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中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

Overseas Regulatory Announcement

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

The announcement is attached hereof for information purpose only.

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

Hong Kong, 29 April 2022

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. FU Fan; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. WU Junhao, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LIANG Hong, Ms. LU Qiaoling and Mr. John Robert DACEY; and the Independent Non-executive Directors are Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Biu, Jackson, and Mr. JIANG Xuping.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

1st Quarter of 2022

Company overview and contact information

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

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I. Board and management Statement

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

II. Basic information

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

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

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

2. De facto controller

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

3. Shareholding information (by descending order of shareholding percentage as of the end of 2021, unit:share)

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

Ltd.

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

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

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

5. Share transfer

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

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

1. Basic information on directors, supervisors and senior management

(1). Directors

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

Tele-marketing Center of CPIC P/C, and Head of Strategy Research Center of CPIC Group.

Mr. WU Junhao, born in June 1965, has a master's degree. He has served as Director of the Company since August 2012 (approval document: CIRC P/C [2012] No.796). Mr. WU currently serves as General Manager of Financial Management Department of Shenergy (Group) Co., Ltd., Non-executive Director of CPIC Group, and Director of CPIC Life. He is also Director of Shanghai ICY New Energy Venture Capital Co., Ltd., Director of Chengdu Xinshen Venture Capital Co., Ltd., Supervisor of Orient Securities Co., Ltd., Chairman of Board of Supervisors of Shanghai ICY Capital Co. Ltd., Chairman of Board of Supervisors of Shanghai Shenergy Chengyi Equity Investment Co. Ltd., and Chairman of Board of Supervisors of Everbright Banking Co., Ltd. Mr. WU previously served as Supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and on SEHK, and Director of Shanghai Jiulian Group Co., Ltd.

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

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

General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., and Chief Risk Officer of CPIC Health.

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

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

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

Director of CPIC AMC. Previously, Mr. GU served as Director and General Manager of the Company, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC Health, and Board Secretary, Chief Auditing Officer, Internal Auditing Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

(2). Supervisors

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

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

Mr. CAO Junhua, born in March 1966, has a PhD degree. He has been serving as Supervisor of the Company since May 2021 (approval document: CBIRC [2021] No.

376). Mr. CAO currently serves as Lead Auditor of Internal Audit Management Department of CPIC Group, Internal Auditing Responsible Person of CPIC AMC and supervisor of Pacific Insurance Elderly Caring Investment Management Co., Ltd.. Previously, he served as Head of Secretary Department of General Office of CPIC Life, Deputy Chief of Board Office of CPIC Group, Assistant General Manager of CPICP/C Suzhou Branch, Deputy General Manager of Legal Compliance Department of CPIC P/C Suzhou Branch, Head of Specialised Capacity-building Team of Audit Center of CPIC Group, Deputy General Manager (in charge), General Manager of General Audit Department of Audit Center of CPIC Group, General Manager of Audit Department (North China) of Audit Center of CPIC Group and Deputy Chief of Party Discipline Inspection Team of CPIC Group.

(3) Senior management

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

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Deputy General Manager of the Company since April 2021 (approval document: CBIRC [2021] No. 226). Mr. ZHANG currently also serves as Director of the Company. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen Branch, General Manager of CPIC P/C Sichuan Branch, Secretary of Discipline Inspection Commission of CPIC P/C, and Deputy Party Secretary of CPIC P/C. Prior to that, Mr. ZHANG served as the Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Leadership Group of Heze,

and Party Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as Deputy General Manager of the Company since March 2017 (approval document: CIRC [2015] No. 543). Previously, Mr. ZENG served as Chief Operating Officer of CPIC P/C, Director of Auto Insurance Business of CPIC P/C, and General Manager of CPIC P/C Chongqing Branch.

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

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

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

August 2017. Previously, Mr. XI served as General Manager of CPIC P/C Suzhou Branch, and Assistant General Manager (auto insurance) of CPIC P/C.

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

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

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

Mr. LI Chao, born in March 1981, holds a master's degree, and has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No.496). Prior to this, Mr. LI served as Deputy General Manager of CPIC P/C Tianjin Branch, Deputy General Manager (in charge) and General Manager of CPIC P/C's Small and Medium-sized Customer Business Department, General Manager of CPIC P/C's Corporate Customer Department/Bancassurance Department, and General Manager of CPIC P/C Heilongjiang Branch.

