

Summary of Solvency Report (Excerpts)

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

2024

Company overview and contact information

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

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

1. Voting results by directors

Name of directors	For	Against	Abstain
WANG Tayu	✓		
LIU Xiaodan	✓		
CHEN Ran	✓		
LAM Tyng Yih, Elizabeth	✓		
LO Yuen Man, Elaine	✓		
CHIN Hung I David	✓		
ZHOU Donghui	✓		
ZHAO Yonggang	✓		
JIANG Xuping	✓		
HUANG Dinan	✓		
FU Fan	✓		
XIE Weiqing	✓		
LU Qiaoling	✓		
CAI Qiang, John	✓		
John Robert DACEY	✓		
Total	15		

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

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

II. Basic Information

(I) Shareholding structure, shareholders and change

1. Shareholding structure (unit: share)

	As at the beginning of the reporting period		Increase or decrease (+ or -) in shareholding during the reporting period					As at the end of the reporting period	
	Amount	Percentage (%)	New shares issued	Bonus shares	Transfer from reserves	Others	Sub-total	Amount	Percentage (%)
1. Ordinary shares denominated in RMB	6,845,041,455	71.15	-	-	-	-	-	6,845,041,455	71.15
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares (H share)	2,775,300,000	28.85	-	-	-	-	-	2,775,300,000	28.85
4. Others	-	-	-	-	-	-	-	-	-
Total	9,620,341,455	100.00	-	-	-	-	-	9,620,341,455	100.00

2. Top 10 shareholders (unit: share)

Name of shareholders	Percentage of shareholding	Total number of shares held	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares subject to pledge or lock-up	Type of shares
HKSCC Nominees Limited	28.82%	2,772,616,357	+33,250	-	H Share
Shenergy (Group) Co., Ltd.	14.05%	1,352,129,014	-	-	A Share

Hwabao Investment Co., Ltd.	13.35%	1,284,277,846	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	6.34%	609,929,956	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	4.87%	468,828,104	-	-	A Share
HKSCC	2.83%	272,020,360	+35,494,368	-	A Share
China Securities Finance Co., Ltd.	2.82%	271,089,843	-	-	A Share
Shanghai International Group	1.66%	160,000,000	-	-	A Share
Yunnan Hehe (Group) Company Limited	0.95%	91,868,387	-	-	A Share
Shanghai Jiushi Company Limited	0.95%	90,949,460	+1,211,700	-	A Share

Description of related relations or concerted actions among the aforesaid shareholder

HKSCC Nominees Limited and HKSCC are connected, as the former is a wholly-owned subsidiary of the latter. Shanghai State-Owned Assets Operation Co., Ltd. is a wholly-owned subsidiary of Shanghai International Group, and they act in concert. Based on inquiries of the Company and confirmation of relevant shareholders, other than that, the Company is not aware of any other connected relations or concerted actions among the above-mentioned shareholders.

Notes:

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

III. Business Operation of Major Member Companies

(I) CPIC Life

CPIC Life maintained solid profitability. In 2024, the subsidiary recorded written premiums of 261.080bn yuan, a year-on-year growth of 3.3%; net profits of 35.821bn yuan, a year-on-year growth of 83.4%.

As of the end of 2024, its comprehensive solvency margin ratio was 210%, staying largely flat versus that as at the end of 2023, mainly due to impact of interest rate movements, capital market fluctuation, business development, changes to asset allocation and issuance of bonds. Of this,

- (1) Actual capital amounted to 345.510bn yuan, up by 10.7%, or 33.305bn yuan from the end of 2023;
- (2) Minimum capital 164.313bn yuan, up by 10.5%, or 15.590bn yuan from the end of 2023.

(II) CPIC P/C

In the reporting period, the subsidiary pursued progress while ensuring stable fundamentals and continued to boost high-quality development. It reported 201.243bn yuan in primary premium income, a year-on-year growth of 6.8%, and net profits of 7.376bn yuan, a growth of 12.2% from 2023.

As of the end of 2024, its comprehensive solvency margin ratio stood at 222%, up by 8pt from the end of 2023, mainly due to impact of interest rate movements, capital market fluctuation, business development and changes to asset allocation. Of this,

- (1) Actual capital amounted to 70.698bn yuan, up by 8.923bn yuan from the end of 2023, or a growth of 14.4%;
- (2) Minimum capital 31.852bn yuan, up by 2.954bn yuan, or 10.2% from the end of 2023.

(III) CPIC Health

The company maintained rapid business growth. During the reporting period, it realised 2.735bn yuan in insurance revenue and health management fee income, a growth of 31.6%; net profits reached 91mn yuan, a growth of 193.5% year on year.

As of the end of 2024, its comprehensive solvency margin ratio stood at 235%, down by 23pt from the end of 2023, mainly due to interest rate movements, capital market fluctuation,

business development and changes to asset allocation. Of this,

(1) Actual capital amounted to 4.040bn yuan, up by 15.9%, or 552mn yuan from the end of 2023;

(2) Minimum capital 1.716bn yuan, up by 27%, or 364mn yuan from the end of 2023.

(IV) CPIC AMC

As of the end of 2024, it posted 294.187bn yuan in third-party AuM, up by 30.7% from the end of 2023.

(V) Changjiang Pension

As at 31 December 2024, Changjiang Pension recorded 481.309bn yuan in third-party assets under trustee management, up by 17.1% from the end of 2023; 406.401bn yuan in third-party assets under investment management, up by 15.4% from the end of 2023.

(VI) Other member companies

As of the end of 2024, total assets of CPIC Property reached 200mn yuan, with net assets of 161mn yuan; total assets of CPIC Technology reached 1.994bn yuan, with net assets of 730mn yuan.

IV. Solvency Statements

Solvency Statements of Insurance Holding Groups

Name: **China Pacific Insurance (Group) Co. Ltd.**

(31 December, 2024)

unit: 10 thousand RMB yuan

Items	No. of lines	As at the end of the reporting period 1	As at the beginning of the reporting period 2
Actual capital	(1) = (2) + (3) + (4) + (5)	50,374,512	45,693,824
Tier 1 core capital	(2)	33,786,832	29,176,067
Tier 2 core capital	(3)	2,020,919	1,214,761
Tier 1 supplement capital	(4)	14,556,259	15,298,572
Tier 2 supplement capital	(5)	10,502	4,424

Minimum capital	$(6) = (7) + (21) + (22)$	19,707,913	17,801,725
Minimum capital for quantitative risks	$(7) = (8) + (9) + (10) + (11) + (12) + (13) - (20)$	19,938,945	18,012,787
Minimum capital for parent company	(8)		
Minimum capital for insurance member companies	(9)	19,938,945	18,012,787
Minimum capital for banking member companies	(10)	-	-
Minimum capital for securities member companies	(11)	-	-
Minimum capital for trust member companies	(12)	-	-
Minimum capital for quantifiable group-specific risks	$(13) = (14) + (15)$	-	-
Minimum capital for risk contagion	(14)	-	-
Minimum capital for concentration risk	$(15) = (16) + (17) + (18) - (19)$	-	-
Minimum capital for concentration risk - counter parties	(16)	-	-
Minimum capital for concentration risk - industry	(17)	-	-
Minimum capital for concentration risk - customers	(18)	-	-
Risk diversification effect	(19)	-	-
Decrease in required capital for risk diversification effect	(20)	-	-
Minimum capital for control risk	(21)	(231,032)	(211,061)
Supplement capital	(22)		-
Core solvency margin	$(23) = (2) + (3) - (6) \times 50\%$	25,953,795	21,489,965
Core solvency margin ratio	$(24) = [(2) + (3)] / (6) \times 100\%$	182%	171%
Comprehensive solvency margin	$(25) = (1) - (6)$	30,666,599	27,892,098
Comprehensive solvency margin ratio	$(26) = (1) / (6) \times 100\%$	256%	257%

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

V. Management Analysis and Discussions

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

As of the end of 2024, Group comprehensive solvency margin ratio stood at 256%, down by

1pt from the end of 2023; core solvency margin ratio was 182%, up by 11pt from the end of 2023, mainly due to interest rate movements, business development, changes to asset allocation and bond issuance of its subsidiaries. Of this,

1) Actual capital amounted to 503.7bn yuan, up by 46.8bn yuan from the end of 2023; core capital 358.1bn yuan, up by 54.2bn yuan from the end of 2023.

2) Minimum capital 197.1bn yuan, up by 19.1bn yuan from the end of 2023.

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

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

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

In 2024, the Group maintained sound and stable operation overall with effective implementation of its risk appetite. All the risk indicators remained stable, with the overall risk under control. There was no occurrence of risk events with significant impact on its business operation or solvency in the reporting period.

In 2025, the international landscape remains complex and challenging. China's economic recovery is on track, but still faces the risk of disruption of the external environment and the downward pressure during transition of growth drivers. The new "10-Point Guidelines" of the insurance sector called for tightening of regulation to forestall major risks and considered it as the precondition of high-quality development. A host of measures have been taken to push for return to the basics of the industry and high-quality development. However, there is mounting pressure on matching assets and liabilities amid the decline of interest rates; extreme weather events and natural disasters will drive up the combined ratio of P/C insurance business; pilot programmes of insurance fund investment and use of new technologies require more effective risk management.

In the face of such risks, we will stay prudent in our risk appetite to pursue high-quality development based on effective risk control. We'll carefully handle risks and uncertainties in our business operation and leverage insurance as a "cushion of economic shocks" and a "social stabiliser". To this end, first, we'll adhere to value growth, enhance the role of risk appetite as a key constraint for business development and maintain high ratings at regulatory evaluation; second, focus on key risk areas, adopt a "look-through" approach, improve coordination in control of major risks to solidify the "lines of defence"; third, enhance digitalisation and use of AI technology, roll out on-line systems for risk identification, risk assessment, risk monitoring and risk early warning, so as to improve the effectiveness of forward-looking risk management in an all-around way.

VI. Risk Management Capabilities

(I) Group solvency risk governance

The Company has established a broad-based risk management framework in which all parties involved play their due roles: the Board of Directors bears the ultimate responsibility, management provides direct leadership, risk management departments focus on coordination, and the 3 lines of defense closely work together. The boards of directors of the Group and its subsidiaries are the supreme authority in risk management of the organisation, and bear the ultimate responsibility for their respective risk management systems and status of operation. The board Risk Management Committee performs duty in risk management as is vested by the board. In 2024, the committee convened 5 meetings to review relevant risk management matters and reports.

The Company's Management Committee is mandated to organise and execute the Company's risk management activities. The Company set up the position of Chief Risk Officer, who reports to the board Risk Management Committee on risk exposure and management measures of the Company on a quarterly basis. The Management Committee has under it a Working Group of Risk Management and Internal Audit.

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

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

(II) Risk management strategies and implementation

1. Risk management strategies

The overall risk management strategy of the Company is: in view of its development

strategies, organisational structure and business characteristics, support and promote fulfillment of business objectives and strategic planning of the Company via a sound risk management system, stringent risk management processes, and scientific risk management mechanisms and tools under the guidance of risk management objectives.

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

2. Risk appetite systems and objectives

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

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

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

3. Risk management tools

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

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

(III) Identification and assessment of Group-specific risks

1.Risk contagion

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

In term of related party transaction management, as per relevant regulatory requirements, the Company has in place, and continuously improves long-term mechanisms for RPT management, strengthens internal control and risk management to curb intra-Group risk contagion resulting from RPTs, pushes forward the building of RPT management systems, enhances accuracy and data-processing capacity of the RPT management process, in a bid to improve full-process, system-driven management. The Company formulated Regulations on Related Party Transactions and its Implementation Rules, established the board Risk Management and Related Party Transactions Control Committee, set up the cross-departmental Office of Related Party Transactions at management level, with clear definition of relevant management roles and responsibilities. During the reporting period, the Company continued to optimise risk limit indicators on major RPTs, further standardised RPT data filing and enhanced the overall management of related party transactions.

As for risk quarantine, in strict conformity with regulatory requirements, the Company put in place a risk quarantine system, formulated relevant rules and policies, specified requirements for “risk firewalls” in areas such as corporate management, financial management, fund management, business operation, information management, personnel management, as well as brand & publicity, information disclosure, related party transactions and guarantee management; identified risk contagion routes, established and implemented prudent risk quarantine management mechanisms and measures. During the reporting period, the Company revised and issued Regulations on Risk Quarantine Management, which helped to update relevant business rules and policies; assessed, on a regular basis, status of risk quarantine management, completed annual assessment report on IT outsourcing as per regulatory requirements; proceeded with self-review of risk quarantine in finance, guarantee and business operation, in a bid to further strengthen the effectiveness of risk quarantine

management.

2. Risk of opaque organizational structure

It refers to the risk that an insurance group's shareholding structure, management structure, operational process, business types, etc. are excessively complex and opaque, which may cause losses to the Group. In strict compliance with regulatory requirements, the Company revised and issued Regulations on Management of Opaque Organisational Structure in 2024, which set out new mechanisms and requirements in managing the risk of opaque organisational structure of the entire Group. The status of the risk in 2024 is as follows:

As a publicly listed insurance holding group, CPIC maintains clear, transparent shareholding and management structures. There is no breach of limits on levels of shareholding or management hierarchy, nor is there any cross-shareholding or illegal subscription of capital instruments between its insurance member companies and other associated companies, or between insurance member companies.

In terms of organisational function, the Group and each of its subsidiaries have established compatible organisational structures based on their respective strategic planning and business development needs, with a management matrix both vertically along corporate functions and horizontally across business units. There is a clear organisational boundary between the Group and its subsidiaries, which helped to avoid either overlapping of or gaps in functions, or over-centralisation of authority and powers, and helped to build work mechanisms with clear definition of roles and responsibilities, good coordination and checks and balances.

