controller

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

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

Names of shareholders	Types of shareholders	Change during the reporting period	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Others (listed company)	—	19,649,137,578	98.50	None
Shenergy Group Co., Ltd.	State-owned	—	93,106,180	0.47	None

Shanghai Haiyan Investment Management Company Limited	State-owned	---	92,846,189	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	---	61,049,510	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	---	51,948,193	0.26	None
Total	---	---	19,948,087,650	100	---

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

Was there 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 at head-office level

(1). Directors

Mr. SU Shaojun, born in February 1968, has a PhD degree and the designation of Senior Engineer. 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 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 the Board Office of CPIC P/C, head of the Board Office of Supervisors of CPIC P/C, General

Manager of Tele-marketing Centre of CPIC P/C, head of the Strategic Research Centre and Deputy Director of Transformation of CPIC Group.

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 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 and Acting Chief Actuary of CPIC Life, and Director of CPIC Health. He previously served as 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., Director of Sun Life Everbright Asset Management Co., Ltd., Director of CPIC AMC and Chief Actuary of CPIC Health.

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 & Research Centre 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). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of the Board of Supervisors and Director of CPIC Life, Chairman of

the Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as Executive Director of the Company since June 2023 (approval document: NFRA [2023] No. 76). He currently serves as General Manager of the Company. Previously, Mr. ZENG served as Deputy Section Chief, Section Chief of Administration of Domestic Business Department, head of Research and Development Department, Deputy Manager of Domestic Business Department and Research and Development Department, Deputy Manager of General Administration for P/C Insurance, Deputy Manager of General Administration for P/C Insurance & Jiangbei Sub-branch, Manager of P/C Insurance Business Development Department, Manager of P/C Insurance Business Centre of Chongqing Branch, China Pacific Insurance Co. Ltd., Manager of P/C Insurance Business Centre & head of Supervisory Department, Assistant General Manager, Deputy General Manager and General Manager of Chongqing Branch of the Company, Director of Auto Insurance Business, Chief Operating Officer and Deputy General Manager of CPIC P/C. Previously, he worked at PICC Chongqing Branch.

(2). Supervisors

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Chairman of the Board of Supervisors of the Company since March 2024 (approval document: NFRA[2024] No.139). Mr. ZHANG currently serves as Compliance Responsible Person, General Counsel and Chief Risk Officer of CPIC Group, director of CPIC Health, CPIC AMC and Changjiang Pension respectively, and chairman of board of supervisor of CPIC Life. Mr. ZHANG previously served as General Manager of Legal and Compliance Department, head of the Board Office of CPIC Group, Director and Board Secretary of CPIC P/C, Director and Board Secretary of CPIC Life, Board Secretary of CPIC AMC, Risk & Compliance Officer, General Manager of Risk Management Department, and Chief Risk Officer of CPIC Group.

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 General Manager of the Internal Audit Department (East China) of the Internal Audit Centre of CPIC Group, and Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd. Previously, he served as head of Secretariat of General Office of CPIC Life, Deputy Section Chief of Board Office of CPIC Group, Assistant General Manager of CPIC P/C Suzhou Branch, Deputy General Manager of Legal & Compliance Department of CPIC P/C Suzhou Branch, head of Specialised Capacity-building Team of Internal Audit Centre of CPIC Group, Deputy General Manager (in charge), General Manager of Audit Department (North China) of Audit Centre of CPIC Group, Deputy Chief of Party Discipline Inspection Team of CPIC Group, and Internal Audit Responsible Person of CPIC AMC.

Ms. RUAN Yuhong, born in April 1970, holds a bachelor's degree, with designation of Account and CPA. She has been serving as Employee Supervisor of the Company since January 2023 (approval document: CBIRC [2023] No. 20). Ms. RUAN currently serves as General Manager of Finance/ Asset Management Department of the Company. She previously served as General Manager of Auditing Department, General Manager of Finance Department, Deputy General Manager, and Chairman of Workers' Union of Ningbo Branch of the Company.

(3) Senior management at head-office level

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). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as General Manager of the Company since June 2022 (approval document: CBIRC [2022]

No. 379). He currently serves as Director of the Company. Previously, Mr. ZENG served as Deputy Section Chief, Section Chief of Administration of Domestic Business Department, head of Research and Development Department, Deputy Manager of Domestic Business Department and Research and Development Department, Deputy Manager of General Administration for P/C Insurance, Deputy Manager of General Administration for P/C Insurance & Jiangbei Sub-branch, Manager of P/C Insurance Business Development Department, Manager of P/C Insurance Business Centre of Chongqing Branch, China Pacific Insurance Co. Ltd., Manager of P/C Insurance Business Centre & head of Supervisory Department, Assistant General Manager, Deputy General Manager and General Manager of Chongqing Branch of the Company, Director of Auto Insurance Business, Chief Operating Officer and Deputy General Manager of CPIC P/C. Previously, he worked at PICC 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). Previously he served as head of Business Section of Overseas Business Department, Deputy Manager and Manager of Overseas Business Department, and Assistant General Manager of CPIC Hai'nan Branch, Deputy General Manager, General Manager of Hai'nan Branch of the Company, General Manager of the Property and Liability Insurance Department, General Manager of Shandong Branch, head of Sales (Channel Building and Cooperation), and Deputy General Manager (Agricultural Insurance) of the Company. Prior to that, Mr. SONG worked at the Hainan Branch of the Bank of Communications.

Mr. CHEN Hui, born in February 1969, holds a master's degree and the designation of accountant. He started to serve as Compliance Responsible Person, Chief Risk Officer of the Company (approval document: NFRA [2024] No. 213) in April of 2024. Previously, Mr. CHEN served as Assistant General Manager and Deputy General Manager of Beijing Branch of CPIC P/C , Deputy General Manager of Hebei Branch of CPIC P/C, General Manager of Human Resources Department, and Chief Human Resources Officer of CPIC P/C. Prior to that, he worked at Beijing Coal Company.

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 of China Pacific Insurance Company Limited, Deputy General Manager, and General Manager of CPIC P/C Suzhou Central Sub-branch, Deputy General Manager of CPIC P/C Shanghai Branch, General Manager of CPIC P/C Ningbo Branch, General Manager of CPIC P/C Shanghai Branch, and Assistant General Manager (non-auto insurance) of CPIC P/C.

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

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 Tianjin Branch, Deputy General Manager (in charge) and General Manager of Small- and Medium-Sized Customer Business Department, General Manager of Corporate

Customer Department/Bancassurance Department, and General Manager of Heilongjiang Branch of CPIC P/C.

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 the Board Office, and head of the Office of the Board of Supervisors the Company. Previously, she served as Transformation Director, General Manager of the Development and Planning Department, head of the Office of Steering Committee on Deepening Transformation, General Manager of Shanghai Sub-centre of Tele-marketing Centre, and Deputy General Manager of Tele-marketing Centre of CPIC P/C, Deputy General Manager (in charge) of Project Management Department of CPIC Online, General Manager of Marketing Department of CPIC Online,

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 Director of Coordinated Development of Guangdong, Hong Kong and Macao, and General Manager of Guangdong Branch of the Company. Previously, Mr. Yu served as Deputy General Manager of Henan Branch, General Manager of Gansu Branch and Hubei Branch of CPIC P/C respectively.

Mr. CHEN Yingjie, born in November 1967, holds a master's degree. He has been serving as Internal Audit Responsible Person of the Company since May 2023 (approval document: CBIRC [2023] No. 277). Previously he served as member of Party Committee and Deputy General Manager of Liaoning Branch, Party Secretary and General Manager of Heilongjiang Branch, and Party Secretary and General Manager of Sichuan Branch of CPIC P/C.

2. Changes to directors, supervisors and senior management of headquarters

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

Position	Predecessor	Incumbent
Compliance responsible person, Chief risk officer	ZHANG Dong	CHEN Hui

(III) Subsidiaries, joint ventures or associates

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

Name of companies	Number of shares (10,000)			Percentage of shareholding (%)		
	End of the preceding quarter	End of the reporting quarter	Change	End of the preceding quarter	End of the reporting quarter	Change (pt)
Subsidiary						
Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	-
Joint ventures						
Shanghai Juche Information Technology Co., Ltd.	148	148	-	25.20%	25.20%	-
Zhongdao Automobile Assistance Co., Ltd.	1,280	1,280	-	20.32%	20.32%	-
Shanghai Lexiang Sijin Technology Joint-stock Co. Ltd.	369	369	-	6.09%	6.09%	-
Associates						
CPIC Euler Hermes Credit Insurance Sales Co., Ltd.	2,550	2,550	-	51.00%	51.00%	-
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	1,071	-	35.70%	35.70%	-

(IV) Breaches

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

Between April 1 and June 30, 2024, branch offices of the Company received 32 administrative penalties from the insurance regulator, with 9.725mn yuan in fines for branches and 2.692mn yuan in fines for individuals, totalling 12.417mn yuan. Misconduct mainly concerned falsification of brokerage business for expense-booking, falsification of financial documentation for expense-booking, granting extra benefits to the insured other than those specified in insurance contracts, etc.

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

(Yes No)

3. Was there any misconduct or breaches by the company, its directors and senior management which triggered judicial proceedings during the reporting period?

(Yes No)

4. Did the Company receive any regulatory measures from the NFRA (previously CBIRC) during the reporting period?

(Yes No)

III. Key Indicators

(I) Key solvency metrics

Unit: RMB yuan 10,000

Items	As at the end of Q2 2024	As at the end of Q1 2024	Estimates for next quarter under base scenario
Admitted assets	27,504,645	27,009,477	27,229,573
Admitted liabilities	20,825,372	20,529,862	20,446,599
Actual capital	6,679,272	6,479,615	6,782,974
Tier 1 core capital	5,237,506	5,051,961	5,341,208
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,441,766	1,427,654	1,441,766
Tier 2 supplement capital	-	-	-
Minimum capital	3,035,939	2,969,110	3,101,641

Minimum capital for quantifiable risks	3,083,058	3,015,192	3,153,260
Minimum capital for control risk	-47,119	-46,082	-51,618
Supplement capital	-	-	-
Core solvency margin	2,201,567	2,082,851	2,239,567
Core solvency margin ratio (%)	172.5%	170.2%	172.2%
Comprehensive solvency margin	3,643,333	3,510,505	3,681,333
Comprehensive solvency margin ratio (%)	220.0%	218.2%	218.7%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of/ during Q2 2024	As at the end of/ during Q1 2024	
Net cash flows (RMB 10,000)	YTD	246,836	264,463	
	Year 2023	346,474	346,474	
	Year 2022	-326,022	-326,022	
Liquidity Coverage Ratio (%)	LCR1	Next 3 months	116.9%	117.6%
		Next 12 months	104.5%	104.6%
	LCR2	Next 3 months	301.2%	212.4%
		Next 12 months	161.4%	130.4%
	LCR3	Next 3 months	90.5%	60.8%
		Next 12 months	104.5%	88.1%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the previous 2 quarters	141.5%	243.0%	
	Over the previous quarter	397.9%	141.5%	

2. Other indicators of liquidity risk

	Items	As at the end of Q2 2024/YTD	As at the end of Q1 2024/YTD
Liabilities	Net cash flow from operating activities (RMB 10,000)	535,887	144,874
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	4.8	2.3
	Ratio of cash outflow from business of special types (%)	2.5%	2.2%
	Gross premium growth year-on-year (%)	8.3%	9.6%
Assets	Ratio of cash and liquidity management instruments (%)	3.3%	3.5%
	Quarterly average financing gear (%)	2.7%	3.2%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.5%	0.6%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.5%	17.6%
	Ratio of assets of related parties held (%)	3.3%	3.4%

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, and the latter refers to non-auto insurance business that incurs, due to catastrophes or major claims, estimated or actual claim expenses after reinsurance which exceed 5% of total non-auto claim expenses of the previous year.

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

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.

