

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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, 27 March 2023

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. 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.

4th 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:	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.....	2
III. KEY SOLVENCY AND BUSINESS METRICS	14
IV. RISK MANAGEMENT CAPABILITIES.....	17
V. INFORMATION ON IRR (DIFFERENTIATED SUPERVISION).....	20
VI. MANAGEMENT ANALYSIS AND DISCUSSIONS.....	24

I. Board and management statement

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

1. Voting results by directors

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

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

II. Basic information

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

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

Types of shareholders	Beginning of reporting period	Change	End of reporting period
-----------------------	-------------------------------	--------	-------------------------

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

2. De facto controller

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

3. Shareholding information (by descending order of shareholding percentage 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)	-	19,178,214,743	98.50	None
Shenergy Group Co., Ltd.	State-owned	-	90,874,742	0.47	None
Shanghai Haiyan Investment Management Company Limited	State-owned	-	90,620,982	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	-	59,586,361	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	-	50,703,172	0.26	None
Total	—	-	19,470,000,000	100	—

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

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 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, Director of Board Office of CPIC P/C, Director of Supervisory Board Office of CPIC P/C, General Manager of Tele-marketing Center of CPIC P/C, Head of Strategy Research Center of CPIC Group and Deputy Director of Transformation of CPIC Group.

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

WU previously served as Supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and on SEHK, Director of Shanghai Jiulian Group Co., Ltd., and Director of Chengdu Xinshen Venture Capital Co., Ltd.

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

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

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 CPIC Anxin Agricultural. 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 Care Investment Management Co., Ltd., Supervisor of CPIC Anxin Agricultural, 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 General Manager of Audit Department (East China) of Audit Center of CPIC Group, 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 Audit Department (North China) of Audit Center of CPIC Group, Deputy Chief of Party Discipline Inspection Team of CPIC Group, and Internal Auditing Responsible Person of CPIC AMC.

(3) Senior management

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

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

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

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Deputy General Manager of the Company since August 2012 (approval document: CIRC P/C Insurance [2011] No. 380). Mr. SONG also serves as Chairman of CPIC 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 Deputy General Manager of the Company since June 2022 (approval document: CBIRC Shanghai [2019] No. 841) . Prior to that, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, Head of General Office of CPIC P/C and Head of Board Office /Supervisory Board Office, General Manager of Corporate Customer Department/Bancassurance Department, and Assistant General Manager of CPIC P/C.

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

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

Mr. Wu Bo, born in June 1970, holds a doctorate degree, and he has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No. 591). Mr. WU also serves as Director of the Company's

Beijing-Tianjin-Hebei Regional Coordinated Development and General Manager of CPIC P/C Beijing Branch. Mr. WU previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC P/C Shandong Branch.

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

Mr. ZHOU Xiaonan, born in April 1966, holds a master's degree. He has been serving as Internal Audit Responsible Person(temporary) of the Company since December 2022. Mr. ZHOU also serves as Chief Auditor, and Internal Audit Responsible Person of CPIC Group. Previously, Mr. ZHOU served as Assistant General Manager, Deputy General Manager, Deputy General Manager (in charge), and General Manager of CPIC Life Henan Branch, General Manager of CPIC Life Guangdong Branch, and Deputy General Manager, Chief Digital Officer, Compliance Responsible Person, and Chief Risk Officer of CPIC Life.

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
Internal audit responsible person	XU Zhichun	ZHOU Xiaonan (temporary)

3. Information on compensation of directors, supervisors and senior management of headquarters

(1) Distribution of directors, supervisors and senior management of headquarters across different compensation levels

Compensation range	Number of	Number of	Number of senior
--------------------	-----------	-----------	------------------

	directors	supervisors	executives
Above 10mn yuan	-	-	-
5mn yuan-10mn yuan	1	-	1
1mn yuan-5mn yuan	1	1	12
0.5mn yuan-1mn yuan	-	-	-
Below 0.5mn yuan	-	-	-
Total	2	1	13

Notes: Some of directors, supervisors and internal audit responsible person do not receive compensation from the Company. Directors include 2 directors who concurrently serves as senior management. Based on information of directors, supervisors and senior management on the payroll of CPIC P/C in 2022.