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

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

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

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

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

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

Position	Predecessor	Incumbent
Assistant General Manager		YU Baoyu

(III) Subsidiaries, joint ventures or associates

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

Name of companies	Number of shares (10K)			Percentage of shareholding (%)		
	End of last quarter	End of this quarter	Change	End of last quarter	End of this quarter	Change (pt)
Subsidiaries						
China Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	-
Joint ventures						
Shanghai Juche Information Technology Co., Ltd.	148	148	-	25.20%	25.20%	-
Zhongdao Automobile Assistance Co., Ltd.	1,280	1,280	-	20.32%	20.32%	-
Shanghai Lexiang Sijin Technology Joint-stock Co. Ltd.	369	369	-	6.09%	6.16%	-0.07%
Shanghai Heji Business Management Partnerships (LP)	20,000	20,000	-	99.00%	99.00%	
Associates						
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	2,550	-	51.00%	51.00%	-
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	1,071	-	35.70%	35.70%	-

(IV) Breaches

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

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

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

(Yes No)

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

(Yes No)

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

(Yes No)

III. Key solvency and business metrics

(I) Key solvency metrics

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

(II) Liquidity risk indicators²

1. Regulatory indicators for liquidity risk

Items		As at the end of the reporting period	As at the end of the previous period	
Net cash flows (10K RMB)	YTD	63,406.0	288,395.7	
	Year 2021	288,395.7	-287,991.6	
	Year 2020	-287,991.6	285,033.0	
LCR (%)	LCR1 under base scenario	Next 3 months	114.4%	-
		Next 12 months	103.4%	-

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

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

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

2. Other indicators of liquidity risk

	Items	As at the end of this quarter/during this quarter
Liabilities	Net cash flow from business activities (10K RMB)	34,074
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	0.7
	Ratio of cash outflow from business of special types (%)	1.4%
	Gross premium growth year-on-year (%)	12.7%
Assets	Ratio of cash and liquidity management instruments (%)	3.2%
	Quarterly average financing gear (%)	1.8%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.1%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.04%
	Ratio of fund receivables (%)	17.3%
	Ratio of assets of related parties held (%)	3.8%

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

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

Ratio of receivables (%): Ratio of receivables=(Premium receivables + Reinsurance receivables) ÷ total assets by the end of the reporting period × 100%, the value of Premium receivables, Reinsurance

receivables and total assets is the book value of respective account as at the end of the reporting period.

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

(III) Key business metrics

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

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

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

IV. Risk management capabilities

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

As per CBIRC C-ROSS II requirements, the Company is a Category I insurance company. In 2021, its annual written premiums amounted to 157.78bn yuan; total assets stood at 207.70bn yuan; there are 37 provincial-level branch offices.

(II) Results of last solvency risk management valuation

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

reputation risk management was 8.45 points, liquidity risk management was 8.35 points.

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

During the quarter, the Company mainly took the following measures to improve the infrastructure and capabilities of risk management.

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

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

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

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

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

1. The last two IRR results

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

2. Self-assessment results

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

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

(II) Status of various risks of the Company

1. Operational risk

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

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

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

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

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

2. Money-laundering risk

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

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

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

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

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

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

3. Strategic risk

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

First, formulated 2022 Business Development Plan based on the annual break-down tasks and implementation steps of the overarching development plans, which was to be submitted to the board in April for review. There would be quarterly progress evaluation to ensure strict execution of the Plan.

Second, assessed the execution of 2021 Business Development Plan based on actual implementation status, which was reviewed during the reporting quarter by senior management and special committees of the board of the Group, pending review of its own board in April.

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

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

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

4. Reputation risk

During the quarter, there occurred 35 incidents relating to reputation risk, and of these, there were no severe (Level I, II) incidents, and all were mild (Level III, IV) cases and have been handled properly. As per Interim Provisions on Reputation Risk Management by Banking and Insurance Institutions (CBIRC[2021]No.4), Regulations on Reputation Risk Management of China Pacific Insurance (Group) Co. Ltd. (CPIC[2021]No.57) and Implementation Rules on Reputation Risk Management of China Pacific Property Insurance Co. Ltd. (CPIC P/C [2021] 242), when conducting business and branding activities, the Company will further enhance risk screening and prevention, step up fast response and coordination after the risk emerges and intensify revisit and optimisation after the completion of risk-handling, accumulate the “asset” of reputation and focus on early-stage intervention of reputation risk. In brief, the risk during the reporting quarter was under control.

5. Liquidity risk

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities, pays special attention to large cash outflows arising from major claims, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q1, in anticipation of large pay-outs like quarterly pre-payment of income tax, and account settlement during the Spring Festival, the Company made early preparations, and designated personnel at head-office to handle needs for liquidity of branch offices without delay while considering the quarterly account closure requirements. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of solvency margin ratio movement

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

(1) Available capital

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

(2) Minimum capital for insurance risk

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

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

(3) Minimum capital for market risk

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

(4) Minimum capital for credit risk

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

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

(5) Minimum capital for control risk

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

3. Changes to liquidity risk indicators analysis

(1) Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios standards of the Company, i.e., LCR1 and LCR2 above 100% and LCR3 above 50% in the next 3 months and 1 year under the base and stress scenarios all met regulatory requirements. To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements, which enables it to meet short-term cash flow requirements arising from business volatility. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

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

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

(3) Net cash flows

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

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

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

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