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

(III) Key business metrics

Unit: RMB yuan 10,000

Indicators	As at the end of/during Q2 2024	As at the end of Q2 2024/YDT
Gross written premiums	5,022,730	11,292,834
Net profit	285,883	479,203
Total assets	22,659,321	22,659,321
Net assets	5,914,154	5,914,154
Insurance contract liabilities	12,845,071	12,845,071
Basic earnings per share (RMB yuan)	0.1	0.2
ROE (%)	4.9	8.4
ROA (%)	1.3	2.2
Investment yield (%)	1.0	1.8
Comprehensive investment yield (%)	2.0	3.7
Combined ratio (%)	96.6	97.1
Expense ratio (%)	24.8	25.3
Loss ratio (%)	71.8	71.7
Proportion of commissions and brokerage expenses (%)	8.4	8.1
Proportion of operating and administrative expenses (%)	16.5	14.3
Written premiums	5,222,683	11,496,143
Written premiums of auto insurance	2,723,251	5,529,835
Written premiums of top 5 non-auto insurance business lines	2,063,504	5,042,765
Health insurance	358,790	1,564,027

Agricultural insurance	755,026	1,364,653
Liability insurance	566,259	1,295,830
Commercial property insurance	210,877	453,417
Homeowners' insurance	172,552	364,837
Average vehicle premium of auto insurance (RMB yuan)	2,887	2,812
Written premiums by channels	5,222,683	11,496,143
Agency	2,955,998	6,113,165
Direct	1,508,160	3,792,796
Brokerage	758,525	1,590,182
Others	-	-

Notes:

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 afore-mentioned indicators.

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

Indicators	YTD
Average investment yield in the past 3 years (%)	4.26
Average comprehensive investment yield in the past 3 years (%)	3.81

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: $[(1+(\text{comprehensive}) \text{ investment yield in the past year}) * (1+(\text{comprehensive}) \text{ investment yield in the past 2 years}) * (1+(\text{comprehensive}) \text{ investment yield in the past 3 years})^{1/3}]-1$

IV. Risk management capabilities

(I) Classification of insurance companies

As per rules on classification of insurance companies in Solvency Regulatory Standards No. 12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In 2023, its annual written premiums amounted to 196.02bn yuan; total assets stood at 246.34bn yuan; there are 38 provincial-level branch offices.

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

In the quarter, the Company promoted systematic capacity-building for risk management, with related work as follows:

First, promoted the disaster response and risk reduction service which integrates “prevention, reduction, relief and compensation”. In accordance with the requirements of the P/C Insurance Supervision Department of NFRA on claims service for flood control and drought relief, and in the spirit of instructions by General Secretary Xi Jinping, we strived to leverage the mechanism of insurance to help with flood control and drought relief, particularly in terms of disaster prevention, disaster mitigation, rescue and relief during the flood season of 2024.

Second, strengthened emergency response and carried out relevant drills. To enhance emergency management and handling, we reviewed and revised the emergency contingency master plan and its sub-plans, and organised drills for emergencies such as catastrophes, major reputational risk events, major legal cases, and so on.

Third, conducted risk screening to prevent and mitigate risks. We carried out quarterly and annual screening of reputational risks to ensure pro-active, forward-looking and effective risk management. As per requirements of the People's Bank of China, we carried out monthly risk monitoring, and submitted reports on significant matters whenever necessary to mitigate potential risks; organised self-assessment of risk management and internal control of 2024 to further cement the foundation of internal control.

Fourth, organised the fourth “Risk Compliance Month” activities in May 2024 in line with the spirit of important speeches by General Secretary Xi Jinping and the Central Financial Work Conference, which considered risk prevention and control a “perennial theme” of financial work. During the month, we held 6 lectures on operational risk, credit risk and other topics for all employees to help them study

trends and dynamics of risk & compliance management; launched the “Risk Compliance e-School” as an easy-to-use channel for employees to learn about risk compliance in a systematic way; and held “Risk Management Competency Training” to raise risk awareness and disseminate risk management philosophies among employees.

(III) Results of last solvency risk management valuation

In 2021, the regulator conducted SARMRA assessment of the Company, which scored 83.94 points. Of this, infrastructure and environment of risk management was 82.19 points, targets and instruments of risk management was 82.35 points, insurance risk management was 86.4 points, market risk management was 81.68 points, credit risk management was 86 points, operational risk management was 84.44 points, strategic risk management was 86.12 points, reputation risk management was 84.53 points, liquidity risk management was 83.54 points.

(IV) Status of SARMRA self-assessment

Not applicable during the reporting period.

V. Information on IRR (differentiated supervision)

(I) Results of IRR in the previous 2 quarters

The Company was rated AA at the IRR for both Q1 of 2024 and Q4 of 2023.

It briefed the board on regulatory communications of IRR, with follow-up tracking and analysis of the status of rectification.

(II) Status of various risks of the Company

1. Operational risk

In the quarter, the Company strengthened compliance management as per relevant regulatory requirements, and made solid progress in management of operational risk and money-laundering risk, with related risks staying under control. The following was done in operational risk management:

First, introduced new methods and tools to better respond to regulatory requirements. We listed 11 key points for implementation of standardised actions in response to regulatory requirements, which are differentiated and specific to different levels of branch offices and vertical functions, thus easy to use and compare; developed specialised system modules to provide online tools and support for the implementation at all levels, and carried out drills.

Second, conducted an ad hoc rectification for government-sponsored agricultural insurance as per NFRA directions and submitted the self-assessment reports of the Company and its branches.

Third, strengthened front-end loading of internal control rules. We followed up on the development of the proposed programme, pushed forward the application of existing front-end internal control rules, and launched an operational dashboard to track their operational status, verify returned data and analyse control effectiveness.

Fourth, enhanced tracking of external and internal audits of branches. We have established and implemented a “one-on-one” coaching mechanism to track status of implementation in each branch, focusing on accountability and assessment to ensure effectiveness of rectification.

Fifth, deployed for prevention and monitoring of frauds in 2024. We organised an online programme of compliance pledge and authorisation for all staff, incorporating requirements of “clean practice” and “fight against frauds and malpractice” into the scope of the commitment; carried out the “Double Hundred Actions” for seal/stamp verification, using technology for risk identification and handling to enhance the Company's risk management capability in frauds.

Sixth, organised the fourth “Risk Compliance Month” and “Clean Financial Culture” activities. Under the theme of “Upholding compliance and strengthening risk control”, we carried out 4 categories of activities, including internal and external exchanges, ad hoc competitions, simulation & drills and awareness cultivation to enhance ownership and compliance awareness among employees.

Seventh, as for risk management of IT outsourcing, in Q2, the Company had a total of 45 IT outsourcing vendors. Evaluation in Q2 indicated an overall healthy status in IT outsourcing of the Company, with related risks under control.

Eighth, in anti-money laundering (AML), we invited third-party experts to conduct specialised training on the draft revision of the Anti-Money Laundering Law during the “Risk Compliance Month” in Q2. We exchanged visits with Southwest University of Finance and Economics, finalised research topics on AML as part of our cooperation project with the university, officially launched the project, refined detailed arrangements under the project, proceeded with preparation for technology R & D and project implementation, and continued to promote the backward migration of the AML system.

2. Strategic risk

There was no occurrence of risk events which may impact the execution of the strategic planning of the Company in this quarter. The main work done in this quarter includes:

Strengthened strategic risk management in terms of talent management, business management, investment management and overseas operation management; assessed the overall situation of strategic risk management in a timely, all-round and objective manner, reviewed assessment and management of strategic risks and incorporated them into the risk management and assessment report to be submitted to senior management.

In Q2 2024, to enhance strategic risk monitoring, the Company revisited and updated relevant risk indicators, to be followed by information collection and analysis along multiple dimensions, such as premium growth, combined ratio, IRR, solvency ratios, and corporate governance evaluation results, etc.

Next, the Company will closely follow changes in economic environment and developments in government policies, and adjust its strategic planning accordingly, while taking into account its own development needs, so as to ensure the alignment of business activities and the strategic planning, and the fulfillment of business objectives.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents, with the risk overall under control. As per Interim Regulations on Reputational Risk Management by Banking and Insurance Institutions, Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd. and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd., as well as other applicable regulatory rules and Group policies, the Company amended and issued relevant risk management rules and policies, conducted quarterly risk screening and analysis, convened the 1st quarterly work meeting of 2024 of the Reputational Risk Management Working Group to cascade down relevant pro-active management actions. Going forward, when conducting business and PR activities, it will further enhance risk screening and prevention, step up fast response and coordination in risk-handling, with review and optimisation afterwards, accumulate the “asset” of reputation and strengthen early-stage intervention and closed-loop management of reputational risk, in a bid to forestall the risk more pro-actively.

4. Liquidity risk

To mitigate the liquidity risk, the Company coordinates cash flows from operating, investment and financing activities, pays special attention to large cash outflows arising from major claims, reinsurance bills, taxes, expenses and fixed assets, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q2, in anticipation of large pay-outs like quarterly prepayment of contribution into the Mandatory Insurance Security Fund, payment of income tax, reinsurance outgo, purchase & construction of fixed assets and payment of shareholder dividend, the Company made

appropriate arrangement of funds, giving priority to large claims payment arising from natural disasters while handling needs for liquidity or applications for payment of branch offices in a timely manner. The Company will continue to monitor changes to its liquidity status and enhance risk management capabilities while considering various needs for liquidity.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

The overall risk status of the Company remains stable, with solvency margin ratios stable and solid. And business operation and net cash flows showed signs of improvement amid stability. The Company maintained a normal status in strategic risk, reputational risk and operational risk. There was no occurrence of major risk events.

2. Analysis of solvency margin ratio movement

As at the end of Q2 2024, the comprehensive and core solvency margin ratios of the Company stood at 220.0% and 172.5% respectively, up by 1.8pt and 2.4pt respectively from the end of the previous quarter. Of this, actual capital rose by 2.0bn yuan from the previous quarter, mainly due to impact of net profit, other comprehensive income and profit distribution.

Minimum capital for insurance risk increased by 230mn yuan from the preceding quarter, mainly because of higher retained premiums from commercial property insurance, liability insurance and agricultural insurance in the previous 12 months, which raised minimum capital requirement for premium risk; on the other hand, the combined ratio of auto insurance improved in the past 6 months, which lowered the applicable factor and this in turn led to a slight decrease in minimum capital for premium risk; minimum capital for reserve risk increased, due to growth of outstanding claims reserve for liability insurance and commercial property insurance.

Minimum capital for market risk rose by 890mn from the preceding quarter, largely due to increased risk exposure of overseas stocks and other securities investment funds.

Minimum capital for credit risk climbed by 60mn from the preceding quarter, largely due to increased risk exposure of outward reinsurance assets and bank term deposits, which raised minimum capital requirement for counter-party default risk.

The Company sets its solvency risk upper limits and risk indicators based on its risk profile and appetite, and tracks them on a regular basis. In the meantime, it continued to ensure stable and solid solvency positions via enhanced business quality control, improved capability in risk identification and management, and optimised asset and business mix, etc.

3. Analysis of changes to liquidity risk indicators

(1) Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e., LCR1 and LCR2 in the next 3 months and 12 months under the base and stress scenarios respectively were above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from operating activities in the past 2 quarters consistently not lower than the regulatory minimum of -30%. On a YTD basis, net cash inflows of the Company amounted to 2.47bn yuan. Of this, net cash inflow from operating activities was 5.36bn yuan; net cash outflow from investment activities 4.55bn yuan; net cash inflow from financing activities 1.66bn 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 benefits payments. Besides, the Company allocates in its SAA a certain proportion of 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.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Life Insurance Co., Ltd.

2nd Quarter of 2024

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:	71 Shouning Road, Huangpu District, Shanghai, China
Registered capital:	8.6282bn yuan
Business license number:	000015
Date opening for business:	November 2001
Business scope:	Life/health insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, personal accident insurance, etc.; reinsurance of the above said insurance; statutory life/health insurance; agency and business dealings with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by The Insurance Law and relevant laws and regulations; international insurance activities as approved; other international insurance business as approved by the former CIRC. [To conduct business subject to approval according to laws and regulations, permission of relevant departments is required.]
Business territories:	Beijing, Shanghai, Tianjin, Chongqing, Heilongjiang Province, Jilin Province, Liaoning Province, Hebei Province, Shanxi Province, Shandong Province, Anhui Province, Jiangsu Province, Zhejiang Province, Fujian Province, Jiangxi Province, Guangdong Province, Hainan Province, Guangxi Zhuang Autonomous Region, Hunan Province, Hubei Province, Henan Province, Yunnan Province, Guizhou Province, Sichuan Province, Shaanxi Province, Gansu Province, Xinjiang Uygur Autonomous Region, Ningxia Hui Autonomous Region, Inner Mongolia Autonomous Region, Qinghai Province (with

offices in 5 vice-provincial level municipalities such as Dalian, Qingdao, Ningbao, Xiamen, Shenzhen, where the insurance regulator also has branch offices)

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

CONTENTS

I. BOARD AND MANAGEMENT STATEMENT	8
II. BASIC INFORMATION	9
III. KEY INDICATORS	20
IV. RISK MANAGEMENT CAPABILITIES	23
V. INFORMATION ON IRR (DIFFERENTIATED SUPERVISION)	25
VI. MANAGEMENT ANALYSIS AND DISCUSSIONS	28

I. Board and management statement

(I) Board and senior management statement

The report has been approved by the board of directors. The board 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) Information on review of the report by the board

1. Voting results by directors

Name of directors	For	Against	Abstain
MA Xin	✓		
SU Shaojun	✓		
LI Jinsong	✓		
ZHANG Yuanhan	✓		
PAN Yanhong	✓		
Total	5		

Note: Mark “✓” in corresponding blanks according to opinions of directors.