(2) Highest compensation : 5.14mn yuan

(3) Status of share option: No.

(4) Incentives linked to profits, and total amounts paid in the year: No.

(III) Subsidiaries, joint ventures or associates

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

Name of companies	Number of shares (10,000)			Percentage of shareholding (%)		
	End of last quarter	End of this quarter	Change	End of last quarter	End of this quarter	Change (pt)
Subsidiaries						
CPIC 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%	-

Note: During the reporting quarter, Zhongdao Automobile Assistance Industrial Co., Ltd. completed share restructuring and was renamed Zhongdao Automobile Assistance Co., Ltd.

(IV) Breaches

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

Between October 1 and December 31, CBIRC and its branches issued 12 administrative penalties to branch offices of the Company, with 2.226mn yuan in fines for branches and 475,000 yuan in fine for individuals, totalling 2.701mn yuan. Breaches mainly concerned booking of false expenses, falsification of brokerage business for expense-booking, failure to strictly implement insurance terms & clauses or rates filed with the regulator, insurance sales agency by unlicensed entities, granting extra benefits to the insured other than those specified in insurance contracts, refusal to provide compulsory third-party liability insurance, and loss of business permits.

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

(Yes No)

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

(Yes No)

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

(Yes No)

III. Key solvency and business metrics

(I) Key solvency metrics

Unit: RMB 10,000 yuan

Items	As at the end of the reporting period	As at the end of the previous period	Estimates for next quarter under base scenario
Admitted assets	23,138,803	23,430,718	24,310,463
Admitted liabilities	17,623,434	17,633,913	18,265,000
Available capital	5,515,369	5,796,805	6,045,463
Tier 1 core capital	4,526,611	4,388,334	4,655,768
Tier 2 core capital	-	-	-
Tier 1 supplement capital	988,758	1,408,471	1,389,695
Tier 2 supplement capital	-	-	-
Minimum capital	2,724,575	2,612,495	2,758,706
Minimum capital for quantifiable risks	2,771,929	2,657,901	2,806,700
Minimum capital for control risk	-47,355	-45,407	-47,995
Supplement capital	-	-	-
Core solvency margin surplus	1,802,036	1,775,840	1,897,062
Core solvency margin ratio	166.1%	168.0%	168.8%
Comprehensive solvency margin surplus	2,790,795	3,184,310	3,286,757
Comprehensive solvency margin ratio	202.4%	221.9%	219.1%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of the reporting period	As at the end of the previous period	
Net cash flows (RMB 10,000)	YTD	-326,022	90,367	
	Year 2021	288,396	288,396	
	Year 2020	-287,992	-287,992	
LCR (%)	LCR1	Next 3 months	105.0%	111.8%
		Next 12 months	101.2%	103.5%
	LCR2	Next 3 months	152.0%	220.1%

		Next 12 months	100.5%	125.6%
	LCR3	Next 3 months	51.1%	96.3%
		Next 12 months	71.0%	90.7%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		365.3%	927.3%
	Over the last quarter		31.0%	365.3%

2. Other indicators of liquidity risk

	Items	This quarter (YTD)	Last quarter (YTD)
Liabilities	Net cash flow from business activities (RMB 10,000)	1,329,686	721,968
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	7.9	5.5
	Ratio of cash outflow from business of special types (%)	2.7%	2.5%
	Gross premium growth year-on-year (%)	11.3%	12.1%
Assets	Ratio of cash and liquidity management instruments (%)	1.3%	3.2%
	Quarterly average financing gear (%)	1.2%	2.4%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.4%	0.7%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.00%	0.00%
	Ratio of fund receivables (%)	13.8%	16.7%
	Ratio of assets of related parties held (%)	3.0%	3.1%

