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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, 28 April 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.

1st Quarter of 2023

Company overview and contact information

Company name (Chinese):	中国太平洋财产保险股份有限公司
Company name (English):	China Pacific Property Insurance Company Limited
Legal representative:	GU Yue
Registered address:	South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Registered capital:	19.948bn yuan
Business license number:	000014
Date opening for business:	November 2001
Business scope:	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and personal accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.
Business territories:	The People's Republic of China (excluding Hong Kong, Macao and Taiwan)
Contact person:	WANG Yucheng
Office Tel. number:	021-33962680
Cell phone:	13917427405
Email:	wangyucheng-003@cpic.com.cn

I. Board and management statement

The report has been approved by chairman of the board of directors. The chairman and the senior management of the Company warrant that there is no false representation, misleading statement or material omissions and the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations; 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	-	716	-	716	29,895	1.5
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural person	-	-	-	-	-	-	-	-
Others								
(listed company)	1,917,821	98.5	-	47,093	-	47,093	1,964,914	98.5
Total	1,947,000	100	-	47,809	-	47,809	1,994,809	100

2. De facto controller

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

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

Names of shareholders	Types of shareholders	Change during the reporting period	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Others (listed company)	470,922,835	19,649,137,578	98.50	None
Shenergy Group Co., Ltd.	State-owned	2,231,438	93,106,180	0.47	None
Shanghai Haiyan Investment Management Company Limited	State-owned	2,225,207	92,846,189	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	1,463,149	61,049,510	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	1,245,021	51,948,193	0.26	None
Total	—	478,087,650	19,948,087,650	100	—
Related party relations among shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.				

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 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 the Board Office of Supervisors of CPIC P/C, General Manager of Tele-marketing Center of CPIC P/C, Head of Strategy Research Center 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, Auditing Director, Internal Audit 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.

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 Care 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 CPIC P/C Suzhou Branch, Deputy General Manager of Legal & Compliance Department of CPIC P/C Suzhou Branch, Head of Specialised Capacity-building Team of 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 Audit Responsible Person of CPIC AMC.

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

(3) Senior management

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 Committee 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 Sales Director 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 Workers' Union of CPIC AMC.

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 /Office of the Board of Supervisors, 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, 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, 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 Acting Internal Audit Responsible Person of the Company since December 2022. Mr. ZHOU also serves as Chief Internal 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
Employee Supervisor	LI Shuhui	RUAN Yuhong
Deputy General Manager	XI Yulin	--

(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	End of this	Change	End of last	End of this quarter	Change (pt)

	quarter	quarter		quarter		
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%	-

(IV) Breaches

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

Between January 1 and March 31 2023, CBIRC issued 10 administrative penalties to branch offices of the Company, with 3.285mn yuan in fines for branches and 740,000 yuan in fines for individuals, totalling 4.025mn 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, underwriting automobile vehicles registered in places other than the domicile of branch offices, granting extra benefits to the insured other than those specified in insurance contracts, 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	25,747,483	23,138,803	25,726,126
Admitted liabilities	19,388,285	17,623,434	19,717,058
Available capital	6,359,198	5,515,369	6,009,068
Tier 1 core capital	4,712,642	4,526,611	4,462,512
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,646,556	988,758	1,546,556
Tier 2 supplement capital	-	-	-
Minimum capital	2,979,334	2,724,575	2,987,513
Minimum capital for quantifiable risks	3,028,917	2,771,929	3,037,232
Minimum capital for control risk	-49,583	-47,355	-49,719
Supplement capital	-	-	-
Core solvency margin surplus	1,733,308	1,802,036	1,474,999
Core solvency margin ratio	158.2%	166.1%	149.4%
Comprehensive solvency margin surplus	3,379,864	2,790,795	3,021,555
Comprehensive solvency margin ratio	213.4%	202.4%	201.1%

(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	618,837	-326,022	
	Year 2022	-326,022	288,396	
	Year 2021	288,396	-287,992	
LCR (%)	LCR1	Next 3 months	114.3%	105.0%
		Next 12 months	103.6%	101.2%

	LCR2	Next 3 months	255.5%	152.0%
		Next 12 months	142.1%	100.5%
	LCR3	Next 3 months	116.7%	51.1%
		Next 12 months	105.3%	71.0%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		31.0%	365.3%
	Over the last quarter		140.4%	31.0%