3. Concentration risk

Concentration risk refers to the risk of unexpected losses for an insurance group as a result of aggregation of individual risks or risk portfolios of member companies at the group level.

In terms of organisational support, the board of directors of the Company bears the ultimate responsibility for risk management including that of the concentration risk; the management is responsible for execution of risk management work including in concentration risk; the Company put in place centralised concentration risk management mechanisms led by the Risk Management Department, with collaboration from other functional departments. Departments under the framework implement concentration risk management at the Group

level and provide guidance to major member companies on implementation. Major member companies coordinate with the Group in concentration risk management, and develop their own concentration risk management mechanisms for day-to-day implementation.

As for risk management strategy and implementation, In accordance with relevant regulatory requirements, CPIC formulates policies on concentration risk management, regularly identifies, evaluates, monitors and reports on different types of concentration risk along dimensions of transaction counter-parties, underlying industries of investment assets, customers and business, so as to prevent or mitigate material adverse effects of concentration risk on the solvency or liquidity of the Group. In 2024, the Company revised and issued Regulations on Concentration Risks Management, which refined rules and polices of concentration risk management along all dimensions. The Company formulates and annually updates its risk appetite system, which includes upper limits on concentration risk, to be submitted to the board for approval. It conducts evaluation of the status of concentration risk management once every half year, to be reported to the board Risk Management Committee. Based on realities of its business operation and its risk profiles, the Company follows the status of concentration risk relating to investment counter-parties and the credit risk and financial situation of its major counter-parties.

In terms of risk status, during the reporting period, the overall concentration risk status was in the comfort zone. The credit-ratings of the Company's major investment counter-parties remained stable. There was no breach of limits on any dimension, nor occurrence of concentration risk incidents which may pose a material threat to the solvency or liquidity of the Company.

4. Non-insurance risk

The Company is positioned as “a pure insurance player”, and therefore its non-insurance business and investments focus on areas of health care, elderly care and technology, which aims to promote synergy across industries, boost the supply of insurance products and related services, foster competitive edge in niche markets and ultimately improve its overall competitiveness. The Company strictly complies with relevant regulatory rules and regulations, prudently manages investment activities in non-insurance fields, and constantly monitors and prevents adverse effects of operating activities of non-insurance member companies on the solvency of the Group and its insurance member companies.

In terms of investment by non-insurance member companies, CPIC has established an equity investment management system for non-insurance areas based on equity shareholding and

corporate governance system. It has set up an investment decision-making committee under senior management to organise and coordinate major equity investments of its member companies, which helped to ensure that such investments are in compliance with both regulatory requirements and internal policies of the Group, and are aligned with the risk appetite and risk limits of the Company in non-insurance areas.

In management of its non-insurance business, CPIC strictly complies with relevant regulations, and regularly evaluates the risk exposure of non-insurance investments and their impact on solvency, with findings reported to the board of directors. It also monitors the alignment of non-insurance business and the Group's overall strategic direction, with timely assessment and adjustment, if necessary, of the development strategies of its non-insurance business. The Company has also set up asset and liquidity quarantine mechanisms between its insurance and non-insurance member companies to ensure that investments in non-insurance member companies will not harm the interests of policyholders.

In 2024, the Company reshaped its non-insurance management system, issued Regulations on Non-Insurance Businesses, Regulations on Management of Non-Insurance Subsidiaries and Policies on Non-Insurance Risk Management, striving to strengthen oversight of non-insurance business of the Group in an all-around way through enhanced systems and mechanisms, policies and processes, responsibility and accountability, and supporting tools.

(IV). Results of SARMRA assessment

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

VII. Integrated Risk Rating

(I) IRR results of the previous 2 quarters

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

(II) Remedial actions taken or to be taken

Not applicable.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

4th Quarter of 2024

Company overview and contact information

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

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I. Board and management statement

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

1. Voting results by directors

Name of directors	For	Against	Abstain
SU Shaojun	√		
ZHANG Yuanhan	√		
CHEN Hui	√		
CHEN Wei	√		
YU Bin	√		
Total	5		

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

II. Basic information

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

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

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

2. De facto controller

The Company has no de facto controller. China Pacific Insurance (Group) Co., Ltd. is the majority shareholder of the Company, holding 98.5% of the stake.

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

Names of shareholders	Types of shareholders	Change during the reporting period	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Others (listed company)	—	19,649,137,578	98.50	None
Shenergy Group Co., Ltd.	State-owned	—	93,106,180	0.47	None
Shanghai Haiyan	State-owned	—	92,846,189	0.46	None

Investment
Management
Company Limited

Yunnan Hehe (Group) Co., Ltd.	State-owned	—	61,049,510	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	—	51,948,193	0.26	None
Total	—	—	19,948,087,650	100	—

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

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

5. Share transfer

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

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

1. Basic information on directors, supervisors and senior management at head-office level

(1). Directors¹

Mr. GU Yue², born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). He also serves as Chairman of CPIC HK and Director of CPIC AMC. Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance

1 Mr. CHEN Wei has been appointed as a director of the Company since March 2025, following the approval by the company's 4th Extraordinary General Meeting in 2024 and the qualification approval by the NFRA (Approval No. NFRA [2025] 138).

2 Mr. GU Yue no longer served as the Chairman of the Board of CPIC HK since January 2025. In March 2025, Mr. Gu Yue submitted a written resignation to the company's board of directors, resigning from his positions as Chairman and director due to age.

Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of the Board of Supervisors and Director of CPIC Life, Chairman of the Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

Mr. SU Shaojun, born in February 1968, has a Ph.D degree and the designation of Senior Engineer. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No. 377). Mr. SU currently serves as Board Secretary of CPIC Group and Director of CPIC Life. He previously served as Assistant General Manager, Deputy General Manager of Underwriting Department of CPIC P/C, Deputy General Manager, General Manager of CPIC P/C Beijing Branch, General Manager of Development and Planning Department of CPIC P/C, head of the Board Office, head of the Office of the Board of Supervisors of CPIC P/C, General Manager of Tele-marketing Centre of CPIC P/C, head of the Strategic Research Centre and Deputy Director of Transformation of CPIC Group.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a director of China Association of Actuaries, a member of the Society of Actuaries and American Academy of Actuaries. He has been serving as Director of the Company since March 2018 (approval document: CBIRC [2018] No.68). Mr. ZHANG is also the Chief Actuary of CPIC Group, Interim Chief Actuary of CPIC Life and Director of CPIC Health. He previously served as Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Director of Sun Life Everbright Asset Management Co., Ltd., Director of CPIC AMC, Chief Actuary of CPIC Health, Director of CPIC Life and Finance Responsible Person of CPIC Group.

Mr. CHEN Hui, born in February 1969, holds a master's degree and the designation of Accountant. He has been serving as executive director of the Company since November 2024 (approval document: NFRA [2024] No. 753). He currently serves as General Manager of the Company. His previous roles include Assistant General Manager and Deputy General Manager of Beijing Branch of CPIC P/C , Deputy General

Manager of Hebei Branch of CPIC P/C, General Manager of Human Resources Department, Chief Human Resources Officer, Compliance Responsible Person and Chief Risk Officer of the Company. Previously, Mr. CHEN worked at Beijing Coal Company.

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, Deputy General Manager of Underwriting and Claims Department, General Manager of Market Development & Research Centre, General Manager of Marketing Department, Chief Marketing Officer, Deputy General Manager of the Company, and Assistant President of CPIC Group.

(2). Supervisors

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

Mr. CAO Junhua, born in March 1966, has a Ph.D degree. He has been serving as Supervisor of the Company since May 2021 (approval document: CBIRC [2021] No. 376). Mr. CAO currently serves as General Manager of the Internal Audit Department (East China) of the Internal Audit Centre of CPIC Group, and Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd. Previously, he served as head of Secretariat of General Office of CPIC Life, Deputy Section Chief of Board Office

of CPIC Group, Assistant General Manager of CPIC P/C Suzhou Branch, Deputy General Manager of Legal & Compliance Department of CPIC P/C Suzhou Branch, head of Specialised Capacity-building Team of Internal Audit Centre of CPIC Group, Deputy General Manager (in charge), General Manager of Audit Department (North China) of Audit Centre of CPIC Group, Deputy Chief of Party Discipline Inspection Team of CPIC Group, and Internal Audit Responsible Person of CPIC AMC.

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

(3) Senior management at head-office level

Mr. GU Yue³, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

Mr. CHEN Hui, born in February 1969, holds a master's degree and the designation of Accountant. He has been serving as Executive Director and General Manager of the Company since November 2024 (approval documents: NFRA [2024] No. 753 and No. 779 respectively). His previous roles include Assistant General Manager and Deputy

³ Mr. GU Yue no longer served as the Chairman of the Board of CPIC HK since January 2025. In March 2025, Mr. Gu Yue submitted a written resignation to the company's board of directors, resigning from his positions as Chairman and director due to age.

General Manager of Beijing Branch of CPIC P/C , Deputy General Manager of Hebei Branch of CPIC P/C, General Manager of Human Resources Department, Chief Human Resources Officer, Compliance Responsible Person and Chief Risk Officer of the Company. Previously, Mr. CHEN worked at Beijing Coal Company.

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). He currently also serves as Chairman of Tai An Agricultural Insurance Co. Ltd. Previously he served as head of Business Section of Overseas Business Department, Deputy Manager and Manager of Overseas Business Department, and Assistant General Manager of CPIC Hai'nan Branch, Deputy General Manager, General Manager of Hai'nan Branch of the Company, General Manager of the Property and Liability Insurance Department, General Manager of Shandong Branch, head of Sales (Channel Building and Cooperation) and Deputy General Manager (Agricultural Insurance) of the Company. Prior to that, Mr. SONG worked at the Hainan Branch of the Bank of Communications.

Mr. SHI Jian⁴, born in November 1973, holds a bachelor's degree, and has been serving as Interim Compliance Responsible Person and Interim Chief Risk Officer of the Company since December 2024. Mr. Shi also serves as Director of Tai An Agricultural Insurance Co. Ltd. Previously he served as General Manager of Business Management Department, General Manager of Market Development Department and General Manager of Product Development and Reinsurance Department of Shanghai Anxin Agricultural Insurance Co., Ltd.; Assistant President, Vice President, Board Secretary, Executive Director, President (General Manager) of Anxin Agricultural Insurance Co., Ltd.; Deputy Marketing Director and General Manager of Strategic Account Department of CPIC Group, General Manager of Tai An Agricultural Insurance Co. Ltd. Before that, Mr. Shi worked at the Shanghai Branch of China Life.

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

⁴ In December 2024, as approved by the 2nd session (extraordinary) of the 8th Board of Directors of the Company, Mr. CHEN Hui ceased to serve as Compliance Responsible Person and Chief Risk Officer of the Company, and Mr. SHI Jian was designated as Interim Compliance Responsible Person and Interim Chief Risk Officer of the Company.

October 2015 (approval document: CIRC [2015] No. 949). 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, and Finance Responsible Person of the Company. Prior to that, Mr. CHEN worked at the New York Headquarters of Guy Carpenter & Company and the North American Headquarters of Swiss Re.

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

Mr. LI Chao, born in March 1981, holds a master's degree, and has been serving as Deputy General Manager of the Company since September 2024 (approval document: NFRA [2024] No.626). Prior to this, Mr. LI served as Deputy General Manager of Tianjin Branch, Deputy General Manager (in charge) and General Manager of Small- and Medium-Sized Customer Business Department, General Manager of Corporate Customer Department/Bancassurance Department, General Manager of Heilongjiang Branch, and Assistant General Manager of CPIC P/C.

Mr. LIU Zengbo⁵, born in December 1975, holds a master's degree. He has been serving as Interim Finance Responsible Person and Interim Board Secretary of the Company since December 2024. Mr. Liu previously served as Deputy General Manager of Strategic Planning & Investor Relations Department, General Manager of Internal Audit Center/Audit Technology Department, General Manager of Investment Audit Department of CPIC Group; General Manager of Finance Department of CPIC P/C; Internal Audit Responsible Person of CPIC AMC; Deputy General Manager and Finance Responsible Person of CPIC Capital.

⁵In December 2024, as approved by the 2nd session (extraordinary) of the 8th Board of Directors, Mr. CHEN Sen ceased to serve as Finance Responsible Person of the Company and Mr. LIU Zengbo was designated as Interim Finance Responsible Person and Interim Board Secretary of the Company.

Mr. HUANG Yao, born in December 1978, holds a master's degree. He has been serving as Assistant General Manager of the Company since July 2024 (approval document: NFRA [2024] No.471). Mr. HUANG also serves as General Manager of the New Energy Vehicle Development Center of the Company. Mr. HUANG previously served as Deputy General Manager and General Manager of Shenzhen Business Department of Pacific Online Service Technology Co., Ltd., Party Secretary/ General Manager of CPIC P/C Suzhou Branch, and General Manager of Agency Business Department of Individual Customers Center of the Company.

Mr. Wu Bo, born in June 1970, holds a doctorate degree. 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. YE Mingman, born in October 1975, holds a master's degree. He has been serving as Assistant General Manager of the Company since July 2024 (approval document: NFRA [2024] No. 473). Mr. YE also serves as General Manager of the Online Platforms Department of Individual Customers Center of the Company. Mr. YE previously served as Director of Market Development (Individual Customers) of the Company, member of CPC Committee/Assistant General Manager of CPIC P/C Xiamen Branch, Deputy General Manager of Telemarketing Business Unit of the Company, General Manager of CPIC Online Shangdong Branch, General Manager of Channels Cooperation Department of the Company, General Manager of Telemarketing Center of the Company, Executive Deputy General Manager, Executive Director and General Manager of CPIC Online, Executive Director and General Manager of CPIC Insurance Agency.