Ratio of cash outflow from business of special types: Ratio of cash outflow from business of special types = (Claim expenses of special-type business + Claim reserves of special - type business) ÷ (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%. 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 10,000 yuan

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	3,791,858	17,037,669
Net profits	210,860	828,489
Total assets	23,266,714	23,266,714
Net assets	5,034,410	5,034,410
Insurance contract liabilities	13,541,022	13,541,022
Basic earnings per share	0.1	0.4
ROE (%)	4.3	16.7
ROA (%)	0.9	3.8
Investment yield (%)	1.1	5.0
Comprehensive investment yield (%)	0.9	2.9
Combined ratio (%)	96.2	97.0
Expense ratio (%)	32.2	28.5
Loss ratio (%)	63.9	68.5
Proportion of commission and brokerage expenses (%)	8.3	8.6
Proportion of operating and administrative expenses (%)	17.2	19.2
Written premiums	4,009,401	17,567,679
Written premiums of auto insurance	2,785,993	10,386,924
Written premiums of top 5 non-auto	892,394	5,812,545

insurance business lines		
Written premiums of liability insurance	312,051	1,527,313
Written premiums of health insurance	137,960	1,441,553
Written premiums of agricultural insurance	148,310	1,391,935
Written premiums of guarantee insurance	184,762	812,740
Written premiums of commercial property insurance	109,312	639,003
Average vehicle premium of auto insurance (RMB yuan)	2,721	2,795
Written premiums by channels	4,009,401	17,567,679
Agency	2,840,822	11,026,001
Direct	713,999	4,586,450
Brokerage	454,580	1,955,228
Others	-	-

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 rules on classification of insurance companies contained in Solvency Regulatory Standards No. 12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In 2022, its annual written premiums amounted to 157.775bn yuan; total assets stood at 207.598bn 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 82.19 points, targets and instruments of risk management was 82.35 points, insurance risk management was 86.4 points, market risk management was

81.68points, 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.

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

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

First, it continued its efforts in developing a prevention-oriented integrated risk control and compliance system. By incorporating risk control and compliance standards into the systematic building of its management capabilities, the Company connected the risk control and compliance system with the business capacity-building system, and completed the development of a prevention-oriented integrated risk control and compliance system;

Second, it revised and improved multiple regulations. It issued Provisions on External Credit Rating Management to further standardise the external credit rating standards and procedures, and support the Company's sustainable development strategy; improved the Implementation Rules for Capital Management and established and perfected the capital management mechanisms to improve its capital management; revised the Administrative Measures for Solvency Stress Testing to better identify and give early warnings on risk factors leading to solvency inadequacy, and take appropriate management measures in a timely manner to prevent solvency inadequacy;

Third, it carried out thorough risk screening. To cooperate with Shanghai SASAC's review of its risk inspection, the Company reviewed its self-inspection results and the construction of relevant daily work mechanism; to prevent potential risks, it reviewed its investments in and business cooperation with local financial asset exchanges; it started a Company-wide investigation into potential reputational risks, and based on its actual situation and market environment, studied

reputational risk points, and developed response plans and measures. It tackled the root causes that trigger reputational risks to improve the foresight and effectiveness of its reputational risk management.

Fourth, it greatly strengthened risk management capabilities. The Company established the “Risk Control Guard” certification system, carrying out basic qualification certification for risk control positions of the Company and its branches.

(IV) Status of SARMRA self-assessment

In the fourth quarter of 2022, the Company carried out a self-assessment of its solvency risk management capabilities according to Solvency Regulatory Standards of Insurance Companies No.18: Solvency Report.

In the self-assessment, the Company assessed its risk management situation item by item according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment. Leading the self-assessment, the Company’s risk management department assigned assessment points to relevant departments, organized assessment training, and clarified assessment methods and requirements. As instructed, the departments conducted self-assessment and reported the results item by item to the risk management department, who summarized and reviewed them and gave a final score. The final results were submitted to the Company’s risk and compliance management committee for review and approval.