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

no)

II. Basic information

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

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

Types of shareholders	As at the beginning of the reporting period			Change			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	14,733.69	1.708	-	-	-	-	14,733.69	1.708
Domestic legal person								
Foreign	-	-	-	-	-	-	-	-
Natural person	-	-	-	-	-	-	-	-
Others (listed company)	848,086.31	98.292	-	-	-	-	848,086.31	98.292
Total	862,820	100	-	-	-	-	862,820	100

2. De facto controller

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

3. Shareholding information and related party relations as at the end of the reporting period

Information on shareholders (by descending order of shareholding percentage as of the end of the reporting period, unit: 10,000 shares or RMB yuan 10,000)

Names of shareholders	Types of shareholders	Change to shareholding or contribution during the reporting period	Shares held as at the end of the reporting period	Shareholding percentage as at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Listed company	-	848,086.31	98.292	-
Shenergy Group Co., Ltd.	State-owned	-	4,711.59	0.546	-
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned	-	4,689.24	0.544	-
Shanghai Haiyan Investment Management Company Limited	State-owned	-	3,218.11	0.373	-
Yunnan Hehe (Group) Co.,	State-owned	-	2,114.75	0.245	-

Ltd.

Related party relations
between shareholders

Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.

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 headquarters

1. Basic information of directors, supervisors and senior management at headquarters

(1) Directors

As of the end of June 2024, the 7th Board of Directors¹ of the Company has 5 directors in total:

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Director of the Company since March 2018 (approval document: CIRC [2018] No. 320). Mr. MA currently serves as Director of the Company, Vice President of CPIC Group, and Chairman of CPIC Health. He previously served General Manager of Shaanxi Branch of CPIC Life, General Manager of Strategic Planning Department, Director of Strategic Transformation Office, Transformation Director, and Board Secretary of CPIC Group, Director of CPIC P/C, and Director of Changjiang Pension.

Mr. SU Shaojun, born in February 1968, holds a PhD degree and designation of senior engineer. He has been serving as Director of the Company since December of 2021 (approval document: CBIRC [2021] No. 1033). Mr. SU currently serves as Director of the Company, Board Secretary of CPIC Group and Director of CPIC P/C. Previously, he served as Assistant General Manager and Deputy General Manager of the Underwriting Department, Deputy General Manager and General Manager of Beijing Branch, General

¹ On 12 July 2024, the Company received the Approval of Appointment Qualifications of LI Jinsong as Director of China Pacific Life Insurance Co. Ltd by the National Financial Regulatory Administration (NFRA) (approval document: NFRA[2024]No. 479). NFRA approved Mr. Li Jinsong's qualification as a Director of the Company. At the same time, CAI Qiang (John) ceased to serve as Director of the Company.

Manager of Development Planning Department, head of the Board Office, head of the Office of the Board of Supervisor, General Manager of Telemarketing Department of CPIC P/C, head of the Strategic Research Center and Deputy Transformation Director of CPIC Group.

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 been serving as Director of the Company since March 2018 (approval document: CIRC [2018] No.327). Mr. ZHANG is Director, Acting Chief Actuary of the Company, Chief Actuary and Finance Responsible Person of CPIC Group, Director of CPIC P/C, and Director of CPIC Health. Mr. ZHANG 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., Chief Risk Officer and Chief Actuary of CPIC Health, and Director of CPIC AMC.

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

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

Responsible Person² of the Company, Director of CPIC AMC, 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, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Director of CPIC Health and Changjiang Pension respectively, and Chairman of CPIC Capital.

(2) Supervisors

As of the end of June 2024, 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 Transformation Director of the Company. Previously, he served as Director of Individual Business Department of CPIC Life Shandong Branch, member of the Party Committee and Deputy General Manager of CPIC Life Shandong Branch, General Manager of Individual Business Marketing Department and Individual Business Management Department of the Company, Party Secretary/ General Manager of CPIC Life Henan Branch, concurrently Party Secretary/ General Manager of CPIC Life Yudong Branch, General Manager of Individual Business Planning Department/ Career Agent Management Department of the Company.

Mr. ZHANG Weidong³, born in October 1970, holds a bachelor's degree. He has been serving as Chairman of the Board of Supervisors of the Company since May 2024 (approval document: approval document: NFRA [2024] No.297). Mr. ZHANG currently serves as Compliance Responsible Person, General Counsel and Chief Risk Officer of CPIC

² On 18 July 2024, the Company received the Approval of Appointment Qualifications of LI Jinsong as General Manager of China Pacific Life Insurance Co. Ltd by the NFRA (approval document: NFRA [2024] No. 489). NFRA approved Mr. LI Jinsong's qualification as General Manager of the Company. At the same time, Ms. PAN Yanhong ceased to serve as Acting Responsible Person of the Company.

³ The Board of Supervisors of the Company received resignation in writing of Mr. SUN Peijian on 19 January 2024. Mr. SUN proposed to resign as Chairman of the Board of Supervisors and Supervisor of the Company due to retirement. Because of his resignation, the number of supervisors of the Company will fall below the minimum required level as per laws and regulations. Therefore, the Company adopted a proposal that Mr. SUN should continue to perform his duties until his successor, Mr. ZHANG Weidong, obtained regulatory approval for appointment qualification as a supervisor on 28 April. The 7th Board of Supervisors of the Company convened its 26th session (extraordinary) on 14 May, at which Mr. ZHANG Weidong was elected Chairman of the 7th Board of Supervisors.

Group, Chairman of the Board of Supervisors of CPIC P/C, Director of CPIC Health, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as Director and Board Secretary of the Company, General Manager of Legal and Compliance Department, head of the Board Office, Risk & Compliance Officer, General Manager of Risk Management Department, and Chief Risk Officer of CPIC Group, Director and Board Secretary of CPIC P/C, Board Secretary of CPIC AMC.

Mr. ZHANG Lei, born in July 1976, holds a master's degree in economics and a designation 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 head of Office of the Board of Supervisors of the Company. Previously, he served as Deputy Director of Computerised Auditing Division, Deputy Director (in charge), Director of Social Security Audit Division, and Director of Corporate Audit Division of Shanghai Special Representative Office of National Audit Office, Chief Auditor (life insurance) of Audit Technology Department of Audit Center of CPIC Group, Chief Auditor (life insurance) of Digitalised Audit Technology Department of CPIC Group, General Manager of Investment Audit Department of CPIC Group, and Internal Audit Responsible Person of Changjiang Pension.

(3) Senior management at headquarters

As of the end of June 2024, the Company has 12 members of senior management in total:

Ms. PAN Yanhong currently serves as Chairman and Acting Responsible Person² of the Company. Please refer to Basic Information of Directors above for her biography.

Mr. WANG Guangjian, born in June 1965, currently serves as Executive Deputy General Manager of the Company (approval document: CBIRC Shanghai [2019] No.637), and Compliance Responsible Person (approval document: CBIRC [2023] No.85) and Chief Risk Officer of the Company. Mr. WANG previously served as Deputy Manager, Manager of the Planning and Finance Department of CPIC Urumqi Branch, Deputy General Manager of

CPIC Life Urumqi Branch, Deputy General Manager of CPIC Taiyuan Branch, General Manager of CPIC Life Shanxi Branch, General Manager of CPIC Life Shandong Branch, Assistant to Chairman of the Management Committee of CPIC Life, Deputy General Manager/ Chief Compliance Officer, Chief Risk Officer of CPIC Life, Chairman of the Board of Supervisors of CPIC Life, Executive Director and General Manager of the Group Business Center of Pacific Medical & Health Management Co., Ltd. Mr. WANG has a master's degree and holds a designation of accountant. He has been serving as Executive Deputy General Manager of the Company since August 2019, as Chief Risk Officer of the Company since July 2022, and as Compliance Responsible Person since March 2023.

Mr. WEI Lin, born in July 1972, currently serves as Deputy General Manager of the Company (approval document: CBIRC [2018] No.449), Executive Director and General Manager of Pacific Elderly Care Investment Management Co., Ltd., Chairman of Pacific ORPEA (Shanghai) Elderly Care Service Co., Ltd., Director of CPIC (Dali) Elderly Home Co., Ltd., and Executive Director of Pacific Medical & Health Management Co., Ltd. Mr. WEI previously served as Chief Staff Member of the CIRC Chengdu Office, Deputy Director of the General Management Division of CIRC Sichuan Bureau, Deputy Director of the General Office of CIRC Sichuan Bureau, Deputy Director (in charge) of the Personnel and Education Division of CIRC Sichuan Bureau, Senior Manager of the Board Office of China Insurance (Holdings) Co., Ltd., General Manager of Investment Management Department of Taiping Group, and General Manager of Taiping Elderly Care Investment Company. Mr. WEI holds a master's degree. He has been serving as Deputy General Manager of the Company since June 2018.

Mr. ZHANG Yuanhan, born in November 1967, serves as Director and Acting Chief Actuary⁴ of the Company, Chief Actuary, Finance Responsible Person of CPIC Group, Director of CPIC P/C and CPIC Health respectively. Mr. ZHANG 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

⁴ Mr. ZHANG Yuanhan concurrently serves as Acting Chief Actuary of the Company, which, under Provisions on Appointment Qualifications of Directors, Supervisors and Senior Management of Insurance Companies, has been filed with the regulator for information and requires no appointment qualification approvals.

(Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd, Deputy General Manager, CFO, Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd, Chief Actuary and Chief Risk Officer of CPIC Health, and Director of CPIC AMC. Mr. ZHANG has a master's degree, and is member of the Society of Actuaries and American Academy of Actuaries respectively, and Director of China Association of Actuaries. He has been serving as Acting Chief Actuary of the Company since June 2024.

Mr. YE Peng, born in March 1972, currently serves as Deputy General Manager of the Company (approval document: CBIRC Shanghai [2019] No.638), Finance Responsible Person (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 Assistant General Manager, CFO, Board Secretary, and Deputy General Manager of Changjiang Pension. Mr. YE has a master's degree, holds the designation 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 as Deputy General Manager and Finance Responsible Person of the Company in August 2019.

Mr. LI Jinsong⁵, born in June 1969, currently serves as Deputy General Manager of the Company (approval document: CBIRC Shanghai [2020] No. 781) and Director of Changjiang Pension. 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 Marketing Director of CPIC Group and General Manager of the Strategic Customer Department of CPIC Group. Mr. LI holds a master's degree. He took up his current position as Deputy General Manager of the Company in December 2020.

Mr. DAI Chuanjiang, born in September 1973, currently Assistant General Manager of the Company (approval document: CBIRC Shanghai [2019] No. 662) and General Manager of South China Unit of the Company. Mr. DAI previously served as Assistant Manager,

⁵ On 18 July 2024, the Company received the Approval of Appointment Qualifications of LI Jinsong as General Manager of China Pacific Life Insurance Co. Ltd by the National Administration of Financial Supervision (NFRA) (approval document: NFRA [2024] No. 489). NFRA approved Mr. Li Jinsong's qualification as General Manager of the Company. At the same time, Ms. PAN Yanhong ceased to serve as Acting Responsible Person of the Company.

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 General Manager, Deputy General Manager of CPIC Life Guizhou Branch, and Senior Deputy General Manager, General Manager of CPIC Life Shanghai Branch. Mr. DAI holds a bachelor's degree. He took up his current position as Assistant General Manager of the Company in August 2019.

Mr. TAI Fuchun, born in December 1967, currently serves as Assistant General Manager of the Company (approval document: CBIRC [2021] No. 745) and General Manager of North China Unit of the Company. 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 Internal Auditor of CPIC Group, and Internal Audit Responsible Person (Life Insurance) of CPIC Group. Prior to that, Mr. TAI served as an official of the General Office of the Standing Committee of the Shanxi Provincial People's Congress. Mr. TAI holds a master's degree. He took up his current position as Assistant General Manager of the Company in October 2021.

Mr. JIANG Yifeng, born in January 1978, currently serves as Board Secretary (approval document: CBIRC [2021] No. 976), Assistant General Manager (approval document: CBIRC [2021] No. 746) 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 the Office of All-around Transformation of CPIC Group, and General Manager of CPIC Life Zhejiang Branch. Mr. JIANG holds a doctoral degree. He took up his current position as Assistant General Manager of the Company in October 2021, and as Board Secretary of the Company in December 2021.