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

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

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

Position	Predecessor	Incumbent
Director	ZENG Yi	CHEN Hui
General Manager	-	CHEN Hui
Interim Responsible Person	CHEN Hui	-
Compliance Responsible Person, Chief Risk Officer	CHEN Hui	SHI Jian (Interim Compliance Responsible Person, Interim Chief Risk Officer)
Finance Responsible Person	CHEN Sen	LIU Zengbo (Interim Board Secretary of the Company)
Board Secretary	TAO Lei	LIU Zengbo (Interim Board Secretary of the Company)
Deputy General Manager	ZHANG Yu	-
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 (10,000)			Percentage of shareholding (%)		
	As at the end of Q3 2024	As at the end of Q4 2024	Change	As at the end of Q3 2024	As at the end of Q4 2024	Change (pt)
Subsidiaries						
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%	5.36%	-0.73%

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 Oct. 1 and Dec. 31, 2024, branch offices of the Company received 34 administrative penalties from the insurance regulator, with 8.24mn yuan in fines for branches and 1.92mn yuan in fines for individuals, totalling 10.16mn yuan. Misconduct mainly concerned falsification of brokerage business for expense-booking, conducting insurance business in unlicensed regions, falsification of expenses, granting extra benefits to the insured other than those specified in insurance contracts, etc.

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

(Yes
No)

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

(Yes
No)

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

(Yes
No)

III. Key Indicators

(I) Key solvency metrics

Unit: RMB yuan 10,000

Items	As at the end of Q4 2024	As at the end of Q3 2024	Estimates for next quarter under base scenario
Admitted assets	26,163,634	27,414,199	27,658,438
Admitted liabilities	19,093,834	20,607,766	20,449,267
Actual capital	7,069,800	6,806,434	7,209,171
Tier 1 core capital	5,815,305	5,403,641	5,959,099
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,254,495	1,402,792	1,250,072
Tier 2 supplement capital	-	-	-
Minimum capital	3,185,183	3,130,720	3,277,130
Minimum capital for quantifiable risks	3,227,204	3,179,310	3,331,669
Minimum capital for control risk	-42,021	-48,590	-54,539
Supplement capital	-	-	-
Core solvency margin	2,630,122	2,272,921	2,681,969
Core solvency margin ratio (%)	182.6%	172.6%	181.8%
Comprehensive solvency margin	3,884,617	3,675,713	3,932,041
Comprehensive solvency margin ratio (%)	222.0%	217.4%	220.0%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of/ during Q4 2024	As at the end of/ during Q3 2024
Net cash flows (RMB 10,000)	YTD	-242,847	16,982
	FY 2023	346,474	346,474
	FY 2022	-326,022	-326,022
Liquidity Coverage Ratio (%)	LCR1	Next 3 months	113.0%
		Next 12 months	103.4%
	LCR2	Next 3 months	264.2%
		Next 12 months	131.8%

	LCR3	Next 3 months	80.7%	111.7%
		Next 12 months	82.3%	102.7%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the previous 2 quarters		122.6%	397.9%
	Over the previous quarter		851.5%	122.6%

2. Other indicators of liquidity risk

	Items	As at the end of Q4 2024/YTD	As at the end of Q3 2024/YTD
Liabilities	Net cash flow from operating activities (RMB 10,000)	1,062,742	610,343
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	5.3	3.9
	Ratio of cash outflow from business of special types(%)	3.0%	3.1%
	Written premium growth year-on-year(%)	7.1%	8.0%
Assets	Ratio of cash and liquidity management instruments(%)	1.6%	2.5%
	Quarterly average financing gear(%)	1.9%	2.8%
	Share of domestic fixed income assets with external rating of AA and below(%)	0.2%	0.5%
	Proportion of shares representing over 5% of the stake of listed companies(%)	0.0%	0.0%
	Ratio of fund receivables(%)	13.4%	16.5%
	Ratio of assets of related parties held(%)	3.9%	3.6%

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

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

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

(III) Key business metrics

Unit: RMB yuan 10,000

Indicators	As at the end of/ during Q4 2024	As at the end of Q4 2024/YDT
Gross written premiums	4,316,875	20,286,409
Net profit	147,499	737,614
Total assets	23,139,988	23,139,988
Net assets	6,294,113	6,294,113
Insurance contract liabilities	13,566,593	13,566,593
Basic earnings per share (RMB yuan)	0.1	0.4
ROE (%)	2.4	12.5
ROA (%)	0.6	3.3
Investment yield (%)	0.9	3.3
Comprehensive investment yield (%)	2.1	7.0
Combined ratio (%)	99.1	98.7
Expense ratio (%)	30.6	27.1
Loss ratio (%)	68.5	71.7
Proportion of commissions & brokerage expenses (%)	8.9	8.7
Proportion of operating & administrative expenses (%)	23.0	17.1
Written premiums	4,601,087	20,985,308
Written premiums of auto insurance	3,092,241	11,374,199
Written premiums of top 5 non-auto insurance business lines	1,137,093	7,863,552

Liability insurance	456,439	2,347,880
Health insurance	161,673	2,025,292
Agricultural insurance	204,742	1,941,673
Commercial property insurance	111,768	802,990
Homeowners' insurance	202,472	745,717
Average vehicle premium of auto insurance (RMB yuan)	2,748	2,794
Written premiums by channels	4,601,087	20,985,308
Agency	3,233,796	12,436,123
Direct	734,506	5,571,735
Brokerage	632,784	2,977,450
Others	-	-

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

2. Net profits, total assets, net assets, and insurance contract liabilities listed above were based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of Finance in 2017, and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020; basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of afore-mentioned indicators.

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

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

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

IV. Risk management capabilities

(I) Classification of insurance companies

As per rules on classification of insurance companies in Solvency Regulatory Standards No.12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In 2024, its annual written premiums amounted to 209.853bn yuan; total assets stood at 262.739bn yuan; there are 38 provincial-level branch offices.

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

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

First, we further refined risk management. As per regulatory requirements and internal policies on product development and management, we established criteria for insurance product classification and grading to improve relevant management policies.

Second, conducted an all-around risk screening as part of the risk screening campaign organised by Shanghai Municipal State-owned Assets Supervision and Administration Commission (SASAC), followed by a systematic review of its implementation status, key findings and the development of our daily risk management mechanisms. As per requirements of the People's Bank of China, we conducted monthly risk monitoring, ad hoc reporting and semi-annual self-review of significant matters to mitigate potential risks.

Third, strengthened our risk management system. In response to China's "5 Financial Priorities" and in light of the strategic planning of the Group, we conducted research of branches, focusing on risk identification and risk control of new business models and emerging businesses to re-calibrate risks. We continued to improve our emergency response mechanisms and the implementation of emergency contingency plans.

Fourth, stepped up insurance research and innovation. The Company's research project "Research on New Models of New Energy Risk Reduction Management" won the second prize in the "2024 Outstanding Corporate Research Achievement Award" sponsored by Shanghai SASAC. The "Digital Intelligent System for Property/Casualty Insurance Risk Reduction" won the third prize in the 2023 Fin-Tech Development Awards granted by the People's Bank of China. The system integrated digital, AI-driven platforms and boosts the Company's sustainable and high-quality development.

(III) Results of the most recent solvency risk management valuation

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

(IV) Status of SARMRA self-assessment

In this quarter, as per Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment and Solvency Regulatory Standards of Insurance Companies No.18: Solvency Reporting, we carried out a self-assessment of solvency risk management.

We assessed the Company's risk management status item by item in accordance with the standards specified in the Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment. The assessment was led by the Risk Management Department, which assigned each evaluation item to relevant departments while defining the assessment methods and requirements. Each department conducted a self-assessment, with a preliminary scoring of the level of compliance for each item. The Risk Management Department collected the results and determined the final score for each item.

The final score of the self-assessment was 96.60 points, an improvement from 2023. In 2024, we strictly abode by the principle of "making proactive efforts to address root causes in a precise way" for risk management. The Company strengthened its integrated control focusing on prevention and covering all business areas and processes, continued to consolidate the foundation of risk management, particularly risk management capabilities. To boost capacity-building, it conducted a comprehensive review and revision of its risk management system and emergency response plans; optimised the risk management information system and carried out risk management training. In terms of risk monitoring and detection, it enhanced the risk appetite framework, intensified surveillance over key operational processes and reinforced "look-through" risk monitoring of branch offices. As for key risk areas, it improved catastrophe risk management and conducted research on assessment of climate-change-induced physical risks and corresponding response strategies. The Company will continue to refine its risk management policies and procedures and ensure their implementation, and further strengthen systematic capacity-building of its risk management system.

V. Information on IRR (differentiated supervision)

(I) Results of IRR in the previous 2 quarters

The Company was rated AA at the IRR for both Q2 and Q3 of 2024.

As per regulatory requirements, it briefed the board on regulatory feed-backs over IRR results, with follow-up tracking and analysis of the status of rectification.

(II) Status of various risks of the Company

1. Operational risk

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

First, completed the 2024 risk & internal control self-assessment. In accordance with the latest operational risk management regulations and targeting branches and areas with high frequency of the five types of fraudulent conduct, we further identified the risk triggers, reviewed and formalised control measures and compiled the Internal Control Manual for Addressing the Five Types of Fraudulent Conduct.

Second, as per regulatory and Group requirements, organised a review of “compliance standardisation” by sub-branches and below. Based on needs to control the risk of major legal cases, we enhanced supervision and inspection of primary-level branch offices, key positions, vulnerable areas and weak links, and strengthened the screening of abnormal personnel behaviours by vertical corporate functions.

Third, continued to track status of rectification based on audit findings. We used a checklist to track progress of rectification of key audit findings, with automatic deadline alerts, which ensured accountability and the primary responsibility of the “1st line of defense”, and better results.

Fourth, stepped up the proactive, integrated risk control system. Achieved seven actionable outcomes, with the average application rate of 100% across branches of the Company. Promoted preemptive system controls, realising system-enabled prevention of 34 recurring issues identified through repeated audits.

Fifth, in terms of technology risk management, in Q4 we conducted a comprehensive review of our IT risk monitoring system, with certain key metrics refined and adjusted to enhance effectiveness. Focusing on risks such as technology outsourcing, cyber-security, data security and business continuity, we continued to implement technology risk management measures, with overall technology risks under control.

2. Strategic risk

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

When formulating corporate strategies, we fully considered factors like the market conditions, our risk appetite, capital position and capabilities, while ensuring alignment with the spirit of the 20th Party Congress and the Second Plenary Session of the 20th CPC Central Committee, directions outlined in the Central Financial Work Conference and the Central Economic Work Conference, and latest financial and insurance regulations such as the “10-Point Guidelines” and the “5 Financial Priorities” as well as the need to serve the manufacturing industry and new urban residents. Our development strategy is based upon a “prudent” risk appetite and is compatible with our risk management culture and capabilities.

The Company enhanced strategic risk management along dimensions of talent management, business management, investment management and overseas management, evaluated the status of the risk in a timely, comprehensive and objective way, and the results will be incorporated into the Risk Management Evaluation Report to be submitted to the management.

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

3. Reputational risk

During the quarter, there were no severe reputational risk incidents, with the risk overall under control. As per Provisional Regulations on Reputational Risk Management by Banking and Insurance Institutions, Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd and Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd., as well as other applicable regulatory rules and Group policies, the Company conducted quarterly risk screening and analysis, held the 2024 Annual Training on Reputational Risk Management and organised 3 drills for reputational risk and cascaded down relevant pro-active management actions to primary-level branch offices. Going forward, when conducting business and PR activities, it will further enhance risk screening and prevention, step up fast response and coordination in risk-handling, with review and optimisation afterwards, accumulate the “asset” of reputation and strengthen early-stage intervention and closed-loop management of reputational risk, in a bid to forestall the risk more pro-actively.

4. Liquidity risk

To mitigate the liquidity risk, the Company coordinates cash flows from operating, investment and financing activities, pays special attention to large cash outflows

arising from major claims, reinsurance bills, taxes, expenses and fixed assets, makes necessary arrangements in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q4, the Company made funds available to meet needs of large pay-outs like quarterly prepayment of contribution into the Mandatory Insurance Security Fund, reinsurance outgo and purchase & construction of fixed assets. It made funds available for large claims payment arising from natural disasters, while handling needs for liquidity or applications for payment of branch offices in a timely manner. The Company will continue to monitor changes to its liquidity status, balance needs for liquidity and enhance its risk management capabilities.

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 its business operation and net cash flows showed signs of improvement amid stability. The Company maintained a normal status in strategic risk, reputational risk and operational risk. There was no occurrence of major risk events.

2. Analysis of solvency margin ratio movement

As at the end of Q4 2024, the comprehensive and core solvency margin ratios of the Company stood at 222.0% and 182.6% respectively, up by 4.6pt and 10.0pt respectively from the previous quarter. Of this, actual capital rose by 2.63bn yuan from the previous quarter, mainly due to impact of net profit and other comprehensive income.

Minimum capital for insurance risk increased by 480mn yuan from the end of the preceding quarter, mainly due to changes to combined ratio and growth of auto insurance business. Minimum capital for premium and reserve risk increased by 540mn yuan from the end of the preceding quarter.

Minimum capital for market risk rose by 790mn from the end of the preceding quarter, largely due to increased risk exposure of bond securities, which in turn led to higher minimum capital requirement for interest rate risk.