The Company scored 93.91 points in this SARMRA self-assessment, a score higher than that from 2021. In 2022, it reviewed and revised its risk management system and contingency plans for emergencies following C-ROSS II requirements; further improved the organizational structure of risk management, set up the Internal Audit, Risk Management and Related Party Transaction Control Committee, and the Strategy, Assets and Liabilities Management and Consumer Rights Protection Committee under its board of directors, giving full play to the role of its risk

control system; and strengthened risk prevention in its risk management, carried out investigation into major potential risks, optimized its risk appetite, stepped up risk management system construction, and improved data quality. The Company will continue to improve the risk management system process and promote its implementation, and further strengthen its risk management capabilities in a systematic manner.

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

The last two IRR results

Rated AA at the IRR for both Q3 and Q4 of 2022.

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 purchased the IRR System Phase II from Pulian Software Co. Ltd., which went operational and improved the data quality and efficiency of regulatory filing.

(II) Status of various risks of the Company

1. Operational risk

This quarter, the Company strengthened compliance management according to relevant regulatory requirements, and made solid progress in management of operational risks and money-laundering related risks, with them under control in general. The following work was done in operational risks management.

First, the Company conducted innovative Company-wide training on compliance for all its employees. It launched the “Risk Control Guard” qualification certification system, and initiated the “Risk Control Guard” Training Camp to carry out training and evaluation for certification of lower-level positions. The training

was done live on-line, including 11 courses on topics such as insurance fraud risks, insurance law practice, C-ROSS II, etc., and covering all the compliance risk positions of the Company and its branches and sub-branches.

Second, the Company strengthened fraud risk prevention and control. It further optimized the monitoring indicators, updating 28 of them this quarter; launched multiple new functions such as the “Tianyan Platform Activeness Index”, “Data Check List”, and “Anti-Fraud Gang Model”, etc.; and tracked the use of the “Tianyan Platform” by its branches using RPA, and the usage efficiency was included in their assessment.

Third, the Company further strengthened the management of criminal cases. It strengthened supervision and guidance for the reporting of cases not related to insurance, tracked the handling of cases involving itself, reiterated the management requirements for case reporting, and tracked the progress of cases reported in the first 3 quarters of 2022.

Fourth, the Company actively carried out special rectification work in overseas business fields. In accordance with CPIC Group’s deployment, it organized special rectification work in overseas business fields. It formulated and issued a rectification plan to conduct in-depth investigation of overseas enterprises, overseas projects and overseas operations for the period from 1st January 2017 to 31 August 2022.

Fifth, the Company made great efforts in preventing illegal fund-raising-related risks. It organized its units at all levels to comprehensively review and evaluate their work in this regard, requiring them to review in light of their actual operation situation their business operation, find the weak links in managing such risks, propose correctional measures, and ensure their implementation through means like interviews, business spot checks, visits to customers, etc.

Sixth, the Company carried out a series of publicity campaigns on anti-money laundering. It made a series of short videos with the theme of “Enhance

anti-money laundering awareness and guard against relevant risks”, which were both educational and interesting and loop-played in workplace elevators.

Seventh, the Company carried out a continuum of anti-money laundering activities with positive results. As of the end of the fourth quarter, it completed a total of 24 research projects covering areas such as day-to-day anti-money laundering work, audit and rectification, self-inspection, preparation for external inspection, etc.

2. Strategic risk

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

In 2022, under the strong leadership of the CPC, China stood up to severe challenges including global changes unseen in a century, the downturn of domestic economy, etc. All regions and departments of the country effectively coordinated economic and social development, and implemented various macro policies and measures to stabilize the economy to maintain the recovery momentum of national economy.