Mr. HUANG Kun, born in November 1977, currently serves as Assistant General Manager (approval document: CBIRC [2021] No. 748) and Chief Information Officer of the

Company, and Director of Shanghai Dabao Guisheng Information Technology Co. , Ltd. Mr. HUANG previously served as Technical Director and Chief Architect of Digital China Rongxin Software Co., Ltd., Vice President of Digital China Engineering Institute, Executive Director, 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. Mr. HUANG holds a bachelor's degree. He took up his current position as Assistant General Manager of the Company in October 2021.

Mr. ZHU Xuesong, born in November 1969, 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, head 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. Mr. ZHU holds a bachelor's degree. He took up his current position as Assistant General Manager of the Company in December 2021.

Mr. YU Yun, born in June 1965, currently serves as Internal Audit Responsible Person of the Company (approval document: CBIRC [2021] No. 975), and Deputy Chief Internal Auditor of CPIC Group. Mr. YU previously served as General Manager of CPIC Xinjiang Karamay Central Sub-branch, Manager of the Individual 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 Administration of the Finance Bureau of Karamay City, Xinjiang. He holds a bachelor's degree and took up his current position as Internal Audit Responsible Person of the Company in December 2021.

2. Changes to directors, supervisors and senior management of headquarters

(1). Changes to directors

None

(2). Changes to supervisors

The Board of Supervisors of the Company received resignation in writing of Mr. SUN Peijian on 19 Jan. 2024. Mr. SUN proposed to resign as Chairman of the Board of Supervisors and Supervisor of the Company due to retirement. Because of his resignation, the number of supervisors of the Company will fall below the minimum required level as per laws and regulations. Therefore, the Company adopted a proposal that Mr. SUN should continue to perform his duties until his successor, Mr. ZHANG Weidong, obtained regulatory approval for his appointment qualification as a supervisor on April 28. The 7th Board of Supervisors of the Company convened its 26th session (extraordinary) on May 14th, at which Mr. ZHANG Weidong was elected Chairman of the 7th Board of Supervisors.

(3). Changes to senior management

According to the proposal reviewed and adopted at the 43rd session (extraordinary) of the 7th Board of Directors, starting from 1 April 2024, Mr. CAI Qiang (John) ceased to serve as General Manager (CEO) of the Company. In the absence of a successor, Ms. PAN Yanhong was designated as Acting Responsible Person of the Company and would perform the duties of general manager in the interim.

According to the proposal reviewed and adopted at the 47th session (extraordinary) of the 7th Board of Directors, starting from 13 June 2024, Ms. CHEN Xiujuan ceased to serve as Chief Actuary of the Company. Mr. ZHANG Yuanhan was designated as Acting Chief Actuary of the Company.

(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 Q2	As at the end of Q2	Change	As at the beginning of Q2	As at the end of Q2	Change
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	35,369	35,369	-	100.00	100.00	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	500,000	500,000	-	100.00	100.00	-
Pacific Health Care Management Co. Ltd.	100,000	100,000	-	100.00	100.00	-
CPIC Elderly Care Development (Chengdu) Co. Ltd.	98,700	98,700	-	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	100,600	100,600	-	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	90,000	90,000	-	100.00	100.00	-
CPIC Elderly Care (Nanjing) Co. Ltd.	44,356	44,356	-	100.00	100.00	-
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	25,000	25,000	-	100.00	100.00	-
CPIC Elderly Care (Zhengzhou) Co. Ltd.	44,850	53,350	8,500	100.00	100.00	-
CPIC Elderly Care (Beijing) Co. Ltd.	75,700	75,700	-	100.00	100.00	-
CPIC Elderly Care (Wuhan) Co. Ltd.	98,000	98,000	-	100.00	100.00	-
CPIC Health Management (Sanya) Co. Ltd.	35,888	35,888	-	100.00	100.00	-
CPIC Elderly Care (Guangzhou) Co. Ltd.	34,867	36,500	1,633	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	-	13.21	13.21	-
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	-	20.00	20.00	-

Note: Shareholding percentages of Shanghai Shantai Health Care Technology Co. Ltd. and Lianren Health Care Big Data Technology Co. Ltd. were based on subscribed capital contribution. As at 30 June 2024, the change of registered capital was not fully paid in, and based on paid-in capital, the shareholding of the Company was 14.66% and 24.37% respectively.

(IV) Breaches and penalties during the reporting period

1. Administrative penalties the Company and its directors, supervisors and senior management of headquarters received from financial regulators or other government departments.

None during the reporting period.

2. Misconduct by directors, supervisors, management at department level and above of headquarters and senior management of provincial-level branches which triggered judicial proceedings

None during the reporting period.

3. Regulatory measures taken by NFRA (former CBIRC) against the Company during the reporting period

During the reporting period, there was no regulatory measures against the Company by the NFRA. However, certain local branches of the regulator took regulatory measures against the Company: Hejin Sales Service Outlet of Yuncheng Key Sub-branch of Shanxi, Hainan Branch, Ledong Sales Service Outlet of Hainan, Lingshui Sales Service Outlet of Hainan, Qinghai Branch, Nanchong Key Sub-branch of Sichuan, Dali Key Sub-branch of Yunnan, Karamay Key Sub-branch of Xinjiang, Baijiantan Sub-branch of Karamay City of Xinjiang, and Shenzhen Branch each received an administrative penalty; besides, Hechi Key Sub-branch of Guangxi, Guangxi Branch, and Guigang Key Sub-branch of Guangxi each received a Regulatory Notice; Meizhou Key Sub-branch of Guangdong, Guangdong Branch, Panzihua Key Sub-branch of Sichuan, Qingdao Branch, Beijing Branch and Ji'an Key Sub-branch of Jiangxi each received a Regulatory Opinion Letter.

III. Key indicators

(I) Key solvency metrics

unit: 10,000 RMB yuan

Indicators	As at the end of the reporting quarter	As at the end of the preceding quarter	Next quarter estimates
Admitted assets	216,426,176	207,023,231	220,308,474
Admitted liabilities	183,594,358	176,617,978	188,277,402
Actual capital	32,831,818	30,405,253	32,031,073
Tier 1 core capital	17,374,066	15,552,184	16,748,146

Tier 2 core capital	2,000,000	1,199,836	2,000,000
Tier 1 supplement capital	13,452,687	13,648,437	13,274,202
Tier 2 supplement capital	5,065	4,796	8,725
Minimum capital	15,991,942	15,531,879	16,391,413
Minimum capital for quantifiable risks	16,213,573	15,747,133	16,618,580
Minimum capital for control risk	-221,631	-215,254	-227,167
Supplement capital	-	-	-
Core solvency margin	3,382,124	1,220,141	2,356,734
Core solvency margin ratio (%)	121%	108%	114%
Comprehensive solvency margin	16,839,876	14,873,374	15,639,660
Comprehensive solvency margin ratio (%)	205%	196%	195%

(II) Regulatory indicators for liquidity risk

Items	As at the end of /during the reporting quarter	As at the end of /during the preceding quarter
Liquidity coverage ratio (LCR) (%)		
LCR under base scenario (LCR1)		
Next 3 months	126%	121%
Next 12 months	106%	106%
LCR under stress scenario (LCR2)		
Next 3 months	830%	633%
Next 12 months	277%	236%
LCR under stress scenario before asset disposal (LCR3)		
Next 3 months	100%	96%
Next 12 months	93%	82%
Retrospective adverse deviation ratio of net cash flows from operating activities (%)	10%	-11%
Net cash flow YTD (RMB yuan 10,000)	2,033,461	1,879,096

(III) Other indicators for liquidity risk

unit: 10,000 RMB yuan

Indicators	As at the end of /during the reporting quarter	As at the end of /during the preceding quarter
1. Net cash flow from operating activities	8,550,940	4,776,196
2. Comprehensive surrender ratio (%)	0.89%	0.50%
3-1. Net cash flow from participating accounts	1,525,232	1,135,354
3-2. Net cash flow from universal accounts	1,179,417	305,118
4. Written premiums year-on-year growth	0.31%	-2.31%
5. Ratio of cash and liquidity instruments (%)	1.79%	1.70%
6. Quarterly average financial leverage ratio (%)	3.45%	3.56%
7. Share of domestic fixed income assets rated AA (inclusive) and below (%)	2.32%	2.30%
8. Share of investments in listed stocks with a stake of 5% or above (%)	0.29%	0.31%
9. Share of receivables (%)	0.93%	0.96%
10. Share of related party assets held by the Company (%)	2.80%	4.21%

(IV) Key business metrics

unit: 10,000 RMB yuan

Indicators	As at the end of/during the reporting quarter	As at the end of the reporting quarter/YTD
Gross written premiums	6,147,317	15,315,949
Net profit	1,046,144	2,005,508
Total assets	220,306,560	220,306,560
Net assets	15,014,301	15,014,301
Insurance contract liabilities	194,330,563	194,330,563
Basic earnings per share (RMB yuan)	1.21	2.32
ROE (%)	7.36%	14.35%
ROA (%)	0.49%	0.95%
Investment yield (%)	0.76%	1.04%
Comprehensive investment yield (%)	2.32%	4.00%

Note: Gross written premiums in the table above was based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 25 - Insurance Contracts, Accounting Standard for Business Enterprises No. 26 - Reinsurance contracts promulgated by the Ministry of Finance (MoF) in 2006, and Provisions on Accounting Treatment of Insurance Contracts by MoF in 2009 (collectively referred to as "old accounting standards"). Investment yields, comprehensive investment yields, average investment yields in the past 3 years and average comprehensive investment yields in the past 3 years were prepared in accordance with relevant provisions of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results under the old accounting standards. Net profit, total assets, net assets, and insurance contract liabilities were prepared according to Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standard for Business Enterprises No. 24 - Hedge Accounting and Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts (hereinafter referred to as the "new insurance standards") amended and issued by MoF in 2017 and 2020 sequentially. Basic earnings per share, ROE and ROA were prepared according to relevant provisions of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results under the new accounting standards.

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

Indicators	Results
Average investment yield in the past 3 years (%)	3.71%
Average comprehensive investment yield in the past 3 years (%)	3.23%

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. In the first half of 2024, its written premiums amounted to 170.1bn yuan, with total assets of 2,203.1bn yuan as of the end of Q2, 2024, and 35 provincial-level branches.

(II) Results of the last SARMRA evaluation

In 2022, the regulator carried out a SARMRA evaluation of the Company, which scored 84.50 points. Of this, infrastructure and environment of risk management was 17.06 points, targets and instruments of risk management was 8.89 points, insurance risk management was 8.43 points, market risk management was 8.36

points, credit risk management was 8.37 points, operational risk management was 8.39 points, strategic risk management was 8.4 points, reputation risk management was 8.28 points, liquidity risk management was 8.32 points.

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

The Company attaches great importance to risk management. It identifies gaps in solvency risk management systems and takes effective remedial actions to enhance solvency risk management based on findings of regulatory assessment of its peers as well as those of its own internal audits. Below is a summary of what was done in Q2 2024.

First, released risk appetite statement and risk tolerance indicators for 2024, carried out daily risk monitoring and control, with results reported to senior management on a quarterly basis.

Second, organised dedicated training for operational risk management to improve management of the risk, raised operational risk awareness of “the 1st and 2nd lines of defense”, and faithfully implemented relevant regulatory requirements.

In Q3 of 2024, the Company intends to focus on the following areas for its solvency risk management.

First, initiate SARMRA self-assessment to review the soundness of rules and effectiveness of adherence of the risk management system of the Company.

Second, strengthen IRR capabilities of branch offices to improve their overall risk management.

(IV) Information on SARMRA self-assessment

Not applicable during the reporting period.

V. Information on IRR (differentiated supervision)

(I) Results of IRR in the previous two quarters

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an AA rating of the Company for both Q1 of 2024 and Q4 of 2023.

(II) Measures taken or to be taken for rectification

The Company continued to enhance the IRR testing system, ensured risk early warning in a timely manner via the monitoring and analysis of changes to metrics on a regular basis; in the meantime, it 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-ups on remedial actions. To date, the Company has issued a number of management policies on IRR, followed by amendments according to regulatory requirements, implemented quarterly data filing and internal rating of branches and put in place long-term mechanisms for the work. At the same time, a dedicated IRR management system is in use, covering data filing, data analysis, rectification and reporting.

Going forward, it will strengthen control of risks in business operation, focusing on root-causes and the front-line business, and use IRR to motivate branch offices in compliance and basic management.