Minimum capital for credit risk fell by 680mn from the end of the preceding quarter, largely due to decreased risk exposure of premium receivables and debt claims against individuals/companies, which lowered minimum capital requirement for counter-party default risk.

The Company sets its solvency risk upper limits and risk indicators based on its risk profile and appetite, and tracks them on a regular basis. In the meantime, it

will continue to ensure stable and solid solvency positions via enhanced business quality control, improved risk identification and management, and optimised asset and business mix, etc.

3. Analysis of changes to liquidity risk indicators

(1) Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios of the Company, i.e., LCR1 and LCR2 in the next 3 months and 12 months under the base and stress scenarios respectively were both above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from operating activities in the past 2 quarters consistently equal to or above the regulatory minimum level of -30%. On a YTD basis, net cash outflows of the Company amounted to 2.43bn yuan. Of this, net cash inflow from operating activities was 10.63bn yuan; net cash outflow from investment activities 7.79bn yuan; net cash outflow from financing activities 5.27bn yuan.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from operating, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefit payments. Besides, the Company allocates in its SAA a certain proportion of highly liquid assets to meet liquidity requirements, which enables it to meet short-term cash flow requirements arising from business volatility. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Life Insurance Co., Ltd.

4th Quarter of 2024

Company overview and contact person

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

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

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

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I. Board and management statement

(I). Board and senior management statement

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

(II). Information on review of the report by the board

1. Voting results by directors

Name of directors	For	Against	Abstain
MA Xin	✓		
SU Shaojun	✓		
Li Jinsong	✓		
ZHAO Yonggang	✓		
YUAN Ye	✓		
XIE Weiqing	✓		
Total	6		

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

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

II. Basic information

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

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

Types of shareholders	As at the beginning of the reporting period		Change during the reporting period				As at the end of the reporting period	
	Shares or contribution	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State	14,733.69	1.708	-	-	-	-	14,733.69	1.708
Domestic legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural person	-	-	-	-	-	-	-	-
Others (listed company)	848,086.31	98.292	-	-	-	-	848,086.31	98.292
Total	862,820	100	-	-	-	-	862,820	100

2. De facto controller

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

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

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

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

Ltd.						
Shanghai Investment Management Company Limited	Haiyan	State-owned	-	3,218.11	0.373	-
Yunnan Hehe Co., Ltd.	(Group)	State-owned	-	2,114.75	0.245	-
Related party relations between shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.					

4. Shareholding by directors, supervisors and senior management

None during the reporting period.

5. Share transfer during the reporting period

None during the reporting period.

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

1. Basic information of directors, supervisors and senior management at head-office level

(1) Directors

As of the end of December 2024, the 8th Board of Directors of the Company has 6 directors in total:

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

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

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

Mr. LI Jinsong, born in June 1969, has a master's degree. He has been serving as Director of the Company since July 2024 (approval document: NFRA [2024] No. 479). He currently serves as Executive Director and General Manager of the Company. Mr. LI previously served as General Manager of CPIC Life Sichuan Branch, General Manager of Bancassurance Department of CPIC Life, Assistant General Manager and Deputy General Manager of CPIC Life, Deputy Marketing Director/ General Manager of the Strategic Customer Department of CPIC Group, Director of Changjiang Pension.

Mr. ZHAO Yonggang, born in November 1072, holds a master's degree and has been serving as Chairman of the Company since December 2024 (approval document: NFRA[2024] No. 856). Mr. ZHAO currently serves as Chairman of the Company, Executive Director and President of CPIC Group. He previously served as Director of the Strategic Transformation Office of CPIC Life, General Manager of Heilongjiang Branch and Henan Branch, and Human Resources Director of CPIC Life, Vice President of CPIC Group, and Vice Chairman of the Board of Supervisors and Director of Haitong Securities Co., Ltd.

Mr. YUAN Ye, born in November 1972, holds a master's degree. He has been serving as Director of the Company since September 2024 (approval document: NFRA [2024] No.601). Mr. YUAN currently serves as Director of the Company, Director of President's Office of CPIC Group, Supervisor of CPIC Technology and Chairman of the Board of Supervisors of Shanghai Health and Elderly Care Development Group. Mr. YUAN previously served as Senior Staff Member of the Criminal Investigation Division of Putuo District Bureau of Shanghai Municipal Public Security Bureau, Senior Staff Member, Principal Staff Member, Deputy Director and Director of the Comprehensive Coordination Division of the Political and Legal Commission of Shanghai Party Committee, and General Manager of Legal and Compliance Department of CPIC Group.

Mr. XIE Weiqing, born in July 1979, holds a master's degree and designation of Senior Accountant (professor-level). He has been serving as Director of the Company since September 2024 (approval document: NFRA [2024] No.602). Mr. XIE currently serves as Director of the Company, Non-executive Director of CPIC Group, General Manager of the Finance Department of Shenergy (Group) Co., Ltd., Executive Director of Shenergy Group Business Service Co., Ltd., Director of Shenergy Co., Ltd., Supervisor of Haitong Securities Co., Ltd. and Non-executive Director of Orient Securities Company Limited. Mr. XIE previously served as Financial Director of the Finance Department of Shanghai Maglev Transportation Development Co., Ltd., Deputy Financial Director, Financial Director, and Deputy Manager of the Finance Department of Shenergy (Group) Co., Ltd., Deputy General Manager of Shenergy Group Finance Company Limited and General Manager of Shenergy Group Business Service Co., Ltd

(2) Supervisors

As of the end of December 2024, the 8th Board of Supervisors of the Company has 3 supervisors:

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Chairman of the Board of Supervisors of the Company since May 2024 (approval document: NFRA [2024] No.297). Mr. ZHANG currently serves as Chief Internal Auditor, General Counsel and Internal Audit Responsible Person of CPIC Group, Chairman of the Board of Supervisors of CPIC P/C, Director of CPIC Health. Mr. ZHANG previously served as Board Secretary and Director of the Company, General Manager of the Legal & Compliance Department, head of the Board Office, Risk & Compliance Officer, General Manager of the Risk Management Department, Chief Risk Officer and Compliance Responsible Person of CPIC Group, Board Secretary and Director of CPIC P/C, Board Secretary and Director of CPIC AMC and Director of Changjiang Pension.

Mr. ZHANG Lei, born in July 1976, holds a master's degree in economics and designation of senior auditor. He has been serving as Supervisor of the Company (approval document: CBIRC [2021] No. 397) since June 2021. He currently also serves as General Manager of Legal and Compliance Department of the Company, and head of Office of the Board of

Supervisors of the Company. Previously, he served as Deputy Director of Computerised Auditing Division, Deputy Director (in charge), Director of Social Security Audit Division, and Director of Corporate Audit Division of Shanghai Special Representative Office of National Audit Office, Chief Auditor (life insurance) of Audit Technology Department of Audit Center of CPIC Group, Chief Auditor (life insurance) of Digitalised Audit Technology Department of CPIC Group, General Manager of Investment Audit Department of CPIC Group, and Internal Audit Responsible Person of Changjiang Pension.

Ms. ZHOU Lili, born in November 1972, holds a master's degree. She has been serving as Supervisor of the Company since September 2024 (approval document: NFRA [2024] No.603). Ms. ZHOU currently serves as General Manager of the Risk Management Department of CPIC Group and Director of CPIC Capital. Ms. ZHOU previously served as Deputy Head of the Ceded P/C Insurance Section of Reinsurance Department CPIC Group, Senior Manager, Supervising Manager, and Deputy General Manager of Risk Monitoring Department of CPIC Group.

(3) Senior management at head-office level

As of the end of December 2024, the Company has 13 members¹ of senior management in total:

Mr. LI Jinsong, born in June 1969, has been serving as Executive Director and General Manager of the Company since July 2024 (approval document: NFRA [2024] No. 489). Please refer to Basic Information of Directors above for his biography.

Mr. WANG Guangjian, born in June 1965, has a master's degree and designation of accountant. He has been serving as Executive Deputy General Manager of the Company since August 2019 (approval document: CBIRC Shanghai [2019] No.637), as Chief Risk Officer of the Company since July 2022 and as Compliance Responsible Person since March 2023 (approval document: CBIRC [2023] No.85). Mr. WANG previously served as Deputy Manager, Manager of the Planning and Finance Department of CPIC Urumqi Branch, Deputy General Manager of Urumqi Branch, Deputy General Manager of Taiyuan

¹ As approved by the 9th session (extraordinary) of the 8th Board of Directors of the Company and with appointment qualification approval by NFRA (approval document: NFRA [2025] No.91), Mr. LIU Yuqing began to assume the position as Assistant General Manager of the Company on 17 February 2025.

Branch, General Manager of Shanxi Branch and General Manager of Shandong Branch of CPIC Life, Assistant to Chairman of the Management Committee of CPIC Life, Deputy General Manager/ Chief Compliance Officer, Chief Risk Officer of CPIC Life, Chairman of the Board of Supervisors of CPIC Life, Executive Director and General Manager of the Group Business Center of Pacific Medical & Health Management Co., Ltd.

Mr. WEI Lin, born in July 1972, holds a master's degree. He has been serving as Deputy General Manager of the Company since June 2018 (approval document: CBIRC [2018] No.449), has been serving as Director of CPIC (Dali) Elderly Home Co., Ltd. since February 2019, and as Executive Director of Pacific Medical & Health Management Co., Ltd since July 2021. He also serves as Executive Director and General Manager of Pacific Elderly Care Investment Management Co., Ltd. Mr. WEI previously served as Chief Staff Member of CIRC Chengdu Office, Deputy Director of the General Management Division of CIRC Sichuan Bureau, Deputy Director of the General Office of CIRC Sichuan Bureau, Deputy Director (in charge) of the Personnel and Education Division of CIRC Sichuan Bureau, Senior Manager of the Board Office of China Insurance (Holdings) Co., Ltd., General Manager of Investment Management Department of Taiping Group, and General Manager of Taiping Elderly Care Investment Company.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a director of China Association of Actuaries, a member of the Society of Actuaries and American Academy of Actuaries. He has been serving as Interim Chief Actuary of the Company since June 2024. Mr. ZHANG is currently Chief Actuary of CPIC Group, Director of CPIC P/C and Director of CPIC Health. Mr. ZHANG previously served as Chief Actuary of Citi Group TRV-Citi Insurance headquarters, Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Chief Risk Officer and Chief Actuary of CPIC Health, Director of CPIC AMC, Finance Responsible Person of CPIC Group and Director of CPIC Life.

Mr. YE Peng, born in March 1972, has a master's degree and holds the designation of

Senior Accountant (professor-level) and is a Certified Public Accountant and tax advisor in China. He is also a senior member of FAIA and a member of IFA/IPA. He has been serving as Deputy General Manager² of the Company since August 2019 (approval document: CBIRC Shanghai [2019] No.638). He is also Director of Changjiang Pension, Director of CPIC Life HK, and Executive Director of Beijing Borui Heming Insurance Brokerage Co., Ltd. Mr. YE previously served as Assistant General Manager, CFO, Board Secretary, and Deputy General Manager of Changjiang Pension.

Mr. JIANG Yifeng, born in January 1978, holds a doctoral degree and has been serving as Deputy General Manager of the Company (approval document: NFRA [2024] No.660). Mr. JIANG previously served as Deputy General Manager of Human Resources Department of CPIC Life, General Manager of CPIC Life Ningxia Branch, General Manager of CPIC Life Shaanxi Branch, head of the Office of All-around Transformation of CPIC Group, and General Manager of CPIC Life Zhejiang Branch, Assistant General Manager and Board Secretary of the Company.

Mr. DAI Chuanjiang, born in September 1973, holds a bachelor's degree and has been serving as Deputy General Manager of the Company (approval document: NFRA [2024] No.661) since October 2024, as General Manager of South China Unit of the Company since August 2021. Mr. DAI previously served as Assistant Manager, Deputy Manager of CPIC Life Bijie Central Sub-Branch, Deputy Manager (in charge), Manager of Guiyang Business Department of CPIC Life Guizhou Branch, Deputy Manager of Business Division, Manager of Individual Business Management Department, Assistant General Manager, Deputy General Manager of CPIC Life Guizhou Branch, and Senior Deputy General Manager, General Manager of CPIC Life Shanghai Branch.

Ms. TAO Lei, born in September 1977, holds a master's degree and has been serving as Deputy General Manager and Board Secretary of the Company (approval document:

² As approved by the 3rd session (regular) of the 8th Board of Directors of the Company and with appointment qualification approval by NFRA (approval document: NFRA [2024] No.846), Ms. TIAN Rui began to assume the position as Assistant General Manager and Finance Responsible Person of the Company on 26 December 2024, and Mr. YE Peng ceased to serve as Finance Responsible Person of the Company.

NFRA [2024] No.609) since September 2024. Ms.TAO previously served as Assistant General Manager, Transformation Director and head of the Office of the Steering Committee for Deepening Transformation of CPIC P/C.

Mr. TAI Fuchun, born in December 1967, holds a master's degree and has been serving as Assistant General Manager of the Company (approval document: CBIRC [2021] No. 745) since October 2021, and as General Manager of North China Unit of the Company since August 2021. Mr. TAI previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC Life Shanxi Branch, General Manager of Customer Resources Management Department of CPIC Life, General Manager of CPIC Life Shandong Branch, Deputy Chief Internal Auditor of CPIC Group, and Internal Audit Responsible Person (life insurance) of CPIC Group. Prior to that, Mr. TAI served as an official of the General Office of the Standing Committee of the Shanxi Provincial People's Congress.