2. Other indicators of liquidity risk

	Items	This quarter (YTD)	Last quarter (YTD)
Liabilities	Net cash flow from business activities (RMB 10,000)	39,614	1,329,686
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	0.7	7.9
	Ratio of cash outflow from business of special types (%)	2.7%	2.7%
	Gross premium growth year-on-year (%)	16.5%	11.3%
Assets	Ratio of cash and liquidity management instruments (%)	3.7%	1.3%
	Quarterly average financing gear (%)	2.3%	1.2%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.4%	0.4%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.0%	13.8%
	Ratio of assets of related parties held (%)	2.1%	3.0%

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	5,775,169	5,775,169
Net profits	145,413	145,413
Total assets	25,859,552	25,859,552
Net assets	5,245,849	5,245,849
Insurance contract liabilities	15,170,071	15,170,071
Basic earnings per share	0.1	0.1
ROE (%)	2.8	2.8
ROA (%)	0.6	0.6
Investment yield (%)	0.9	0.9
Comprehensive investment yield (%)	1.4	1.4
Combined ratio (%)	97.9	97.9
Expense ratio (%)	27.9	27.9
Loss ratio (%)	69.9	69.9
Proportion of commission and brokerage expenses (%)	7.8%	7.8%
Proportion of operating and administrative expenses (%)	14.0%	14.0%
Written premiums	5,722,646	5,722,646
	2,745,025	2,745,025

Written premiums of auto insurance		
Written premiums of top 5 non-auto insurance business lines	2,528,653	2,528,653
Written premiums of health insurance	1,004,289	1,004,289
Written premiums of liability insurance	600,275	600,275
Written premiums of agricultural insurance	520,162	520,162
Written premiums of guarantee insurance	203,781	203,781
Written premiums of commercial property insurance	200,146	200,146
Average vehicle premium of auto insurance (RMB yuan)	2,735	2,735
Written premiums by channels	5,722,646	5,722,646
Agency	3,037,200	3,037,200
Direct	2,011,730	2,011,730
Brokerage	673,716	673,716
Others	-	-

Note: All calculation of reserves was based on financial statements; ROE and ROA were calculated based on (net assets as at the beginning of the reporting period + net assets as at the end of the reporting period) / 2, and (total assets at the beginning of the reporting period + 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 175.677bn yuan; total assets stood at 232.667bn yuan; there are 37 provincial-level branch offices.

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

reporting period

During the quarter, the Company mainly took the following measures to push forward the systematic development of its risk management capacities:

First, it formulated and released its annual work priorities in compliance and risk management; being “proactive, precise, effective and sustainable”, it focused on the Group’s overall objective of "consolidating integrated risk control, enhancing professional capability and maintaining advanced system"; made efforts to build up a prevention-oriented integrated risk control and compliance system to reduce risks and boost insurance business for sustainable and high-quality development;

Second, it further improved the management processes and regulations for major risk categories. It formulated the Provisions on Data Security Management to strengthen data security management, enhance data security protection and effectively prevent operational risks; and revised the Provisions on Asset Allocation Management to further standardise asset allocation management and prevent asset-liability mismatch risks;

Third, it continued to improve the “Risk Control Guard” certification system to strengthen risk management capabilities. As of the end of Q1, the Company and its branches had granted primary-level professional qualification certificates to more than 2,000 employees in risk control and compliance positions, with all the branches equipped with primary certificate holders, thus enhancing the professionalism of both full-time and part-time risk management staff.

(III) Results of last solvency risk management valuation

In 2021, the regulator conducted SARMRA assessment of the Company, which scored 83.94 points. Of this, infrastructure and environment of risk management was 82.19 points, targets and instruments of risk management was 82.35 points, insurance risk management was 86.4 points, market risk management was 81.68points, 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.

(IV) Status of SARMRA self-assessment

Not applicable.

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

The Company was 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. and continuously improved its functions, which helped with the data quality and efficiency of regulatory filing.

The content of Q4 regulatory notice has been reported to the board as required. In response to regulatory risks, the company has held a special work meeting to review and analyse the status and causes of certain indicators, and has come up with rectification measures.