(III) Self-assessment of operational risk, strategic risk, reputational risk and liquidity risk

As per requirements for IRR under C-ROSS II, the Company continued to strengthen its testing and evaluation system for IRR, 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 IRR, the Company organises, on a quarterly basis, a self-review of operational risk, strategic risk, reputational risk and liquidity risk involving relevant departments so as to evaluate their 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 effective control, and no material flaws or triggers of risks were detected.

2. Status of unquantifiable risks

In operational risk, the Company issued Regulations on Operational Risk Management and relevant supportive policies, which clearly defined the responsibility of operational risk management and established day-to-day risk mitigation mechanisms. The Company continuously monitored and analysed its operational risk status using management tools such as self-assessment, operational risk data loss recovery and key risk indicators. The Company strived for a matrix-based compliance risk management system, with branches focusing on coordination, vertical functions bearing primary responsibilities, and all departments and positions getting involved. This matrix approach ensures optimal mechanisms for ownership of the objectives and sharing of resources and responsibilities relating to compliance and risk control. The Company continued to increase the use of IT in operational risk control so that operational execution in key areas can be controllable and traceable. The Company takes risk screening seriously: all head-office departments and branches are supposed to carry out various risk assessments from time to time as per regulatory and corporate rules. In Q2 2024, monitoring of key risk indicators and data loss recovery indicated that the Company's overall operational risk was manageable.

On the side of reputational risk, in January 2024, the Company issued the revised Implementation Rules on Reputational Risk Management as per C-ROSS II requirements to further improve the governance structure and work mechanisms of reputational risk management. It set great store by risk screening, conducted risk screening on a regular basis or ad hoc to strengthen at-source control of negative media publicity; set up the working group for reputational risk management at headquarters level, with full-time/part-time reputational risk management positions

in each department at head-office level and branches in order to improve coordination in media response; conducted training and drills as an important part of daily media management. In the first half of 2024, the Company monitored, detected and handled 91 reports (original) of adverse publicity on the media, lower than that for the same period in 2023. Of this, there were 26 Level III reports and 65 Level IV reports, representing 28.6% and 71.4% of the total respectively. There were no Level I or II or major incidents, indicating manageable reputational risk. Self-media and social media remained a high-risk area. In terms of content, the share of mis-selling and claims disputes, as well as regulatory administrative penalties was relatively high.

As for strategic risk, the implementation of strategies of the Company is in a healthy status. In terms of risk factors which may impact its business operation and fulfillment of its strategic objectives, China's economic recovery remained on track, but not yet on a secure footing; the life insurance market faces challenges amid tightening of financial regulation and secular decline of interest rates. In response to changes of the market environment, the Company persisted in the Changhang Transformation. While consolidating achievements in its first phase, the Company embarked on the second phase of transformation to build a customer-oriented cycle of value creation, and to push for the "full establishment" of the new paradigm. At the same time, the Company continued to boost channel diversification underpinned by new models for the agency channel, bancassurance and the group channel; improved the supply of products/services based on the Golden Triangle system; optimised ALM to forestall negative spread; strived to foster a dynamic organisation of "customer orientation, agile evolution and value creation" so as to stimulate organisational vitality; enhanced risk management, compliance management and internal control to safeguard the transformation. Going forward, it will deepen the second phase of Changhang Transformation to maximise value creation for customers.

With respect to liquidity risk, the Company established a cash flow management system for investment accounts covering assets and liabilities, front-line departments and back-office departments. To be concrete, the system includes the projection, review, analysis and transfer of cash flows of investment accounts. It conducts account-specific

cash flow projections at year-end, month-end and in the event of material adjustment of its business plans, with analysis of discrepancies between actual cash flows and projections. It also sets limits on discrepancies depending on size of accounts and profiles of liabilities. In the event of breaches of such tolerances, a detailed explanation for material cash flow discrepancies is required. Meanwhile, the Company conducts liquidity emergency drills on a regular basis to ensure effective response in cases of risk incidents; put in place mechanisms for early warning, with the focus shifting from crisis handling to early warning and prevention, which can enhance overall liquidity risk management. LCRs under all scenarios were solid. Relevant indicators showed that the liquidity management of the Company was sound and effective, with the liquidity risk overall under control.

VI. Management Analysis and Discussions

(I) Changes to solvency analysis this quarter

As of the end of this quarter, the core solvency margin ratio of the Company was 121%, with a margin of 33.82124bn yuan, up by 13pt from the previous quarter; comprehensive solvency margin ratio of the Company was 205%, with a margin of 168.39876bn yuan, up by 9pt from the previous quarter. Reasons for change are as follows:

1. As of the end of the quarter, actual capital amounted to 328.31818bn yuan, versus 304.05253bn yuan of the previous quarter, up by 8.0%, mainly due to:

(1) Core capital increased by 26.22046bn yuan in the quarter as a result of issuance of perpetual bonds, capital market volatility, profit distribution, and changes to insurance contract liabilities under solvency reporting.

(2) Supplement capital decreased by 1,954.81mn yuan.

2. As of the end of this quarter, minimum capital amounted to 159.91942bn yuan, versus 155.31879bn yuan as of the end of the previous quarter, up by 3.0%, mainly due to:

(1) During the quarter, minimum capital for life insurance rose by 3,298.11mn yuan, and that for non-life insurance by 30.83mn yuan;

(2) During the quarter, minimum capital for market risk increased by 900.69mn yuan, and of this, that for interest rate risk fell by 1,206.74mn yuan, that for equity price

risk dropped by 1,144.79mn yuan, and that for overseas asset price risk increased by 4,676.37mn yuan;

(3) During the quarter, minimum capital for credit risk increased by 1,365.86mn yuan, and of this, that for credit spread rose by 3,923.28mn yuan, and that for default risk of counter-parties fell by 1,554.57mn yuan;

(4) Risk diversification effect and loss absorption increased by 931.09mn yuan, which decreased minimum capital requirement accordingly;

(5) Subtraction from minimum capital by control risk increased by 63.77mn yuan from the preceding quarter.

(II) Changes to regulatory liquidity risk indicators

LCR for the next 3 months was 126%, and that for the next 12 months 106%, which can satisfy the minimum requirement of 100%. The LCR in the next 12 months under the stress scenario after and before disposal of assets was 277% and 93%, respectively, staying solid.

(III) Analysis of changes to IRR

As per notice of the regulator, the Company was rated AA at the IRR for Q1 2024, maintaining an A-class rating. In recent years, it continued to implement new rules on IRR under C-ROSS II, put in place long-term work mechanisms, enhanced rectification and early-warning of indicators; at the same time, it pressed ahead with the Changhang Transformation and strived to address various risks via strategic transformation. Going forward, the Company will stay focused on the long term, uphold compliance in business operation, strengthen risk control and accelerate high-quality development.

Summary of Quarterly Solvency Report (Excerpts)

Pacific Health Insurance Co., Ltd.

2nd Quarter of 2024

Company overview and contact information

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

Contents

I. BOARD AND MANAGEMENT STATEMENT.....	4
II. BASIC INFORMATION.....	5
III. MAIN INDICATORS.....	11
IV. RISK MANAGEMENT CAPABILITIES.....	13
V. INTEGRATED RISK RATING (DIFFERENTIATED SUPERVISION).....	14
VI. MANAGEMENT ANALYSIS AND DISCUSSIONS.....	16

I. BOARD AND MANAGEMENT STATEMENT

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

1. Voting results by directors

Name of directors	For	Against	Abstain
MA Xin	✓		
MA Boyong	✓		
WANG Yong	✓		
ZHANG Weidong	✓		
ZHANG Yuanhan	✓		
CHEN Xiujuan	✓		
Total	6		

Note: Tick “ ✓ ” in corresponding blanks according to opinions of directors.

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

II. Basic information

(I) Ownership structure and shareholders

1. Ownership structure

Types of shareholding	Shares or contribution as at the end of the reporting period (unit: 10,000 shares)	Percentage (%)	Shares or contribution as at the beginning of the reporting period (unit: 10,000 shares)	Percentage (%)
Domestic legal persons	360,000.00	100.00	360,000.00	100.00
Domestic natural persons	-	-	-	-
Foreign	-	-	-	-
Others	-	-	-	-
Total	360,000.00	100.00	360,000.00	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 as at the end of the reporting period (%)
China Pacific Insurance (Group) Co., Ltd.	306,183.60	85.051
China Pacific Life Insurance Co., Ltd.	53,816.40	14.949

3. Shareholding by directors, supervisors and senior management

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

4. Share transfer during the reporting period

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

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (6 in total)

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Chairman of the Company since January 2021 (approval document: CBIRC [2021] No.4). 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, General Manager of the Strategic Planning Department, Head of Strategic Transformation Office, Transformation Director, and Board Secretary of CPIC Group, Director of CPIC P/C, and Acting Responsible Person of the Company.

Mr. WANG Yong, born in July 1974, holds a master's degree. He has been serving as Director of the Company (approval document: CBIRC [2021] No.942) since December 2021. Mr. WANG currently serves as Head of the Party Committee Inspection Group 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 CPIC Group, General Manager of Employee Affairs Department of CPIC Group, Deputy Head of the Party Committee Office of CPIC Group, Head of the Party and People Department of 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, and Head of the Strategic Research Center of CPIC Group.

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, General Counsel and Chief Risk Officer of CPIC Group, Chairman of the Board of Supervisors of CPIC P/C, Chairman of the Board of Supervisors of CPIC Life, and Director of CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal & Compliance Department, Head of the Board Office, General Manager of Risk Management Department, Risk & Compliance Officer and Chief Risk Officer of CPIC Group, and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC, respectively, and Director of CPIC P/C and CPIC Life, respectively.

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, Director of CPIC P/C, Director and Acting Chief Actuary of CPIC Life. Mr. ZHANG previously served as Chief Actuary, Acting Actuarial Responsible Person, Chief Risk Officer of the Company, Director of CPIC AMC and CPIC Capital respectively, 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.

Mr. MA Boyong, born in October 1967, holds a master's degree and the designation of engineer. Mr. MA began to serve as Director of the Company in October 2023 (approval document: NFRA[2023] No. 362). Mr. MA currently serves as General Manager of Technology Management Department of CPIC Group and Director of CPIC Technology. Previously, he served as Section Head and Assistant General Manager of Information Technology Department of CPIC Group, Assistant General Manager of CPIC P/C Shanghai Branch, General Manager of IT Application Management Department of CPIC Group, General Manager of Information Security and Internal Control Management Department of CPIC Group, Deputy Head of Digitalisation Office of CPIC Group, Head of the Preparatory Team of Chengdu R & D Centre of CPIC Group and General Manager of IT Design Department of CPIC Group.

Ms. CHEN Xiujuan, born in June 1971, holds a master's degree and has professional qualifications of a Chinese actuary. She has been serving as Director of the Company since October 2023 (approval document: NAFR [2023] No.362). She previously served as deputy head of Actuarial Section of the Actuarial Department of CPIC Life, senior specialist, Assistant General Manager (in charge), Deputy General Manager (in charge), General Manager of the Actuarial Department and Chief Actuary of CPIC Life. During her employment with CPIC Life, Ms. CHEN also worked at the Actuarial Department of AIA Singapore as a visiting actuary.

2. Supervisors (3 in total):

Mr. GU Qiang, born in January 1967, holds a master's degree and designation 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 Finance Responsible Person of 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 Internal Control, 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 Business Division of Internal Audit Center 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 Chairman of the Trade Union, and Senior Director of Key Account Business Center of the Company. Previously, she served as General Manager of Shanghai Branch, General Manager of Sales Management Department and General Manager of Individual Life Insurance Cooperation Business Centre 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/ 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 at head-office level (6 in total)

Mr. SHANG Jiaoyan, born in March 1978, holds a bachelor's degree, and has been serving as General Manager of the Company since May 2023 (approval document: CBIRC [2023] No. 293). Previously, Mr. SHANG served as Vice President of Tencent WeSure, Marketing Director and General Manager of Individual Business Division of Ping An Health Insurance Company, Deputy General Manager (in charge) of Ping An Health Insurance Company Beijing Branch, and Head of Sales of Ping An Health Insurance Company Beijing Branch.

Mr. LI Jieqing, born in November 1968, holds a bachelor's degree. 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 (no approval document), and Compliance Responsible Person of the Company since January 2024 (approval document: NAFR [2024] No.42). Mr. LI also serves as Director of Shanghai Proton & Heavy Ion Hospital. Previously, Mr. LI served as Director of Risk and Compliance, Compliance Responsible Person and General Manager of Risk Management Department of CPIC Group, Director of CPIC P/C, CPIC Life, CPIC AMC and the Company, respectively.