Mr. ZHU Xuesong, born in November 1969, holds a bachelor's degree and has been serving as Assistant General Manager of the Company (approval document: CBIRC [2021] No. 1033) since December 2021. He also serves as Chief Operation Officer of the Company. Mr. ZHU previously served as Attending Surgeon at the Third Affiliated Hospital to Shanghai Textile Industry Bureau, head of the Group Insurance Operation Department of Taiping Life, Deputy General Manager of Taiping Pension Shanghai Branch, General Manager of the Group Insurance Business Department and Chief Operating Officer of the Operation Department of AIA China, Chief Operation Technology Officer of FWD China, General Manager of FWD Technology Co., Ltd., and Executive COO of WeDoctor Group.

Mr. YE Bo, born in June 1977, holds a master's degree and designation of accountant. He has been serving as Assistant General Manager of the Company (approval document: NFRA [2024] No.622) since September 2024. He is also Director of CPIC Life (HK). Mr. YE previously served as CFO of CPIC Life Zhejiang Branch, General Manager of Corporate Business Comprehensive Management Department of CPIC Life, head of General Administration Office of CPIC Life, and General Manager of CPIC Life Jiangsu Branch.

Ms. TIAN Rui, born in March 1976, has a bachelor's degree and the designation of accountant. She has been serving as Assistant General Manager and Finance Responsible Person of the Company (approval document: NFRA [2024] No.846) since December 2024. Her previous roles include General Manager of the Finance Department of CPIC Life Beijing Branch and General Manager of CPIC Life Beijing Branch.

Mr. YU Yun, born in June 1965, holds a bachelor's degree. He has been serving as Internal Audit Responsible Person of the Company (approval document: CBIRC [2021] No. 975) since December 2021, and as Deputy Chief Internal Auditor of CPIC Group since September 2021. Mr. YU previously served as General Manager of CPIC Xinjiang Karamay Central Sub-branch, Manager of the Individual Business Department of CPIC Xinjiang Branch, Assistant General Manager, Deputy General Manager, Deputy General Manager (in charge) and General Manager of CPIC Xinjiang Branch, and General Manager of CPIC Beijing Branch. Prior to that, Mr. YU served as Director of Administration of the Finance Bureau of Karamay City, Xinjiang.

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

(1). Changes to directors

Mr. ZHANG Yuanhan ceased to serve as Director of the Company on 5 November 2024.

On 25 December 2024, the NFRA issued Approval for Appointment Qualification of ZHAO Yonggang as Chairman of the Board of Directors of China Pacific Life Insurance Co., Ltd. (approval document: NFRA [2024] No. 856), approving Mr. ZHAO's qualification to serve as Chairman of Board of Directors of the Company.

(2). Changes to senior executives

As per approvals by the 3rd session (regular) of the 8th Board of Directors of the Company and the NFRA (approval document: NFRA [2024] No. 660), Mr. JIANG Yifeng began to serve as Deputy General Manager of the Company on 19 October 2024.

As per approvals by the 3rd session (regular) of the 8th Board of Directors of the Company and the NFRA (approval document: NFRA [2024] No. 661), Mr. DAI Chuanjiang began to serve as Deputy General Manager of the Company on 19 October 2024.

As per approvals by the 3rd session (regular) of the 8th Board of Directors of the Company and the NFRA (approval document: NFRA [2024] No. 846), Ms. TIAN Rui began to serve as Assistant General Manager and Finance Responsible Person of the Company on 26

December 2024. Mr. YE Peng ceased to serve as Finance Responsible Person of the Company.

(III) Subsidiaries, joint ventures or associates

Company name	Number of shares (10,000 shares)			Shareholding percentage (%)		
	As at the beginning of Q4	As at the end of Q4	Change	As at the beginning of Q4	As at the end of Q4	Change
Changjiang Pension Insurance Co., Ltd.	186,486	186,486	-	62.16	62.16	-
City Island Developments Limited	0.1	0.1	-	100.00	100.00	-
Tianjin Trophy	35,369	35,369	-	100.00	100.00	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	500,000	500,000	-	100.00	100.00	-
Pacific Health Care Management Co. Ltd.	100,000	100,000	-	100.00	100.00	-
CPIC Elderly Care Development (Chengdu) Co. Ltd.	98,700	100,000	1,300	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	100,600	100,600	-	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	90,000	90,000	-	100.00	100.00	-
CPIC Elderly Care (Nanjing) Co. Ltd.	44,356	48,356	4,000	100.00	100.00	-
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	25,000	25,000	-	100.00	100.00	-
CPIC Elderly Care (Zhengzhou) Co. Ltd.	55,850	65,000	9,150	100.00	100.00	-
CPIC Elderly Care (Beijing) Co. Ltd.	80,000	80,000	-	100.00	100.00	-
CPIC Elderly Care (Wuhan) Co. Ltd.	98,000	98,000	-	100.00	100.00	-
CPIC Health Management (Sanya) Co. Ltd.	39,500	49,000	9,500	100.00	100.00	-
CPIC Elderly Care (Guangzhou) Co. Ltd.	36,500	36,500	-	100.00	100.00	-
CPIC Elderly Care (Suzhou) Co. Ltd.	3,900	23,000	19,100	100.00	100.00	-
Beijing Borui Heming Insurance Agency Co. Ltd.	5,200	5,200	-	100.00	100.00	-
China Pacific Life Insurance (Hong Kong) Company Limited	100,000	100,000	-	100.00	100.00	-
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34.00	34.00	-
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	983,500	-	70.00	70.00	-

Shanghai Shantai Health Care Technology Co. Ltd.	4,000	4,000	-	13.21	13.21	-
Zhongbao Rongxin Private Equity Fund Management Co. Ltd.	150,000	150,000	-	10.14	10.14	-
Lianren Healthcare Big Data Technology Co. Ltd.	50,000	50,000	-	20.00	20.00	-

Notes:

1. Shareholding percentages of Shanghai Shantai Health Care Technology Co. Ltd. and Lianren Health Care Big Data Technology Co. Ltd. were based on subscribed capital contribution. As at 31 December 2024, the change of registered capital was not fully paid in, and based on paid-in capital, the shareholding of the Company was 14.66% and 24.37% respectively.

2. As of the end of 2024, China Pacific Life Insurance (Hong Kong) Company Limited reported HKD1.458bn in written premiums, with a net profit of HKD6mn. Its actual capital and minimum capital under HKRBC was HKD663mn and HKD287mn respectively, with a solvency margin ratio of 231%, meeting regulatory requirements.

(IV) Breaches and penalties during the reporting period

1. Administrative penalties the Company and its directors, supervisors and senior management at head-office level received from financial regulators or other government departments.

None during the reporting period.

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

None during the reporting period.

3. Regulatory measures taken by NFRA against the Company during the reporting period

During the reporting period, there was no regulatory measure against the Company by the NFRA. However, certain local bureaus of the regulator took regulatory measures against the Company: Sichuan Branch, Guangxi Branch, Taizhou Key Sub-branch of Jiangsu Branch, Taizhou Key Sub-branch of Zhejiang Branch, Baicheng Key Sub-branch of Jilin Branch, Chengdu Key Sub-branch of Sichuan Branch, Anqing Key Sub-branch of Anhui Branch, Fangchenggang Key Sub-branch of Guangxi Branch, Quzhou Key Sub-branch of Zhejiang Branch, Lianyungang Key Sub-branch of Jiangsu Branch, Nanchang Key Sub-branch of Jiangxi Branch, Shangrao Key Sub-branch of Jiangxi Branch, Yizhou Key Sub-branch of Guangxi Branch, and Fusongzhi Key Sub-branch of Jilin Branch each received an administrative penalty. Moreover, the Company HQ received 2 Regulatory Notices; Guangxi Branch, Yunnan Branch,

Mudanjiang Key Sub-branch of Heilongjiang Branch and Guilin Key Sub-branch of Guangxi Branch each received a Regulatory Notice; Guangdong Branch received 2 Regulatory Opinion Letters; the Company HQ, its Hunan Branch, Yunnan Branch, Henan Luoyang Branch, Fuzhou Key Sub-branch of Jiangxi Branch, Chifeng Key Sub-branch of Inner Mongolia Branch, Foshan Key Sub-branch of Guangdong Branch, Chenzhou Key Sub-branch of Hunan Branch, and Guangzhou Sales and Service Center each received a Regulatory Opinion Letter.

III. Key indicators

(I) Key solvency metrics

unit: 10,000 RMB yuan

Indicators	As at the end of the reporting quarter	As at the end of the preceding quarter	Next quarter estimates
Admitted assets	237,867,820	227,598,897	246,532,303
Admitted liabilities	203,316,845	192,793,183	212,722,697
Actual capital	34,550,975	34,805,714	33,809,606
Tier 1 core capital	19,341,827	19,823,780	18,509,148
Tier 2 core capital	2,000,000	2,000,000	2,000,000
Tier 1 supplement capital	13,199,645	12,973,983	13,290,246
Tier 2 supplement capital	9,503	7,951	10,213
Minimum capital	16,431,255	16,610,289	16,840,282
Minimum capital for quantifiable risks	16,658,974	16,840,489	17,073,670
Minimum capital for control risk	-227,719	-230,200	-233,388
Supplement capital	-	-	-
Core solvency margin	4,910,572	5,213,491	3,668,866
Core solvency margin ratio (%)	130%	131%	122%
Comprehensive solvency margin	18,119,720	18,195,425	16,969,325
Comprehensive solvency margin ratio (%)	210%	210%	201%

(II) Regulatory indicators for liquidity risk

Items	As at the end of /during the reporting quarter	As at the end of /during the preceding quarter
Liquidity coverage ratio (LCR) (%)		
LCR under base scenario (LCR1)		
Next 3 months	112%	127%
Next 12 months	104%	106%
LCR under stress scenario (LCR2)		
Next 3 months	900%	1094%
Next 12 months	308%	311%
LCR under stress scenario before asset disposal (LCR3)		
Next 3 months	124%	108%
Next 12 months	83%	95%
Retrospective adverse deviation ratio of net cash flows from operating activities (%)	49%	33%
Net cash flow YTD (RMB yuan 10,000)	707,382	1,843,231

(III) Other indicators for liquidity risk

unit: 10,000 RMB yuan

Indicators	As at the end of /during the reporting quarter	As at the end of /during the preceding quarter
1. Net cash flow from operating activities	14,238,820	12,246,864
2. Comprehensive surrender ratio (%)	1.68%	1.29%
3-1. Net cash flow from participating accounts	1,823,031	1,790,802
3-2. Net cash flow from universal accounts	1,328,054	1,343,181
4. Written premiums growth year on year	3.27%	3.34%
5. Ratio of cash and liquidity instruments (%)	1.31%	1.74%
6. Quarterly average financial leverage ratio (%)	6.35%	4.36%
7. Share of domestic fixed income assets rated AA (inclusive) and below (%)	2.59%	2.38%
8. Share of investments in listed stocks with a stake of 5% or above (%)	0.26%	0.25%
9. Share of receivables (%)	0.35%	0.54%
10. Share of related party assets held by the Company (%)	2.76%	2.85%

(IV) Key business metrics

Indicators	unit: 10,000 RMB yuan	
	As at the end of/during the reporting quarter	As at the end of the reporting quarter/YTD
Gross written premiums	2,923,063	23,882,446
Net profits	496,138	3,582,140
Total assets	248,187,656	248,187,656
Net assets	16,815,569	16,815,569
Insurance contract liabilities	208,704,068	208,704,068
Basic earnings per share (RMB yuan)	0.58	4.15
ROE (%)	3.09%	24.07%
ROA (%)	0.21%	1.59%
Investment yield (%)	1.21%	3.03%
Comprehensive investment yield (%)	1.85%	7.33%

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

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

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

IV. Risk management capabilities

(I) Company overview

Established in November 2001, the Company is the life insurance subsidiary of CPIC Group. As per Articles 5 and 6 of Solvency Regulatory Rules No. 12: Solvency Aligned Risk Management Requirements and Assessment on classification of insurance companies, it is a Category I insurance company. In 2024, its written premiums amounted to 261.1bn yuan, with total assets of 2,481.8bn yuan as of the end 2024, and 35 provincial-level branches.

(II) Results of the last SARMRA evaluation

In 2022, the regulator carried out an on-site SARMRA evaluation of the Company, which scored 84.50 points. Of this, infrastructure and environment of risk management was 17.06 points, targets and instruments of risk management was 8.89 points, insurance risk management was 8.43 points, market risk management was 8.36 points, credit risk management was 8.37 points, operational risk management was 8.39 points, strategic risk management was 8.4 points, reputation risk management was 8.28 points, liquidity risk management was 8.32 points.

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

The Company attaches great importance to risk management. It organises analysis by relevant departments of findings of regulatory assessment of its peers as well as findings of its own internal audits, identifies gaps in solvency risk management systems and takes effective remedial actions to enhance solvency risk management. What was achieved in Q4 2024 includes: initiating the review and revision of the 2025 risk appetite, risk tolerance and key risk indicators, and continuously improving the Company's risk appetite limit system as per regulatory policies, Group requirements and the Company's actual operational and management needs.

We will carry out solvency risk management in the following aspects during Q1 2025.

First, continue with revision of the 2025 risk appetite and related regulations and policies, including determining the annual risk appetite limits and finalizing their amendments. In the meantime, we will conduct a review of the overall risk management policies and risk management regulations specific to each risk category, followed by necessary amendments.

Second, conduct a comprehensive review of the implementation of the Company's 2024 risk appetite and risk tolerance, the monitoring of key risk indicators, monitoring of major risk categories and their trends and dynamics, and accordingly formulate risk management plans.