(II) Status of various risks of the Company

1. Operational risk

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

First, it conducted field research at the grassroots level and carried out research on and analysis of regulatory trends and changes in key regions to gain in-depth understanding of the weak points and needs relating to compliance risk prevention and control at grassroots level, which provided useful reference for work plans for the whole year;

Second, it conducted rounds of communication and discussion between relevant departments from various lines of business to draw up risk control plans for front-line systems and promote the risk prevention and control of important risks and key links at each line of business;

Third, the Company further strengthened its “get to the bottom” risk screening model with wider application. To better manage key risks, it established and implemented a regular "get to the bottom" mechanism to carry out daily risk screening; developed standards and procedures for handling of key risks; carried out checks and remediation in key internal control areas; and at the same time, continued to explore and enrich risk monitoring tools;

Fourth, the Company completed the submission of the 2022 Annual Report on Anti-Money Laundering; carried out assessments of the inherent risks of money laundering and terrorist financing, optimized data collection criteria for two major categories of indicators, analyzed indicators with significant data changes, and completed and submitted the risk assessment report to the regulators; issued a notice to carry out preventive self-examination and deployed relevant work in

response to the administrative penalties for financial violations issued by the People's Bank of China.

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. The main work done in this quarter includes:

First, the Company put forward the annual plan and implementation measures based on its overall development plan, and formulated the 2023 Business Development Plan, to be submitted to the board of directors for consideration in the second quarter. Quarterly assessment of the plan will be conducted to ensure its implementation;

Second, the assessment of the 2022 Development Plan's implementation was reviewed by senior management of the Company and relevant board committees in the first quarter and will to be submitted to the Board of Directors for consideration in April;

Third, the Company strengthened the management of strategic risks in terms of talent management, business management, investment management and overseas operation management, and regularly collected and analyzed relevant information and strengthened the monitoring of strategic risks through multi-dimensional indicators such as premium growth rate, combined ratio, solvency margin ratio, IRR rating and corporate governance evaluation;

Fourth, the Company assessed the overall situation of strategic risk management in a timely, all-round and realistic manner, and summarized the assessment and management of strategic risks and incorporated them into its overall risk management and assessment report to senior management.

At the next stage, the Company will continue to pay close attention to the external economic environment and relevant policy developments, and adjust its strategic planning when appropriate accordingly while taking into account its own development needs, so as to ensure that its business activities will stay on course towards the objectives of the plan.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents, with the risk overall under control. 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 strengthen early-stage intervention and closed-loop management of reputational risk. In the quarter, the Company launched the company-wide 2023 annual series of emergency response drills for reputation risks and completed ad hoc drills for relevant business lines. Next, building on those drills, it will improve whole process management, make regular recommendations, and continue to improve the emergency management and coordination capabilities for handling of reputation incidents.

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 and reinsurance bills, 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 contribution into the Mandatory Insurance Security Fund, quarterly pre-payment of income tax, the Company made early preparations, while handling 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 while considering various needs for liquidity.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

The overall risk status of the Company remains stable, with solvency margin ratios stable and solid, and business operation and net cash flows showing signs of improvement. It maintained normal status in strategic risk, reputational risk and operational risk. There was no occurrence of major risk incidents.

2. Analysis of solvency margin ratio movement

By the end of Q1 2023, the comprehensive and core solvency margin ratios of the Company stood at 213.4% and 158.2% respectively, up by 11.0pt and down by 8.0pt respectively from the end of the previous quarter.

Available capital rose by 8.44bn yuan from the previous quarter, mainly due to net profits, other comprehensive income, and the issuance of capital bonds.

Minimum capital rose by 2.55bn yuan from the previous quarter. Of this, minimum capital for insurance risk increased by 2.03bn yuan, with minimum capital for premium reserve up by 1.48bn yuan, mainly due to higher retained

premiums for auto and property insurance and higher claims reserve for P/C insurance compared to the previous quarter; minimum capital for market risk rose by 430mn yuan, mainly as a result of higher risk exposure of bonds; and minimum capital for credit risk increased by 1.12bn yuan to 12.7bn yuan, largely because of increase in net premium receivables from long-overdue accounts compared to the previous quarter.

The Company set forth its solvency risk upper limits and monitoring indicators compatible with its risk profile and appetite, and its own realities, and tracks them 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 LCR2 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%. On a YTD basis, net cash inflows of the Company amounted to 6.2bn yuan. Of this, net cash inflow from operating activities was 390mn yuan; net cash outflow from investment activities 2.2bn yuan; net cash inflow from financing activities 8.01bn yuan.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from operating, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. 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.