While aligning itself with the country’s “dual circulation” development strategy, the Company paid close attention to the business development opportunities coming from serving national strategies and the real economy and supporting the people’s pursuit of better life. It stepped up efforts for more incremental business, and promoted the development of new energy business models, creating first-mover advantages; pushed forward business innovation and development in areas such as rural revitalization, the Belt and Road Initiative, green and low-carbon development, industrial upgrading, infrastructure, technological innovation, public governance, the Healthy China Initiative, etc., served the “new citizens” in China’s cities, and supported the high-quality development of the manufacturing industry. It also continued to develop its sustainable development

strategy, and promoted systematic capacity-building for high-quality development of the Company.

The Company continues to strengthen the construction of business risk control system, upgrade and build up digital capabilities, promote the systematic management of insurance businesses and customers, and improve the ability to manage the whole life cycle of customer risks. At the same time, it leverages "insurance + technology + service" risk reduction management technology to strengthen professional barriers and promote the optimization and upgrading of the service model through pre-incident real-time monitoring and accident prevention, smart alert and emergency response during the incident, and loss reduction and compensation reduction and efficient service afterwards.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents. As per Interim Provisions on Reputational Risk Management by Banking and Insurance Institutions (CBIRC[2021]No.4), Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd. (CPIC[2021]No.57) and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd. (CPIC P/C [2022] 86), when conducting business and branding activities, the Company will further enhance risk screening and prevention, step up fast response and coordination after the risk emerges and intensify revisit and optimisation after the completion of risk-handling, accumulate the "asset" of reputation and focus on early-stage intervention of reputational risk. In the quarter, the Company conducted simulation of reputational risk scenarios and emergency response drills, with special stress testing. In brief, the risk during the reporting quarter was under control.

4. Liquidity risk

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing

activities, pays special attention to large cash outflows arising from major claims, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q4, in anticipation of large pay-outs like contribution into the Mandatory Insurance Security Fund, quarterly pre-payment of income tax, and in the run-up to year-end account closure, the Company made early preparations, designated staff to handle needs for liquidity or applications for payment of branch offices in a timely manner. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

The IRR result for the Company in Q4 2022 was AA, the same as that of the preceding quarter. The overall risk profile of the Company remains stable, with solvency margin ratios stable and strong, business operation and net cash flows from business activities demonstrating signs of improvement amid stability, strategic risk, reputational risk and operational risk all in the normal status, and there was no occurrence of major risk incidents.

2. Analysis of solvency margin ratio movement

As of the end of the reporting quarter, the comprehensive and core solvency margin ratios of the Company stood at 202.4% and 166.1% respectively, down by 19.5pt and 1.8pt respectively from the end of the previous quarter.

Available capital fell by 2.81bn yuan from the previous quarter, mainly due to net profits, other comprehensive income, earlier redemption of capital bonds.

Minimum capital rose by 1.12bn yuan from the previous quarter. Of this, minimum capital for insurance risk increased by 1.15bn yuan, with minimum capital for premium reserve up by 360mn yuan and that for catastrophe risk up by 1.45bn yuan; minimum capital for market risk increased by 200mn yuan, mainly as a result of higher risk exposure of bonds, which led to an increase of

minimum capital by 5.36bn yuan, and an increase of minimum capital by 360mn yuan from interest rate risk; minimum capital for credit risk increased by 150mn yuan, largely because of increased risk exposure on interest spread, which led to an increase in minimum capital by 240mn yuan.

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

3. Changes to liquidity risk indicators analysis

(1)Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e., LCR1 and in the next 3 months and 1 year under the base and stress scenarios were above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from business activities in the past 2 quarters consistently higher than the regulatory minimum of -30%, meeting regulatory requirements. In the reporting period, net cash outflows of the Company amounted to 3.26bn yuan. Of this, net cash inflow from operating activities was 13.30bn yuan; net cash outflow from investment activities 12.86bn yuan; net cash outflow from financing activities 3.76bn yuan.

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

continue to monitor changes to its liquidity status and enhance risk management capabilities.