(IV). Information on SARMRA self-assessment

Not applicable during the reporting period.

V. Information on IRR (differentiated supervision)

(I) Results of IRR in the previous two quarters

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an AA rating of the Company for both Q2 and Q3 of 2024.

(II) Measures taken or to be taken for rectification

The Company continued to enhance the IRR evaluation system. On the one hand, it continuously improved its basic management mechanisms by formulating and issuing multiple IRR management rules, establishing systematic data filing and management processes, clarifying the responsibility of front-line business as “leader” in management of each indicator, and regularly conducting data quality governance. On the other hand, it strengthened rectification and management of under-performing risk indicators. First, monitored changes to the indicators and issued early warning when necessary, formulated and implemented control measures based on characteristics of each indicator; second, used the IRR to communicate indicator management requirements to risk sources and front-line business units to guide them towards increased compliance and basic management; third, stepped up research, prevention and control of specific risks, especially in terms of their causes and trends and dynamics, which would enable the Company to identify underlying patterns, detect potential hazards at an early stage, and implement timely management and mitigation measures.

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

As per requirements for IRR under C-ROSS II, the Company continued to strengthen its

in-house evaluation system for IRR, continuously reviewed risk metrics to improve the timeliness and accuracy of monitoring; ensured risk early warning in a timely manner via monitoring and analysis of changes to metrics on a regular basis.

1. Methods, processes and results of self-assessment

As part of its work in quarterly IRR, the Company organises, on a quarterly basis, a self-review of operational risk, strategic risk, reputational risk and liquidity risk by relevant departments so as to evaluate the risk status in an objective way. Departments involved would monitor the key under-performing indicators according to assignment of responsibilities, and in the event of detection of abnormalities, would follow up and identify their causes and roll out remedial actions. The Company's unquantifiable risks overall are under effective control, and no material flaws or potential risks were detected.

2. Status of unquantifiable risks

In operational risk, the Company issued the revised version of Regulations on Operational Risk Management and relevant supportive policies in Q4, which further improved the governance framework of operational risk management and relevant work mechanisms. The Company continuously monitored and analysed its operational risk status using management tools such as self-assessment, operational risk data loss recovery and key risk indicators. The Company strived for a matrix-based compliance risk management system, with branches focusing on coordination, vertical functions bearing the primary responsibility, and all departments and positions getting involved. This matrix approach ensures optimal mechanisms for ownership of the objectives and sharing of resources and responsibilities relating to compliance and risk control. The Company continued to increase the use of IT in operational risk control so that operational execution in key areas can be controllable and traceable. The Company takes risk screening seriously: all head-office departments and branches are supposed to carry out various risk assessments from time to time as per regulatory and corporate rules. In Q4 2024, monitoring of key risk indicators and data loss recovery indicated that the Company's overall operational risk was manageable.

On the side of reputational risk, in January 2024, the Company issued the revised Implementation Rules on Reputational Risk Management as per C-ROSS II requirements to further improve the governance structure and work mechanisms of reputational risk management. It set great store by risk screening, conducted risk screening on a regular basis or ad hoc to strengthen at-source control of negative media publicity; set up the working group for reputational risk management at the head-office level, with full-time/part-time reputational risk management positions in each department at head-office and in branches in order to improve coordination in media response; conducted training and drills as an important part of daily media management. In 2024, the Company monitored, detected and handled 166 reports (original) of adverse publicity on the media, up by 9.2% from 2023. Of this, there were 46 Level III reports and 120 Level IV reports, representing 27.7% and 72.3% of the total respectively. There were no Level I or II major incidents, indicating manageable reputational risk. Self-media and social media remained a high-risk area. In terms of content, the share of mis-selling and claims disputes, as well as regulatory administrative penalties was relatively high.

As for strategic risk, the implementation of strategies of the Company is in a healthy status. In terms of risk factors which may impact the Company's business operation and fulfillment of strategic objectives, China's economic recovery remained on track, but the life insurance market faces challenges amid industry transformation and secular decline of interest rates. In response to changes of the market environment, the Company persisted in the Changhang Transformation and stayed committed to customers and value growth. While consolidating achievements of the first phase of the transformation, the Company embarked on a second phase to accelerate the customer-oriented paradigm shift via continued transformation. It pressed ahead with restructuring of the individual customer business to improve professional selling skills and autonomous operation of the agency force; continued to boost channel diversification, rolled out value-oriented bancassurance, stepped up work-site marketing and expanded the coverage of inclusive insurance; improved the product/service system, enhanced customer insights and optimised product/service offerings; further strengthened ALM and cost control, enhanced capacity-building for compliance and risk management,

improved consumer rights protection. Going forward, the Company will forge ahead with all-around transformation centering on customers, persist in long-termism and pursue high-quality development.

With respect to liquidity risk, the Company established a cash flow management system for investment accounts covering assets and liabilities, front-line and back-office departments. To be concrete, the system includes the projection, review, analysis and transfer of cash flows of investment accounts. It conducts account-specific cash flow projections at year-end, month-end and in the event of material adjustment of its business plans, with analysis of discrepancies between actual cash flows and projections. It also sets limits on cash-flow discrepancies depending on size of accounts and profiles of liabilities. In the event of breaches of such tolerances, a detailed explanation for material cash flow variance will be required. Meanwhile, the Company conducts liquidity emergency drills on a regular basis to ensure effective response in cases of risk incidents; put in place mechanisms for early warning, with the focus shifting from crisis handling to early warning and prevention, which can enhance overall liquidity risk management. Liquidity coverage ratios (LCRs) under all scenarios remained solid. Relevant indicators showed that the liquidity management of the Company was sound and effective, with the liquidity risk overall under control.

VI. Management Analysis and Discussions

(I) Changes to solvency analysis this quarter

As of the end of the quarter, core solvency margin ratio of the Company was 130%, with a core solvency margin of 49.10572bn yuan, down by about 2pt from the previous quarter; comprehensive solvency margin ratio of the Company was 210%, with a comprehensive solvency margin of 181.19720bn yuan, approximately the same as that of the previous quarter. Reasons for change are as follows:

1. As of the end of the quarter, actual capital amounted to 345.505975bn yuan, versus 348.05714bn as of the end of the previous quarter, down by 0.7%, mainly due to:

(1) Core capital decreased by 4.81953bn yuan in the quarter as a result of capital market movement and changes to insurance contract liabilities under solvency reporting.

(2) Supplement capital decreased by 2.27214bn yuan.

2. As of the end of this quarter, minimum capital amounted to 164.31255bn yuan, versus 166.10289bn as of the end of the previous quarter, down by 1.1%, mainly due to:

(1) During the quarter, minimum capital for life insurance risk rose by 1,102.39mn yuan, and that for non-life insurance decreased by 194.32mn yuan;

(2) During the quarter, minimum capital for market risk decreased by 3,132.05mn yuan, and of this, that for interest rate risk fell by 5,892.73mn yuan, that for equity price risk dropped by 3,488.68mn yuan, and that for overseas equity price risk increased by 3,661.74mn yuan;

(3) During the quarter, minimum capital for credit risk decreased by 1,370.29mn yuan, and of this, that for credit spread fell by 553.47mn yuan, and that for default risk of counter-parties fell by 1,148.13mn yuan;

(4) Risk diversification effect and loss absorption decreased by 1,779.12mn yuan, which increased minimum capital requirement accordingly;

(5) Subtraction from minimum capital by control risk fell by 24.81mn yuan from the preceding quarter.

(II) Changes to regulatory liquidity risk indicators

LCR for the next 3 months was 112%, and that for the next 12 months 104%, which can satisfy the minimum requirement of 100%. LCR in the next 12 months under the stress scenario after and before disposal of assets was 308% and 83% respectively, staying solid.

(III) Analysis of changes to IRR

As per notice of the regulator, the Company was rated AA at the IRR for Q3 2024, maintaining an A-class rating. In recent years, it continued to implement new regulatory rules on IRR under C-ROSS II, put in place long-term work mechanisms,

enhanced rectification of early-warning indicators; at the same time, it pressed ahead with the Changhang Transformation and strived to address various risks via strategic transformation. Going forward, the Company will stay focused on the long term, ensure compliance in its business operation, strengthen risk control and accelerate high-quality development.

Summary of Quarterly Solvency Report (Excerpts)

Pacific Health Insurance Co., Ltd.

4th Quarter of 2024

Company overview and contact information

Company name (Chinese):	太平洋健康保险股份有限公司
Company name (English):	Pacific Health Insurance Co., Ltd.
Legal representative:	MA Xin
Registered address	7th-9th Floor, No.1 Zhongshan Nan Road, Shanghai, the PRC
Registered capital	3.6 billion yuan
Business license number	00000117
Date opening for business	December 2014
Business scope	Health and personal accident insurance denominated in RMB yuan and foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance; health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.
Business territories	Shanghai, Beijing, Guangdong Province, Sichuan Province.
Contact person:	XIA Bing
Tel. number:	+86-21-33968652
Cell phone:	13761619886
Fax number:	+86-21-68870641
Email:	xiabing-003@cpic.com.cn

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I. BOARD AND MANAGEMENT STATEMENT

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

1. Voting results by directors

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

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

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

1. Ownership structure

Types of shareholding	Shares or contribution as at the end of the reporting period (unit: 10,000 shares)	Percentage (%)	Shares or contribution as at the beginning of the reporting period (unit: 10,000 shares)	Percentage (%)
Domestic legal persons	360,000.00	100.00	360,000.00	100.00
Domestic natural persons	-	-	-	-
Foreign	-	-	-	-
Others	-	-	-	-
Total	360,000.00	100.00	360,000.00	100.00

2. Top 5 shareholders as at the end of the reporting period

Names of shareholders	Shares held or contribution made as at the end of the reporting period (unit: 10,000 shares)	Shareholding percentage as at the end of the reporting period (%)
China Pacific Insurance (Group) Co., Ltd.	306,183.60	85.051
China Pacific Life Insurance Co., Ltd.	53,816.40	14.949

3. Shareholding by directors, supervisors and senior management

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

4. Share transfer during the reporting period

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

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (6 in total)

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Chairman of the Company since January 2021 (approval document: CBIRC[2021] No.4).

Mr. MA currently serves as Vice President of CPIC Group and Director of CPIC. He previously served as Manager of Individual Business Department and Assistant General Manager of CPIC Life Xi'an Branch, Deputy General Manager and General Manager of CPIC Life Shaanxi Branch, General Manager of the Strategic Planning Department, head of Strategic Transformation Office, Transformation Director, and Board Secretary of CPIC Group, Director of CPIC P/C, Acting Responsible Person of the Company and Director of Changjiang Pension.

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No.341). Mr. ZHANG currently serves as Chief Internal Auditor, General Counsel, Internal Audit Responsible Person of CPIC Group and Chairman of the Board of Supervisors of CPIC P/C and CPIC Life respectively. Mr. ZHANG previously served as General Manager of Legal & Compliance Department, head of the Board Office, General Manager of Risk Management Department, Risk & Compliance Officer, Chief Risk Officer and Compliance Responsible Person and Acting Internal Audit Responsible Person of CPIC Group, Director and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC respectively, and Director of Changjiang Pension.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a member of Society of Actuaries and American Academy of Actuaries respectively, and Director of China Association of Actuaries. He has been serving as Director of the Company since April 2021 (approval document: CBIRC [2021] No.280). Mr. ZHANG currently serves as Chief Actuary of CPIC Group, Acting Chief Actuary of CPIC Life and Director of CPIC P/C. Mr. ZHANG previously served as Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO, Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Director of Sun Life Everbright Asset Management Co., Ltd, Chief Risk Officer and Chief Actuary of the Company, Director of CPIC AMC, Finance Responsible Person of CPIC Group and Director of CPIC Life.

Mr. MA Boyong, born in October 1967, holds a master's degree and designation of engineer. Mr. MA began to serve as Director of the Company in October 2023 (approval document: NFRA[2023] No. 362). Mr. MA currently serves as General Manager of Technology Management Department of CPIC Group and Director of CPIC Technology. Previously, he served as section head and Assistant General Manager of

Information Technology Department of CPIC Group, Assistant General Manager of CPIC P/C Shanghai Branch, General Manager of IT Application Management Department of CPIC Group, General Manager of Information Security and Internal Control Management Department of CPIC Group, deputy head of Digitalisation Office, head of the Preparatory Team of Chengdu R & D Centre and General Manager of IT Design Department of CPIC Group.

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

Ms. ZHOU Yanfang, born March 1980, holds a master's degree. She became a Director of the Company in November 2024 (approval document: NFRA [2024] No.706). Ms. Zhou currently serves as Director of Strategic Research Center of CPIC Group. Her previous roles include Deputy Director of Strategic Research Center of CPIC Group, Senior Deputy General Manager of CPIC Life Shanghai Branch, Deputy General Manager (in charge) and General Manager of Pacific Medical Health Management Co., Ltd.

2. Supervisors (3 in total):

Mr. GU Qiang, born in January 1967, holds a master's degree and designation of Senior Accountant. He has been serving as Chairman of the Board of Supervisors of the Company (approval document: CBIRC [2021] No.165) since March 2021. Mr. GU currently serves as Employee Representative Supervisor of CPIC Group, Chairman of the Board of Supervisors of CPIC AMC and Chairman of the Board of Supervisors of Changjiang Pension. Mr. GU formerly was a lecturer at the Department of Finance and Insurance of Shanghai University of Finance and Economics, senior auditor of Pricewaterhouse Da Hua Certified Public Accountants, Manager of the International Business Department of Wanguo Securities Co., Ltd., Vice President and CFO of Shanghai Branch of American International Underwriters, served as Deputy Chief

Accountant, CFO, Finance Responsible Person and Deputy General Manager of CPIC P/C, Vice President and Finance Responsible Person of Anxin Agricultural Insurance Co., Ltd.