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 currently Council Member of Shanghai Pacific Blue Charity Foundation. Previously, Mr. ZHOU served as General Manager of Human Resources and Comprehensive Management Department of Information Technology Center of CPIC Group, Deputy Head of Cadre and Personnel Division of Shanghai Municipal Commission of Financial Industry (on seconded basis), 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. He previously served as secretary of the Secretariat of the General Administration 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, 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 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), serving as the Chief Actuary of the Company since August 2022 (approval document: CBIRC [2022] No.532) and Board Secretary the Company since August 2022 (no approval required). Previously, she served as head of the Actuarial Management Section 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 and Acting Actuarial Responsible Person of the Company.

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

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

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

There was no change during the reporting period.

(V) 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 the reporting quarter	As at the end of the previous quarter	Next quarter estimates
Admitted assets	1,149,935.71	1,318,173.64	1,164,541.22
Admitted liabilities	774,419.92	953,809.30	778,207.37
Actual capital	375,515.80	364,364.34	386,333.85
Tier-1 core capital	298,770.24	290,143.52	301,177.84
Tier-2 core capital	19,633.27	18,070.24	24,129.65
Tier-1 supplement capital	57,055.03	56,150.57	60,955.99
Tier-2 supplement capital	57.26	0.00	70.37
Minimum capital	146,909.78	142,060.01	154,687.34
Minimum capital for quantifiable risks	145,797.93	140,984.86	153,516.63
Minimum capital for control risk	1,111.85	1,075.14	1,170.71
Minimum capital for supplement capital	-	-	-
Solvency margin			
Core solvency margin	171,493.73	166,153.76	170,620.15
Comprehensive solvency margin	228,606.02	222,304.33	231,646.51
Core solvency margin ratio (%)	217	217	210
Comprehensive solvency margin ratio (%)	256	256	250

(II) Regulatory indicators for liquidity risk

Indicators	During the reporting quarter	During the previous quarter on a comparable basis
Actual net cash flow (unit:10,000 yuan)	17,145.21	4,005.76
Retrospective adverse deviation ratio of net cash flows from operating activities (%)	271	-690
Overall liquidity coverage ratio under base scenario (next 3 months)(%)	134	106
Overall liquidity coverage ratio under base scenario (next 12 months)(%)	108	107
Overall liquidity coverage ratio under stress scenario - mandatory (next 3 months)(%)	594	667
Overall liquidity coverage ratio under stress scenario - mandatory (next 12 months)(%)	174	213
Overall liquidity coverage ratio under stress scenario - self-assessment (next 3 months)(%)	497	539

Overall liquidity coverage ratio under stress scenario - self-assessment (next 12 months)(%)	229	222
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 3 months)(%)	202	168
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 12 months)(%)	82	91
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 3 months)(%)	222	196
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 12 months)(%)	167	154

(III) Other indicators for liquidity risk

Indicators	As at the end of /during the reporting quarter	As at the end of /during the previous quarter on a comparable basis
Net cash flows from operating activities (unit: 10,000 yuan)	11,155.00	-10,837.43
Comprehensive surrender ratio(%)	0.17	0.10
Net cash flows from participating/universal accounts	-	-
Written premiums year-on-year growth (%)	92.12	102.75
Share of cash flow and liquidity management tools (%)	4.23	2.39
Quarterly average financial leverage ratio (%)	3.74	4.38
Share of domestic fixed income assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above (%)	-	-
Share of receivables (%)	18.44	29.62
Share of related party assets held by the Company (%)	5.45	4.75

(IV) Key business metrics

unit: 10,000 yuan

Indicators	As at the end of the reporting quarter/during the reporting quarter	As at the end of the reporting quarter/YTD
Gross written premiums	180,821.14	389,440.32
Net profit	976.21	4,275.40
Total assets	959,555.01	959,555.01
Net assets	338,754.39	338,754.39
Insurance contract liabilities	445,868.41	445,868.41
Basic earnings per share (yuan)	0.00	0.01
ROE (%)	0.29	1.27
ROA (%)	0.10	0.46

Investment yield (%)	1.02	1.72
Comprehensive investment yield (%)	1.59	2.99

Note: Net profit, total assets, net assets, and insurance contract liabilities listed above were disclosed according to the Financial Report (which was prepared based on Chinese accounting standards such as 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 afore-mentioned indicators.

(V) Average investment yield and average comprehensive investment yield in the past three years

Average investment yield and average comprehensive investment yield of the Company in the past three years were 4.26% and 3.18%, respectively.

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of June 2024, its total assets reached 11,649.3856 million yuan, with written premiums amounting to 1,569.5761 million yuan in the first half of 2024. 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.

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

In Q2 2024, the Company's Board of Directors reviewed and approved amendments to the solvency risk management policy, as well as rules on the management of insurance, market, liquidity, operational, reputational, and strategic risks.

The board also approved the Company's 2024 risk appetite statement and risk tolerance, and formulated specific indicators and limits under the 2024 risk limit system based on the risk appetite framework and realities of the Company, so as to forestall major risks. The risk limit system covered all types of risks faced by the Company, the whole process of insurance business, health services, investment business, operational management and all personnel involved, focusing on imposing effective "constraints" on key businesses and key areas.

The Company carried out risk handling for indicators that breached the risk limits in Q1: risk control measures for cash-flow-related indicators included refining cash flow management

and improving the accuracy of cash flow forecasts, etc.; risks relating to the combined ratio were mitigated through premium adjustment, claims analysis, and optimisation of business mix.

In Q2 2024, risk management regulations and processes of the Company were effectively implemented and no major risk events occurred.

(III) Results of Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 80.15 points at SARMRA assessment for 2022. To be specific, it consisted of 16.29 points for risk management infrastructure and environment, 7.69 points for risk management objectives and tools, 7.98 points for insurance risk management, 8.14 points for market risk management, 8.13 points for credit risk management, 8.16 points for operational risk management, 7.81 points for strategic risk management, 7.89 points for reputational risk management, and 8.06 points for liquidity risk management.

V. Integrated risk rating (differentiated supervision)

(I) IRR results in the previous two quarters

The Company was rated BB at the IRR (differentiated supervision) by the regulator for Q1 of 2024 and Q4 of 2023, which met regulatory requirements in solvency, with a low level of operational risk, reputational risk, strategic risk and liquidity risk.

(II) Measure taken or to be taken for improvement

In Q2 2024, in light of Assessment Criteria for Unquantifiable Risks of Insurance Companies, the Company took control measures focusing on those operational and strategic risk indicators which, according to the self-assessment, could be improved. In terms of operational risk, it continued to enhance operational efficiency while maintaining current levels of operational turnaround and quality, focusing particularly on claims turnaround; at the same time, it further analysed causes of customer complaints and adopted key control measures. With regard to strategic risk, it completed the 2024-2026 Development Plan.

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

Liquidity risk: Liquidity risk of the Company mainly stems from claims and maturity payments on insurance contracts, daily expenditures and investment asset impairment losses. As of the end of Q2 2024, there were no circumstances which may trigger liquidity risk. The Company maintained a high proportion of highly-liquid assets, with the 5-day

liquidation ratio at sound levels, which enabled it to meet various needs for liquidity. At the same time, the Company maintained a certain level of gear ratio and financing activities to ensure sufficient borrowing in the unlikely event of emergencies. Overall, the sources of liquidity outweigh needs for liquidity, indicating a low level of liquidity deficit risk.

Operational risk: In terms of compliance and internal control, there were no breaches of regulations or administrative penalties from regulators in Q2 2024. There was zero violation of regulatory rules and zero regulatory penalty per 100 million yuan in standard premiums. On the IT side, the Company's core systems were 100% usable, and there was no financial losses incurred due to system failures. In terms of personnel, the workforce turnover was relatively low. There was no losses resulting from operational risk incidents in the area of sales, U/W, POS, claims settlement or investment, or occurrence of insurance frauds in the quarter.

Reputational risk: The Company's media monitoring system includes in-house system of the Group and third-party monitoring services, which can effectively monitor, on a daily basis, negative publicity of the Company and its insurance and investment counter-parties. In daily work, the Company strictly implements various reputational risk management processes covering prior assessment, risk handling and post-crisis accountability. In the reporting quarter, the Company did not experience any reputational risk events on mainstream or other types of media.

Strategic risk: In light of its 2024-2026 Development Plan and the 2024 annual business objectives, the Company defined its strategic positioning, paths of implementation and expected results. It has a clear strategic direction, with detailed plans for execution. Guided by its own strategic objectives and those of the Group, the Company will strive for breakthroughs on its KPIs in the next three years to pursue high-quality development. It formulated strategic decisions based on market environment to identify, assess and manage strategic risks by means of target breakdown, review of business performance on a regular basis, analysis of market conditions and its own strengths and weaknesses. In Q2 of 2024, there was no breach of limits on business metrics and no occurrence of strategic risk incidents.

VI. Management analysis and discussions

(I) Solvency Analysis

1. Actual capital

As at 30 June 2024, actual capital of the Company amounted to 3,755.1580 million yuan, an increase of 3.1% from the previous quarter, which was mainly due to increase in surplus of insurance policies and contribution from investment.

2. Minimum capital

The minimum capital of the Company as at the end of the reporting period was 1,469.0978 million yuan, up by 3.4% from the previous quarter, mainly due to fast business growth, which led to increase in minimum capital requirement for insurance risk of life and non-life business; decrease in minimum capital requirement for interest rate risk as a result of growth of savings products; decrease in minimum capital for equity price risk due to sharply reduced holdings of portfolio asset management products and funds; changes to age mix of other receivables, which led to increase in minimum capital for credit risk. Of this, minimum capital for insurance risk of life business was 1,025.7870 million yuan, that for non-life business was 760.6345 million yuan, that for market risk 328.7230 million yuan, that for credit risk 318.3782 million yuan, diversification effect for quantifiable risk was 813.5457 million yuan, and that for control risk was 11.1185 million yuan.

3. Solvency margin ratios

As of 30 June 2024, the Company's core solvency margin was 1,714.9373 million yuan, and the core solvency margin ratio was 217%; comprehensive solvency margin was 2,286.0602 million yuan, and the comprehensive solvency margin ratio was 256%.

(II) Liquidity risk

For the reporting quarter, net cash flow was 171 million yuan, mainly because of large cash inflows from settlement of reinsurance funds in the quarter; the difference between actual net cash flow from operating activity and the estimate was 161 million yuan, meaning a retrospective adverse deviation ratio of 271%, meeting regulatory requirements. As of the

end of Q2, all liquidity coverage ratios under various scenarios and all liquidity indicators for monitoring were in compliance with regulatory requirements.

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

Summary of Quarterly Solvency Report (Excerpts)

Pacific Anxin Agricultural Insurance Co., Ltd.

2nd Quarter of 2024

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:	SONG Jianguo
Registered address	3651 Gonghexin Road, Shanghai, the PRC.
Registered capital	1.08bn yuan
Business license number	00000089
Date opening for business	September 2004
Business scope	Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short-term health and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business (business which requires approval to be conducted after such approvals are granted, subject to approval documents or permits)
Business territories	Shanghai, Jiangsu Province, Zhejiang Province.
Contact person:	LI Mao
Tel. number:	+86-21-66988703
Cell phone:	18817959847
Email:	limao-005@cpic.com.cn

CONTENTS

I. BOARD AND MANAGEMENT STATEMENT.....	4
II. BASIC INFORMATION.....	5
III. MAIN INDICATORS.....	14
IV. RISK MANAGEMENT CAPABILITIES.....	19
V. INTEGRATED RISK RATING (DIFFERENTIATED SUPERVISION).....	22
VI. MANAGEMENT ANALYSIS AND DISCUSSIONS.....	26

I. Board and management statement

(I) Board and management statement

The report has been approved by the board of directors of the Company. The board 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) Voting results by directors

Below is the voting results of directors:

Name of directors	For	Against	Abstain
SONG Jianguo	√		
MAO Xiaojun	√		
SHI Jian	√		
XING Zhibin	√		
ZHOU Hua	√		
SHEN Chun	√		
ZHANG Qiao	√		
CHEN Sen	√		
ZHOU Li	√		
Total	9		

Note: Mark "√" in corresponding blanks according to opinions of directors.

There are no directors who cannot guarantee the truthfulness, accuracy, completeness or compliance of the contents of this report, or raised any issues in this regard.

China Pacific Anxin Agricultural Insurance Company Limited

July 2024

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				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 and entity.

2. De facto controller

The Company has no de facto 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	State-owned	7,718.03	7.15%	0

Co., Ltd.