Ms. HU Shuangzhu, born in September 1980, holds a master's degree. She is a certified internal auditor, certified information system auditor, financial risk manager, and has CRMA qualification. She has been serving as Supervisor of the Company since August 2016 (approval document: CIRC [2016] No.814). Ms. HU currently serves as Chief Auditor of Internal Control Operation Department, Internal Audit Center of CPIC Group. Previously, Ms. HU served as Senior Manager of PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd., Chief Auditor of Internal Audit Business Department and Chief Auditor of Internal Control Technology Department of Internal Audit Center of CPIC Group.

Ms. XUE Yongxian, born in November 1976, holds a master's degree. She has been serving as Supervisor (employee representative) of the Company (approval document: CIRC [2017] No.161) since February 2017. Ms. XUE currently serves as head of Key Account Business Center of the Company. Previously, she served as Chairman of the Trade Union, General Manager of Shanghai Branch, General Manager of Sales Management Department and General Manager of Individual Life Insurance Cooperation Business Centre of the Company; Deputy General Manager of Group Business Department/ Planning and Training Division of CPIC Life, Assistant General Manager of Group Business Department/ Accident Insurance Division of CPIC Life, Assistant General Manager/ Senior Manager of Group Business Department/ Direct Sales Supervision Division of CPIC Life, and section head of Group Business Department of CPIC Life.

3. Senior management at head-office level (6 in total)

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

Mr. LI Jieqing, born in November 1968, holds a bachelor's degree. He has been serving

as Deputy General Manager of the Company (approval document: CIRC [2016] No.450) since May 2016 and as Chief Risk Officer of the Company since August 2021 (no approval document), and Compliance Responsible Person of the Company since January 2024 (approval document: NFRA [2024] No. 42). Mr. LI also serves as Director of Shanghai Proton & Heavy Ion Hospital. Previously, Mr. LI served as Director of Risk and Compliance, Compliance Responsible Person and General Manger of Risk Management Department of CPIC Group, Director of CPIC P/C, CPIC Life, CPIC AMC and the Company, respectively.

Mr. SONG Quanhua, born in February 1973, holds a master's degree. He has been serving as Deputy General Manager of the Company (approval document: CBIRC [2021] No.691) since September 2021. He previously served as Deputy General Manager of CPIC Life Ningbo Branch, General Manager of CPIC Life Dalian Branch, Director of Party Affairs Department, General Manager of New Channel Business Department, General Manager of Corporate Channel Business Marketing Department, Deputy General Manager of Health and Elderly Care Business Center and Deputy General Manager of Group Business Center of CPIC Life, and General Manager of Pacific Medical & Healthcare Management Co., Ltd.

Mr. GUO Chao, born in February 1982, holds a master's degree, and is a member of the Society of Actuaries. He has been serving as Deputy General Manager of the Company since July 2024 (approval document: CBIRC [2021] No.697), and his qualifications do not require a second-time approval. Mr. GUO previously served as General Manager of the Brokers Department of Cigna & CMB Health Insurance, President of Shanghai Fuheng Insurance Brokers, President of Shanghai Xingyi Health Management Co., Ltd., General Manager of Health Insurance Business of Fosun High Tech (Group) and Deputy General Manager of Fosun United Health Insurance Co., Ltd.

Ms. YIN Yanling, born in June 1972, holds a master's degree and is a member of China Association of Actuaries. She has been serving as Finance Responsible Person of the Company since September 2021 (approval document: CBIRC [2021] No.729), serving as Chief Actuary of the Company since August 2022 (approval document: CBIRC [2022] No.532) and Board Secretary the Company since August 2022 (no approval required). Previously, she served as head of the Actuarial Management Section of Planning and Finance Department of CPIC Group, Assistant General Manager of Planning and Finance Department of CPIC Group, Deputy General Manager (in charge) of Financial

Investment Department/Actuarial Department, Deputy General Manager (in charge) of Financial Management Department/Actuarial Department, Deputy General Manager of Risk Management Department/Risk Monitoring Department, General Manager of Financial Management Department/Actuarial Department, and General Manager of Actuarial Department of CPIC Group, General Manager of Actuarial Department of CPIC Life, Acting Finance Responsible Person and Acting Actuarial Responsible Person of the Company.

Ms. SUN Min, born April 1977, holds a doctoral degree and the designation of Senior Auditor. She has been serving as Acting Internal Audit Responsible Person of the Company in December 2024 (pending approval). Ms. Sun currently serves as General Manager of the Internal Audit Operations Department of CPIC Group. Her previous positions include Deputy Section Chief of Internal Audit Department of CPIC Life; Senior Auditor of Internal Audit Center of CPIC Group; Deputy General Manager of Internal Audit Technology Department and Deputy General Manager of Digital Audit Technology Department.

Note: In November 2024, Ms. ZHOU Yanfang began to serve as Director of the Company, and Mr. WANG Yong ceased to serve as Director of the Company; in December 2024, Ms. SUN Min began to serve as Acting Internal Audit Responsible Person of the Company and Mr. JIANG Honglang ceased to serve as Internal Audit Responsible Person of the Company.

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

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

There was no change during the reporting period.

(V) Breaches and administrative penalties during the reporting period (Yes No)

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: 10,000 RMB yuan

Items	As at the end of the reporting quarter	As at the end of the previous quarter	Next quarter estimates
Admitted assets	1,208,889.71	1,198,667.03	1,276,344.85
Admitted liabilities	804,856.48	792,934.66	859,959.69
Actual capital	404,033.23	405,732.38	416,385.16
Tier-1 core capital	308,460.50	314,485.60	308,143.95
Tier-2 core capital	20,919.43	22,624.07	24,087.31
Tier-1 supplement capital	73,653.15	68,066.37	83,002.29
Tier-2 supplement capital	1,000.14	556.33	1,151.60
Minimum capital	171,623.68	154,189.72	180,736.47
Minimum capital for quantifiable risks	170,324.79	153,022.77	179,368.61
Minimum capital for control risk	1,298.89	1,166.95	1,367.86
Minimum capital for supplement capital	-	-	-
Solvency margin			
Core solvency margin	157,756.25	182,919.95	151,494.79
Comprehensive solvency margin	232,409.55	251,542.66	235,648.69
Core solvency margin ratio (%)	192	219	184
Comprehensive solvency margin ratio (%)	235	263	230

(II) Regulatory indicators for liquidity risk

Indicators	During the reporting quarter	During the previous quarter on a comparable basis
Actual cash flow (unit:10,000 yuan)	3,776.21	-7,596.24
Retrospective adverse deviation ratio of net cash flows from operating activities (%)	37	172
Overall liquidity coverage ratio under base scenario (next 3 months)(%)	114	141
Overall liquidity coverage ratio under base scenario (next 12 months)(%)	105	107
Overall liquidity coverage ratio under stress scenario - mandatory (next 3 months)(%)	485	641
Overall liquidity coverage ratio under stress scenario - mandatory (next 12 months)(%)	201	213
Overall liquidity coverage ratio under stress scenario - self-assessment (next 3 months)(%)	481	558
Overall liquidity coverage ratio under stress scenario - self-assessment (next 12 months)(%)	258	283
Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 3 months)(%)	164	143

Liquidity coverage ratio before asset disposal under stress scenario - mandatory (next 12 months)(%)	98	97
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 3 months)(%)	217	174
Liquidity coverage ratio before asset disposal under stress scenario - self-assessment (next 12 months)(%)	185	195

(III) Other indicators for liquidity risk

Indicators	As at the end of /during the reporting quarter	As at the end of/ during the previous quarter on a comparable basis
Net cash flows from operating activities (unit: 10,000 yuan)	78,937.21	61,763.51
Comprehensive surrender ratio (%)	0.27	0.20
Net cash flows from participating/universal accounts	-	-
Written premiums year-on-year growth (%)	101.57	119.04
Share of cash and liquidity management tools (%)	3.67	3.37
Quarterly average financial leverage ratio (%)	2.48	2.25
Share of domestic fixed income assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above (%)	-	-
Share of receivables (%)	18.11	17.89
Share of related party assets held (%)	5.13	5.27

(IV) Key business metrics

Indicators	unit: 10,000 yuan	
	As at the end of the reporting quarter/during the reporting quarter	As at the end of the reporting quarter/YTD
Gross written premiums	185,192.01	781,053.12
Net profits	-2,425.91	9,149.61
Total assets	1,001,021.88	1,001,021.88
Net assets	336,323.76	336,323.76
Insurance contract liabilities	506,424.03	506,424.03
Basic earnings per share (yuan)	-0.01	0.03
ROE (%)	-0.72	2.73
ROA (%)	-0.24	0.96
Investment yield (%)	0.87	3.63
Comprehensive investment yield (%)	0.49	4.92

Note: Net profits, total assets, net assets, and insurance contract liabilities listed above were disclosed according to the Financial Report (which was prepared based on Chinese accounting standards such as Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of

Finance in 2017, and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020); basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of aforementioned indicators.

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

Average investment yield and average comprehensive investment yield of the Company in the past three years were 3.33% and 3.58%, respectively.

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of December 2024, its total assets reached 12,230.4059 million yuan, with written premiums amounting to 3083.6364 million yuan in 2024. It has 4 provincial-level branch offices, and according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

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

In Q4 2024, in compliance with Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment and other applicable regulatory requirements, the Company proceeded steadily with solvency-aligned risk management and rectification in light of regulatory feed-back, findings of its self-assessment and in view of its own risk profiles and status, so as to continuously improve mechanisms for solvency-aligned risk management. What was done in Q4 is as follows:

1. Conducted emergency drills on reputational and liquidity risk management; formulated the 2024 Emergency Drill Plan based on characteristics of its business operation; reviewed and familiarised itself with emergency response procedures, defined the division of responsibilities, thus providing strategies and tools for potential risk scenarios of the Company.
2. Conducted the 2024 risk management self-assessment, reviewed the development of its risk management system, and formulated a rectification plan to address weak areas in risk management for 2025.

In Q4 2024, the Company's risk management work proceeded smoothly as per relevant rules and processes, with normal operation of its risk management system and risk appetite framework. As such, no major risk events occurred in the quarter.

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

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

(IV) 2024 annual SARMRA self-assessment

As per Article 30 of the Solvency Regulatory Standards of Insurance Companies No.18: Solvency Reporting, insurance companies shall comply with the risk management requirements set forth in Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment and conduct self-assessment of risk management at least once a year to objectively evaluate their risk management capabilities, identify deficiencies and areas which need improving. The Company conducted a systematic review and assessment of its solvency risk management system and management capabilities; carried out a comprehensive, rigorous review of its solvency risk management work in 2024, proactively identified weaknesses in solvency risk management and promptly developed rectification plans for risk management regulations and processes. The following is the details of the 2024 risk management self-assessment.

The Company's Risk and Compliance Department formulated the 2024 annual risk management self-assessment work plan and collected necessary materials to perform the self-assessment.

1. Self-assessment of risk management

The self-assessment focused on two dimensions: soundness of rules and effectiveness of adherence. The result was 89.18 points out of a full mark of 100.

(1). Infrastructure and environment: 18.45 out of 20.

- (2).Objectives and tools: 8.26 out of 10.
- (3).Insurance risk management: 9.00 out of 10.
- (4).Market risk management: 8.89 out of 10.
- (5).Credit risk management: 8.76 out of 10.
- (6).Operational risk management: 8.72 out of 10.
- (7).Strategic risk management: 9.00 out of 10.
- (8).Reputational risk management: 9.04 out of 10.
- (9).Liquidity risk management: 9.06 out of 10.

Based on the feedback from the latest SARMRA regulatory assessment in 2022, the results of the SARMRA internal audit in 2023, and its own risk level and risk management status, the Company conducted a gap analysis of its solvency risk management system for 2024, and formulated a rectification work plan, defining the strategic objectives of its solvency risk management system and priorities of rectification. During the year, under the leadership of the Board of Directors and the Management Committee, and in line with the Group's integrated risk control framework, the Company stepped up remedial actions as per regulatory feed-backs of its solvency risk management system under C-ROSS II.

2.Solvency risk management status

In compliance with SARMRA requirements, under the guidance of C-ROSS II and based on its own risk profile and management needs, the Company set up a steering committee and work team for solvency risk management capacity-building, further improved the organizational structure and rules & policies of risk management, optimized risk management performance evaluation rules, and strengthened the execution of risk management processes. Under regulatory guidance and supervision, the Company further enhanced its risk management awareness and capability. The details of the SARMRA self-assessment for 2024 are as follows.

(1).Infrastructure and environment

Soundness of rules:

In 2024, the Company revised and improved the Solvency Risk Management Policy. The organizational structure of the Company's risk management includes the Board of Directors, the board Risk Management Committee, the Board of Supervisors, the Management Committee, Risk Management Working Commission under the Management Committee, Assets and Liabilities Working Group and Risk and Compliance Departments of the Company and its branches.

In the year, the Company continued to improve the matrix-based organization structure of its risk management system, refining the vertical management structure (from the decision-making level to the execution level) and the horizontal management structure (from pre-incident to post-incident management). The vertical management structure refers to the risk governance structure of the Company, where the Board of Directors bears the ultimate responsibility and the Management Committee provides direct leadership, with the Assets and Liabilities Working Group being responsible for quantitative risk management, the Risk Management Working Commission for non-quantitative risk management, the Risk and Compliance Department as the lead department, and all headquarters departments and branches cooperating in risk control according to risk management requirements, covering all business units and branches.