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 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 June 2024, the 4th Board of Directors of the Company has 9 directors in total:

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Chairman of the Company since February 2015 (approval document: CIRC [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 Sales Director of CPIC P/C.

Mr. MAO Xiaojun, born in March 1967, received junior college education and the designation of Accountant. He has been serving as Non-executive Director of the Company since July 2015 (approval document: CIRC [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.

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 Western 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 Marketing Director and General Manager of Strategic Account Department of CPIC Group.

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[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. ZHOU Hua, born in August 1977, holds a doctoral degree and is a Fellow of China Association of Actuaries (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 university's School of Insurance, dean of China Institute of Actuarial Science. He previously served as teaching assistant, lecturer, associate professor, deputy director of the Department of Actuarial Science, and deputy dean of the School of Insurance of CUFE. Mr. ZHOU is also a director of the China Association of Actuaries and an independent director of New China Pension Co., Ltd.

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[2019] No. 44). Mr. SHEN currently serves as Director of Management Committee of Excellent Law Firm, Chairman of Wusong General Branch of Baoshan Committee of China Democratic National Construction Association, member of the Standing Committee of the 9th Baoshan District Political Consultative Conference, Law Enforcement Supervisor of CPC Political and Legal Commission of Baoshan District, Legal Advisor of Government of Baoshan District. Mr. SHEN previously served as deputy head and partner of Shanghai Zhengming Law Firm.

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: CIRC[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 Agriculture 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 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 [2019] No. 332). Mr. CHEN currently serves as Deputy General Manager, Finance Responsible Person, and Chief Actuary of CPIC P/C. He previously served as Senior Actuarial Analyst of Finance Department of Swiss Reinsurance Company (USA), Actuary of Analysis Department of Guy Carpenter & Company, Deputy General Manager, Chief Actuary, and Finance Responsible Person of China Property & Casualty Reinsurance Company.

Ms. ZHOU Li, born in March 1979, holds a bachelor's degree and the designation of

Accountant. She has been serving as Non-executive Director of the Company since June 2022 (approval document: CBIRC [2022] No. 403). Ms. ZHOU currently serves as Assistant General Manager of Asset Management Centre of Shanghai Pudong State-owned Assets Investment Management Co., Ltd. Previously, she served as Deputy Manager of Finance Department of Shanghai Agricultural Development Asset Management Center, Head of Audit Office of Shanghai Agricultural Development Asset Management Co., Ltd., Manager of General Affairs Department of Agricultural Development Asset Management Center of Shanghai Pudong State-owned Assets Investment Management Co., Ltd.

1.2 Supervisors

As of the end of June 2024, the 4th Board of Supervisors of the Company has 6 supervisors:

Mr. CHEN Yuanliang, born in June 1971, received post-graduate university education, and has been serving as Supervisor (employee representative) and Chairman of the Board of Supervisors of the Company since September 2023 (approval document: NFRA [2023] No. 260). Mr. CHEN also serves as Vice President of Tai'an Agricultural Insurance Institute. Previously he served as General Manager of CPIC P/C Baotou Central Sub-branch, Deputy General Manager of CPIC P/C Inner Mongolia Branch, General Manager of the Agricultural Insurance Business Unit, General Manager of the Agricultural Insurance Market Development Department, and General Manager of the Agricultural Insurance Management Department of CPIC P/C, General Manager of CPIC P/C Xinjiang Branch, and Deputy General Manager of Anxin Agricultural Insurance Co., Ltd.

Ms. ZHANG Wen, born in November 1984, holds a bachelor's degree. She has been serving as Supervisor of the Company since July 2022 (approval document: CBIRC [2022] No. 403). Ms. ZHOU currently serves as Manager of Asset Management Department of Shanghai Kailun Investment Co. Ltd. She previously served as Executive Director, General Manager of Shanghai Xingbo Supplies Co., Ltd., General Manager of Business Development Management Department, Employee Representative Supervisor, and Director of Administration of Shanghai Fengxian SPD Rural Bank, Assistant President and then Deputy President of Shanghai Fengxian Branch of Ningbo Bank.

Ms. YUAN Changming, born in May 1966, holds a master's degree. She has been serving as Supervisor of the Company since April 2024 (approval document: NFRA [2024] No. 237). Ms. YUAN currently is a teacher and associate professor at the School of Management of Shangdong University, and also a certified public accountant of Shangdong SD-Audit Certified Accounts Co., Ltd., a management consultant of Tianju Enterprise Group, and an independent director of MH Robot & Automation Co., Ltd. She was previously a teacher at Bengbu Finance and Trade Vocational School, head of

the Finance Section of Shandong Inzone Group Co., Ltd, and a lecturer at Shandong University of Technology. Ms. YUAN was also concurrently a consultant at Shandong Anpurui Agriculture and Animal Husbandry Development Co., and adjunct professor at Shandong Agricultural Management College.

Mr. ZHANG Xiangdong, born in April 1966, holds a bachelor's degree in medicine and designation of agronomist. Mr. ZHANG has been serving as Supervisor of the Company since April 2024 (approval document: NFRA [2024] No. 237). Mr. ZHANG currently serves as Chairman of Shanghai Caoye Agricultural Development Co., Ltd., and Chairman of Shanghai Baida Supermarket Co., Ltd. He is also a special deputy to the People's Congress of Fengxian District, Shanghai, a special member of the Standing Committee of the People's Congress of Fengxian District, and Director of Tai'an Agricultural Insurance Institute. Previously, he was staff member of Shanghai Pharmaceuticals & Health Products Import & Export Corporation, and Corporate Development Manager of Amtek Group (Singapore).

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. MIAO Huan, born in August 1983, holds a bachelor's degree. He became Supervisor of the Company in December 2021 (approval document: CBIRC [2019] No. 973). He currently serves as Executive Director of Shanghai Huijia Venture Capital Co., Ltd. and Executive Director of Shanghai Jiading Weiye Investment Development Co., Ltd. Mr. MIAO previously served as Executive Director of Shanghai Jiading Guangwo Assets Management Co., Ltd, 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.

1.3 Senior management at head-office level

As of the end of June 2024, the Company has 8 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 Western 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 Marketing Director 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 [2016] No. 391, and CIRC [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 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.

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 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.

Mr. HUANG Xiaofeng, born in March 1971, holds a master's degree. He has been serving as Assistant General Manager of the Company (approval document: CBIRC [2022] No. 409) since June 2022. Previously, Mr. HUANG served as deputy head of Gaodong Township, head of Heqing Township, Pudong New Area, Shanghai; Deputy Director of 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. 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 General Manager of the Product Development Department of the Company. He previously worked for 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.

Mr. WU Kaibing, born in July 1968, holds a doctoral degree and the designation of Senior Auditor. He has been serving as Internal Audit Responsible Person since October 2017 (approval document: CIRC [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 Centre of CPIC Group, Supervising Auditor, and Deputy General Manager of the Internal Audit Business Department of Internal Audit Center of CPIC Group.

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

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

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

Position	Predecessors	Incumbents	Remarks
Independent director	-	ZHOU Hua	New appointment
Independent director	JIANG Shengzhong	-	Departure
Supervisor	-	YUAN Changming	New appointment
Supervisor	-	ZHANG Xiangdong	New appointment
Supervisor	CHENG Song	-	Departure
Supervisor	ZHANG Wenjuan	-	Departure

3. Information on compensation 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: yuan

Item	As of the end of Q2 2024	As of the end of Q1 2024	Next quarter estimates
Admitted assets	7,185,469,010	7,512,075,380	7,041,291,997
Admitted liabilities	3,994,740,277	4,331,039,746	3,833,098,037
Actual capital	3,190,728,733	3,181,035,635	3,208,193,960
Tier-1 core capital	2,873,574,034	2,851,725,857	2,891,039,261
Tier-2 core capital	-	-	-
Tier-1 supplement capital	317,154,699	329,309,777	317,154,699
Tier-2 supplement capital	-	-	-
Minimum capital	907,866,752	880,904,362	939,501,822
Minimum capital for quantifiable risks	889,554,971	863,136,415	920,551,803
Minimum capital for life insurance risk	-	-	-
Minimum capital for non-life insurance risk	725,924,044	713,315,875	765,249,284
Minimum capital for market risk	392,353,638	386,629,248	390,596,094
Minimum capital for credit risk	319,219,001	289,595,476	324,498,397
Diversification effect for quantifiable risks	449,102,270	430,500,137	457,508,438
Loss absorption for special-type insurance contracts	-	-	-
Minimum capital for control risk	18,311,781	17,767,946	18,950,019
Supplement capital	-	-	-
Core solvency margin	1,965,707,282	1,970,821,496	1,951,537,439
Core solvency margin ratio	316.52%	323.73%	307.72%
Comprehensive solvency margin	2,282,861,981	2,300,131,273	2,268,692,137
Comprehensive solvency margin ratio	351.45%	361.11%	341.48%

(II) Regulatory indicators for liquidity risk

Liquidity coverage ratio (LCR)	Q2 2024		Q1 2024	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 (LCR under base scenario)	102.95%	103.81%	107.50%	103.32%
LCR2 (LCR under stress scenario)–mandatory	189.58%	143.60%	185.08%	120.99%
LCR2 (LCR under stress scenario)- self-testing	203.70%	149.64%	189.93%	128.19%
LCR3 (LCR under stress scenario before asset disposal)-mandatory	83.03%	101.38%	90.14%	86.70%
LCR3 (LCR under stress scenario before asset disposal)-self-testing	91.50%	112.37%	104.31%	97.67%
Retrospective adverse deviation ratio of net cash flows from operating activities	172.82%		57.38%	
Net cash flows YTD (unit: 10,000 yuan)	9,122.71		-844.50	
Net cash flows in 2023 (unit: 10,000 yuan)	1,527.95		1,527.95	
Net cash flows in 2022 (unit: 10,000 yuan)	-1,987.50		-1,987.50	

(III) Other indicators for liquidity risk

unit: yuan

Indicators	Item	As of the end of/ during Q2 2024	As of the end of/ during Q1 2024
1. Net cash flows from operating activities	Amount	241,955,068	-132,013,339
	Cash inflow from operating activities YTD	1,223,236,310	337,632,617
	Cash outflow from operating activities YTD	981,281,241	469,645,956

2. Net cash flows from operating activities per 100 yuan in premiums	Amount	19.75	-29.9
	Net cash flows from operating activities YTD	241,955,068	-132,013,339
	Premiums YTD	1,224,888,785	441,447,168
3. Share of cash outflow for special types of business	Percentage	0.08%	0.07%
	Claims pay-out for business of special types	-	-
	Incurred and reported claim reserves for business of special types	679,137	242,313
	Total claims pay-out	827,908,966	365,095,798
	Total incurred and reported claim reserves	18,370,817	-24,584,211
4. Written premiums growth year-on-year	Percentage	-1.66%	0.58%
	Written premiums YTD	1,224,888,785	441,447,168
	Written premiums YTD for the same period of previous year	1,245,615,820	438,914,428
5. Share of cash and liquidity management instruments	Percentage	3.54%	1.89%
	Book value of cash and liquidity management instruments as at the end of the reporting period	248,335,786	131,182,534
	Total assets as at the end of the reporting period	7,006,199,205	6,939,248,667
6. Quarterly average financial leverage ratio	Percentage	4.13%	6.02%
	Arithmetic mean of the balance of inter-bank lending, bond repurchase	298,000,000	454,000,000

	and other cash inflow from financing as at the end of each month during the quarter		
	Total assets as at the end of the reporting period	7,215,199,205	7,544,248,667
7. Share of domestic fixed income assets rated AA and below	Percentage	0.32%	0.33%
	Book value of domestic fixed income assets rated AA and below as at the end of the reporting period	22,400,000	22,774,500
	Total assets as at the end of the reporting period	7,006,199,205	6,939,248,667
8. Share of investments in listed stocks with a stake of 5% or above	Percentage	0.00%	0.00%
	Book value of investments in listed stocks with stake of 5% or above as at the end of the reporting period	0	0
	Total assets as at the end of the reporting period	7,215,199,205	7,544,248,667
9. Proportion of receivables	Percentage	17.42%	22.64%
	Premium receivables	752,024,775	572,979,867
	Reinsurance receivables	504,876,850	1,135,384,843
	Total assets as at the end of the reporting period	7,215,199,205	7,544,248,667
10. Proportion of related party assets held by the Company	Percentage	0.00%	0.00%
	Total investment assets of related parties held by the Company	-	-

	Total assets as at the end of the reporting period	7,215,199,205	7,544,248,667
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(IV) Key business metrics

unit: yuan

Indicators	As at the end of/ during Q2 2024	As at the end of Q2 2024/YTD
Gross written premiums	881,763,527	1,297,572,361
Net profit	61,679,886	70,522,807
Total assets	5,964,307,105	5,964,307,105
Net assets	3,048,229,289	3,048,229,289
Insurance contract liabilities	2,101,199,691	2,101,199,691
Basic earnings per share	0.057	0.065
ROE	2.04%	2.34%
ROA	1.06%	1.22%
Investment yield	1.03%	1.69%
Comprehensive investment yield	1.49%	2.76%
Profitability indicators	--	--
Combined ratio	--	98.27%
Expense ratio	--	15.68%
Loss ratio	--	82.59%
Proportion of commission and brokerage expenses	--	1.54%
Proportion of operating and administrative expenses	--	13.69%
Scale indicators	--	--
Written premiums	783,441,618	1,224,888,785
Written premiums of auto insurance	-	-
Written premiums of top 5 non-auto insurance business lines	765,870,723	1,170,799,759

Largest non-auto business line	567,079,380	834,647,187
Second largest non-auto business line	123,830,169	192,396,079
Third largest non-auto business line	56,754,114	105,052,075
Fourth largest non-auto business line	14,799,427	32,439,799
Fifth largest non-auto business line	3,407,633	6,264,619
Average vehicle premium of auto insurance	-	-
Written premiums by channels	783,441,618	1,224,888,785
Agency	21,661,873	49,893,076
Direct	739,718,567	1,128,404,699
Brokerage	22,061,178	46,591,011
Others	-	-

Note: 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 afore-mentioned indicators.

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

Average investment yield in the past 3 years (%)	4.03%
Average comprehensive investment yield in the past 3 years (%)	3.60%

IV. Risk management capabilities

(I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the former CIRC. In 2023, its written premiums amounted to 1.985bn yuan, and as of the end of 2023, total assets stood at 7.412bn 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 75.88 points.

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

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 75.88 points. During the reporting period, the Company took further steps to enhance risk management. To be specific:

In Q2, we reviewed and updated the solvency risk management system, revised and improved regulations such as the Risk Management Policy, Regulations on Insurance Risk Management, and Regulations on Strategic Risk Management to further improve our solvency system.

In respect of insurance risk, we completed an assessment report on major products for 2023 and as well as the termination and withdrawal of 124 insurance products; prepared the annual reserve assessment report for 2023 and submitted it to the regulator; retrospectively reviewed the results of the Company's reserve assessment for the previous year and the year before, which showed favourable progress; monitored the development of major losses and proactively carried out claims survey and settlement; conducted a special campaign on major claims, with supervision of key claims cases on a regular basis and promotion of anti-fraud investigation and arbitration; strengthened disaster prevention and loss reduction during the flood season, enhanced management of preliminary data reporting and entry for outstanding cases to ensure the integrity of operating data; further improved the reinsurance risk assessment mechanism, and further disciplined the Company's inward reinsurance contracts.

In terms of market risk, we formulated Mechanisms of Investment Decision-making and Authorisation for Asset and Liability Management and Funds Utilisation, and revised General Provisions on Asset and Liability Management and Implementation Measures for Asset and Liability Management to further strengthen asset and liability management; formulated the Strategic Assets Allocation Programme and Annual Asset Allocation Plan in accordance with the Company's risk appetite system, which were formally issued to outsourced asset managers; maintained regular communication with outsourced investment managers on market risk management of investment assets to guard against adverse impact of concentrated risk exposure on net profit and

net assets; 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 regulatory and in-house ALM requirements.

For credit risk, we formulated and issued a performance assessment programme for receivables collection in FY2024, specifying requirements for liquidation in certain business; pushed forward project of “statements on receivables” as part of the data decision-making system; continued to follow the developments of the reinsurance industry, and carried out timely analysis and evaluation of the credit risk status of reinsurance brokers, reinsurers, and cedants. We adopted a diversified reinsurance strategy to control the reinsurance concentration risk.

On the front of operational risk, we launched a rectification campaign on compliance and internal control effectiveness of u/w and claims management for government-sponsored agricultural insurance business as per NFRA requirements; completed the backward migration of the AML system; organised the fourth “Risk Compliance Month” and “Clean Financial Culture” themed activities to promote risk and compliance awareness; completed the quarterly AML self-examination, with prompt correction of problems identified; organised quarterly review of anti-fraud work by branch offices and formulated quarterly fraud-risk analysis report; and conducted risk management assessment of IT outsourcing for the year 2023 and prepared a report.

With regard to liquidity risk, the Company continued to optimise cash flow projection modelling, enhanced retrospective review of net cash flows from operating activities, conducted review of cash flow budgets and analysed causes for adverse variance; tracked the status of claims, evaluated the impact of future claims pay-out on cash flows in a timely manner, so as to ensure sufficient liquidity and stable cash flows; continued to communicate with CPIC AMC to ensure an asset allocation compatible with needs for cash flows; reviewed and optimised the risk matrix of investment liquidity, continuously monitored and assessed market liquidity and interest rate movements and their impact on liquidation of its investment assets; improved statements on receivables in the data-driven decision-making system, and enhanced management of business turnaround; reviewed historic development of reinsurance receivables, analysed its business characteristics and formulated collection plans; continuously monitored status of recoveries for adjusted variable fee and profit commission on non-marine treaties from previous years, stepped up recoveries of excess of loss treaties of agricultural crop insurance and weather-linked insurance from earlier years.

In terms of reputational risk, we conducted risk screening to ensure forward-looking, pro-active and effective risk management; guided branch offices in formulation of their own policies on reputational risk management so as to build a reputational risk governance system with sound organisational support and clear definition of roles and responsibilities.

In terms of strategic risk, we assessed the status of implementation of quarterly development plans to promote the execution of the Company's overall strategic planning and development objectives. We continued to strengthen relationships with our strategic partners for mutual empowerment in business development, customer development, branding, etc.; carried out cooperation in the entire industrial chain, supply chain and financial chain, including animal husbandry, commercial distribution, industrial processing and culture & tourism, so as to provide comprehensive financial solutions to customers.

(IV) Status of SARMRA self-assessment

There was no such self-assessment in the quarter.

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 of 2024 and Q4 of 2023.

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

(II) Measures taken or to be taken for improvement

The Company's integrated risk rating (IRR) for Q1 2024 was AAA.

In the reporting quarter, the Company continued to monitor key indicators to ensure their stability and enhanced early-stage intervention of risk management. Given lower scoring on information filing of information systems, we conducted timely communication with the regulator; completed statistical filing, self-review & rectification and reply to survey questionnaires without delay as required by NFRA, PBoC and related regulatory documents; reviewed data filed with the regulator for IT remote auditing on a regular basis and improved IT governance as per regulatory requirements.

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

1. Operational risk

1.1 Operational risk status

In the quarter, first, the Company formulated rectification plans for various defects newly discovered in audits, carried out rectification with regular progress follow-up, urged relevant parties to complete rectification on time according to the plan; second, updated database of operational risk losses, with analysis and evaluation of such losses

via risk management systems; third, amended and issued rules such as Regulations on Personnel Management of Agricultural Insurance Assistants and implemented them strictly to maintain effective control of operational risks.

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, it monitored key indicators of operational risk in tandem with risk upper limits, management reports and remedial actions, with clear definition of ownership by departments or branch offices, and may conduct self-review if circumstances require. Third, conducted risk assessment in money laundering, insurance frauds and consumer rights protection when launching new products or new business.

1.4 Results of operational risk assessment

The review indicated no serious flaws which may trigger operational risk.

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 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 implementation of its strategic planning, as per Solvency Regulatory Standards of Insurance Companies No.11.

2.3 Process of strategic risk assessment

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

2.4 Results of strategic risk assessment

Business development of the Company in the past 3 years has been volatile, which calls for intensified effort in market development and product innovation, particularly

in areas other than Shanghai. At the same time, we will enhance performance evaluation against KPIs and take multiple measures to ensure healthy, steady premium growth and high-quality development.

3.Reputational risk

3.1 Status of reputational risk

In the reporting quarter, the Company conducted screening of its reputational risk, which showed that the risk was under control, and there was no risk of media crisis.

3.2 Methods of reputation risk assessment

As per Solvency Regulatory Standards of Insurance Companies No.11, firstly, we monitored online media through the Group's monitoring platform; secondly, our spokesperson and brand specialists joined the Group's brand management team so that they can share and handle media information in a timely manner; thirdly, the Company issued the "Risk Early-warning" weekly reports to senior management and part-time reputational risk management staff to promptly identify and prevent potential risks. We also conducted a company-wide screening of potential reputational risks, further enhanced reputational risk management capabilities, continued to promote the establishment of a closed-loop entire-process reputational 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

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

3.4 Results of reputational risk assessment

During the reporting period, adverse media publicity of the Company stayed under control, and there were no incidents which may trigger reputational risk.

4. Liquidity risk

4.1 Status of liquidity risk

The Company derives liquidity mainly from cash received as 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. As per Provisions on Fiscal Subsidies of Agricultural Insurance Premiums of Shanghai Municipal Government, the subsidy for agricultural

insurance would 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.

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 natural catastrophes could lead to huge outflows of cash for claims payments within a short period of time. In response, the Company put in place mechanisms to closely monitor likelihood of disasters, issue early warning and get prepared for relief and damage-reduction effort; in the event of natural catastrophes, the Company will initiate the contingency plan, conduct claims investigation in a timely manner, coordinate funds planning to ensure normal and stable cash flows.

Moreover, the Company stayed in communication with CPIC AMC to ensure an asset allocation compatible with the needs for matching of cash flows; conducted repurchase via securities market and inter-bank market to satisfy short-term needs for liquidity arising from business development.

As at the end of Q2 2024, 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

Conducted calculation of liquidity coverage ratios, 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 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 the impact on its liquidity.

4.4 Results of liquidity risk assessment

The assessment indicated that all regulatory indicators of liquidity risk and cash flow stress testing pointed to sufficient liquidity to meet needs of the Company.

VI. Management analysis and discussions

(I) Changes to solvency and reasons

As of the end of the quarter, the comprehensive and core solvency margin ratios of the Company was 351.45% and 316.52% respectively, maintaining a strong position, though down by 9.7pt and 7.2pt respectively from the preceding quarter.

Of this, actual capital was 3.191bn yuan, an increase of 10mn yuan from the previous quarter, mainly due to net profit of 66mn yuan for the quarter, shareholder dividend payable of 54mn yuan, a decrease of 22mn yuan in agricultural insurance reserve for catastrophes, an increase of 17mn yuan in other comprehensive income and a decrease of 2mn yuan in non-admitted assets.

Minimum capital was 908mn yuan, an increase by 27mn yuan from the preceding quarter. Of this, minimum capital for insurance risk rose by 13mn yuan, as a result of growth of property insurance, which in turn led to increased minimum capital requirement for premium reserve and catastrophes; minimum capital for market risk rose by 6mn yuan, largely due to changes to asset allocation, which in turn reduced risk diversification effect, and increase in minimum capital for interest rate risk amid decline of interest rates; that for credit risk climbed by 30mn yuan, mainly due to increase in age of premium receivables and higher reinsurance counter-party default risk; risk diversification effect increased by 19mn yuan.

(II) Changes to liquidity risk indicators and reasons

As of the end of the reporting quarter, cash and cash equivalents stood at 165.8858mn yuan, an increase by 99.7033mn yuan from 66.1825mn yuan in the previous quarter. The increase was mainly due to higher cash inflow received from reinsurance business during the quarter.

LCRs of the next 3 months and next 12 months under base scenarios (LCR1) were 102.95% and 103.81%, respectively.

LCR2s, or LCRs of the next 3 months and next 12 months under stress scenario (mandatory) were 189.58% and 143.60%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 203.70% and 149.64%, respectively.

LCR3s, or LCRs of the next 3 months and next 12 months under stress scenarios before asset disposal (mandatory) were 83.03% and 101.38%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios before asset disposal (self-testing) were 91.50% and 112.37%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting and the previous quarters were 172.82% and 57.38%, respectively, mainly due to higher-than-estimated amounts in net cash flows from

reinsurance business during the reporting quarter.

Net cash flow YTD was 91.2271mn yuan. That for the previous fiscal year was 15.2795mn yuan, and that for the year earlier was -19.8750mn yuan.

(III) Change to IRR and reasons

The Company was rated AAA at the IRR (differentiated supervision) by National Administration of Financial Regulation (former CBIRC) for both Q1 of 2024 and Q4 of 2023.

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