In 2024, the system of infrastructure and environment conformed with regulatory standards, and the self-assessment indicated that in soundness of rules the Company was in full compliance with standards of the assessment.

Effectiveness of adherence

In 2024, the Company updated its annual risk appetite, risk management policies and risk management regulations for 7 major risk categories; prepared quarterly solvency reports and quarterly risk management reports in accordance with relevant requirements and strictly performed its risk management responsibilities; adopted a differentiated approach and designated different departments to lead the management of insurance, market, credit, operation, liquidity, strategic, and reputational risks; established risk management systems specific to risk categories and work processes, and such systems would specify the division of responsibilities for different risk categories, including risk identification, analysis, assessment, control, monitoring and reporting, etc.

The assessment indicated that in 2024, the Company's risk management organizational structure, risk exposure and corresponding solvency risk management systems are aligned with the requirements of SARMRA rules under C-ROSS II.

(2). Objectives and tools

Soundness of rules: The Company has formulated the Solvency Risk Management Policy and the Management Measures of Risk Appetite System, with stipulations on objectives

and tools covering all risk management processes required by C-ROSS II.

Effectiveness of adherence:

In 2024, the Company further strengthened the application of the Company's risk appetite system through the Solvency Risk Management Policy and Measures for Risk Appetite System Management. All regulations and major decisions of the Company would be subject to risk appetite assessment before being submitted for approval to ensure that the risk appetite has a substantial restraining effect on the Company's business decisions, and risk control measures were taken without delay for matters that may have a negative impact on risk appetite. In 2024, the Company reviewed the Risk Appetite Statement for 2023 and the implementation of its risk appetite in 2023, assessed the effectiveness of the risk tolerance and risk limit indicators in 2023. Based on the assessment results and the Company's strategic objectives in 2024, it formulated the Risk Appetite Statement for 2024, where it made certain adjustment to the risk appetite statement and risk tolerance. The risk tolerance covers overall risks, quantitative risks and non-quantitative risks. The Risk Limit System 2024 was successively reviewed and approved by the Board of Directors and senior management of the Company. The management of the Company's risk appetite system was led by the Risk and Compliance Department, with collaboration by all departments, and no breach of risk tolerance occurred in the year. The overall risk exposure of the Company was under control and within the expected range. In 2024, the Company identified and monitored risks both qualitatively and quantitatively via all-around budgeting, ALM, capital planning, stress testing and contingency plans, and effectively managed overall risks. The self-assessment indicated that more work is needed to ensure the integration of the risk appetite system into the Company's business decision-making.

(3). Insurance risk management

Soundness of rules:

The Company has formulated Measures on Insurance Risk Management, which specified the division of responsibilities for insurance risk management, including lead departments, functional department and supporting departments, as well as procedures for limits setting, measurement, monitoring and reporting of insurance risks. The Measures covered all the relevant regulatory requirements and the Company's actual needs for insurance risk management.

Effectiveness of adherence:

In 2024, the Company improved regulations in areas such as underwriting, post-sales

service, claims and reinsurance, with enhanced implementation. The Risk and Compliance Department conducted quarterly measurement, monitoring, evaluation and reporting of insurance risks. The self-assessment found that the Company needs further improving in terms of definition of responsible persons and approval processes, rules for implementation, insurance limits setting and handling of breaches, management of outstanding claims, sales policy, underwriting policy, and their adjustments according to retrospective reviews.

(4). Market risk management

Soundness of rules.

The Company has developed Measures on Market Risk Management, which aligned market risk management regulations with the nature, scale and risk characteristics of its business, based on its investment management model and size of investment assets. It specified the division of responsibilities for market risk management, including lead departments, functional department and supporting departments, as well as procedures and operational norms for risk limits management, internal control, risk measurement and monitoring, ALM, risk management work flows, interest rate risk management, equity price risk management, real estate price risk management and overseas asset price management, etc. In terms of soundness of rules, the Measures covered all relevant regulatory requirements and the Company's actual needs for market risk management.

Effectiveness of adherence:

In terms of effectiveness of adherence, the Company has set risk limits for each asset class within the constraints of risk appetite. The limits further break down into level-1 and level-2 limits. It has also developed and implemented methods for setting limits and procedures for adjustment and breach approval, etc. The Company outsources all its investment to third-party managers and conducts internal control of market risks in accordance with the Measures on Investment Management. It formulated supportive policies for market risk management such as Implementation Rules on Interest Rate Management. External investment managers strictly followed risk management processes relating to interest rates and equity. The Company, shouldering the primary responsibility, measured, monitored, evaluated and reported on market risks on a quarterly basis. The self-assessment found that the Company, to ensure adherence, studied macroeconomic conditions and monetary policies, analyzed the characteristics and patterns of interest rate risks using methods such as duration, convexity, residual maturity, scenario analysis and VAR, etc, while monitoring key stock market indexes, analysing market plunges and

assessing its impact. The investment manager plays an important role in market risk management, and given the investment outsourcing mode, it is difficult for the Company to fully control the effectiveness of market risk management on its own.

(5). Credit risk management

Soundness of rules:

The Company has formulated Measures on Credit Risk Management, which specified the division of responsibilities for credit risk management, including lead departments, functional department and supporting departments, with stipulations on the internal credit-rating system, credit risk limits management, investment counter-party management, reinsurance counter-party management, management of premiums receivables and other receivables, as well as the identification, measurement, monitoring and reporting of credit risks. The Measures covered all relevant regulatory requirements as well as the Company's actual needs for credit risk management.

Effectiveness of adherence:

Under its risk appetite, the Company set the overall credit risk limits, which further break down into level-1 and level-2 limits. It also specified methods for setting limits and procedures for adjustment and breach approvals, etc. It formulated and implemented supportive regulations of credit risk management including Interim Measures for Management of Investment-related Credit Risks, Measures for Reinsurance Counter-party Credit Management and Measures for Management of Receivables. The Investment Management Department measures, monitors, evaluates and reports on credit risk on a quarterly basis. The Financial Management Department continued to improve the premium receivables management platform and strengthen the IT systems for risk management. The self-assessment found that in terms of adherence of rules, the Company had difficulty in establishing its own database of counter-parties due to its outsourcing investment mode, and that it needs to further strengthen assignment of risk limits, risk early warning and performance appraisal of premium receivables collection.

(6). Operational risk management

Soundness of rules:

The Company has formulated Measures on Operational Risk Management, which specified the division of responsibilities such as lead departments and supportive departments for operational risk management and set out stipulations on management methods and processes, identification, analysis, monitoring and reporting mechanisms, management

norms and differentiated management standards, etc. In 2024, as per Provisions on Operational Risk Management of Banking and Insurance Institutions, it amended the Measures on Operational Risk Management to reflect the latest regulatory requirements. It also formulated the Internal Control Management Measures for Public Disclosure of Solvency Information covering all aspects of solvency information disclosure. These regulations can fully cover all relevant regulatory requirements and the Company's actual needs for operational risk management.

Effectiveness of adherence:

The Company organizes operational risk identification and analysis by departments through key risk limits and collection of operational risk loss events on a quarterly basis. The Risk and Compliance Department conducted risk reviews on operational risk matters, organized annual internal control and risk control self-assessment on operation, identified high-risk areas and significant business matters and worked out key control measures. Each department of the Company has developed its management policies and processes for their respective business lines in accordance with the basic guidelines for internal control. The Company has established the information system required for its operations, the HO-branch authorization system, and training and job-rotation rules. It measures, monitors, evaluates and reports on operational risk on a quarterly basis, and completes quarterly solvency reports, annual solvency reports and other information disclosures in a timely, comprehensive and accurate manner. The self-assessment found that in terms of adherence, the Company can't possibly identify all existing operational risks and therefore should reply on more diversified tools of risk identification to enhance risk management effectiveness, especially identifying and analyzing factors that may lead to operational risks such as business processes, personnel, systems and external events, collection and analysis of loss events, follow-up actions on gaps identified and increased control of high-risk areas. The Company will strictly enforce Provisions on Operational Risk Management of Banking and Insurance Institutions and continue to strengthen its operational risk management.

(7). Strategic risk management

Soundness of rules:

In accordance with C-ROSS II rules and requirements for integrated risk management of the Group, the Company revised Regulations on Strategic Risk Management in July 2024, which specified the management structure and division of responsibilities for strategic risk management, as well as management processes and workflow of strategy formulation and implementation. The Company formulated Policies on Management of Development

Planning, which specified the processes for formulation, implementation, evaluation and control of strategic planning, and set out the "eight elements" of development planning. In terms of soundness of rules, the aforementioned regulations covered all the relevant regulatory requirements and the Company's actual needs for strategic risk management. In 2024, the Company continued to improve policies and rules in employee performance management, business and investment, further strengthened talent development as well as strategic management of insurance and investments business.

Effectiveness of adherence:

The Company has established a risk management framework specific to major risk categories which is compatible with profiles of strategic risks. It promoted effective implementation of the performance evaluation system based on regulatory guidelines and assessment feedback under the C-ROSS II; further improved management of business and investment strategies by clarifying the division of responsibilities for business strategies and enhancing communication with investment managers. The Company's strategic planning has always been in line with strategic goals of the Group. Under the guidance of the Group's healthcare strategy, it advanced strategic risk management in an orderly way through a comprehensive system of risk identification, assessment, monitoring and reporting. In 2024, the Company drafted the Development Plan for 2024-2026 and submitted it to regulators; there was sustained improvement across all business metrics and in capabilities for sustainable development; the strategic risk overall remained under control, and no strategic risk incidents occurred.

(8). Reputational risk management

Soundness of rules:

The Company has formulated Measures on Reputational Risk Management, which specified the reputational risk management responsibilities of the Board of Directors, Board of Supervisors, senior management, lead/supportive departments, other departments and branch offices. The Company has set up a full-process closed-loop management system for reputational risk management that covers pre-event assessment, risk monitoring, risk classification, response and handling, information reporting, appraisal and accountability, and constantly improves daily work mechanisms. The Measures on Reputational Risk Management covered all the relevant regulatory requirements and the Company's actual needs for reputational risk management.

Effectiveness of adherence:

The Company carries out real-time media monitoring through third-party service suppliers and CPIC Group, organises risk screening and evaluation on a regular basis to effectively prevent reputational risks. The Company has established a reputational risk monitoring team consisting of part-time reputational risk managers from all functional departments and units, carries out training and drills to enhance reputational risk awareness of the first line of defense and strengthen response and handling capabilities. In 2024, no level-1 or level-2 reputational risk events occurred, and no major potential reputational risks were found in the Company. Media publicity of the Company was mainly positive or neutral. Self-assessment indicated that, in terms of adherence, the Company failed to conduct stress testing on reputational risk as a separate, stand-alone dimension, and did not fully consider its impact.

(9). Liquidity risk management

Soundness of rules:

The Company has formulated Measures on Liquidity Risk Management, which specified the liquidity risk management responsibilities of the Board of Directors, senior management and relevant lead/functional/supportive departments, as well as stipulations on liquidity risk appetite and limits management, performance appraisal and accountability, daily cash flow management, liquidity assessment for insurance business, financing, investment business, reinsurance business and for various other risks, significant matters assessment, cash flow stress testing, liquidity contingency plan, and identification, analysis, monitoring, assessment and reporting of liquidity risks. The Measures covered all relevant regulatory requirements and the Company's actual needs for liquidity risk management. In 2024, the Company improved mechanisms for coordinating liquidity risk stress testing and clearly defined the paths of information circulation and analytics, so as to ensure increased coordination in monitoring and management of liquidity risk.

Effectiveness of adherence:

The Company's Board of Directors and senior management approved Measures on Liquidity Risk Management and the Liquidity Risk Appetite, assumed their respective responsibilities for liquidity risk management, followed liquidity risk assessment results through various channels such as solvency information, IRR information and financial statements on a quarterly basis, and approved information disclosure of liquidity risk. In 2024, the senior management organized the handling of breaches of liquidity risk limits. Liquidity risk management is led by the Financial Management Department with collaboration of relevant departments. What was done in Q4 mainly included cash flow monitoring, liquid

assets ratio control, reinsurance tools application, quarterly cash flow stress testing, updating of liquidity contingency plan and organising of drills, etc. The Company measures, monitors, evaluates and reports on liquidity risks on a quarterly basis. The self-assessment found that, in terms of adherence, the Company has improved in areas such as the building of the liquidity management information system, daily cash flow needs forecast, early-stage liquidity risk assessment for insurance, investment and financing business, liquidity risk assessment of correlation between different risks and of significant matters. The risk was overall under control, and there was no occurrence of risk events.

3. Rectification plan for 2025

Self-assessment indicates that the risk management system of the Company is essentially in line with requirements of C-ROSS II. Next, the key is to enhance effectiveness of adherence. Based on gaps identified in the self-assessment, the Company formulated an initial rectification plan to enhance solvency risk management capabilities in 2025.

(1).Infrastructure & environment

The Company will continuously refine its risk management organizational structure and system in line with the evolving need of its transformation and reform, optimize the performance evaluation system for risk management and strengthen normalised training mechanisms of solvency risk management.

(2).Objectives & tools

The Company will further optimise its risk appetite system, continuously push for its integration into business decision-making, leverage the role of ALM in business operation, step up use of stress testing results and enhance capability for capital planning.

(3). Insurance risk management

The Company will refine the setting of insurance risk limits, enhance implementation of insurance risk management measures. In the meantime, it will adjust sales and underwriting policies based on ongoing analysis of claims and costs of products on offer.

(4).Market risk management

The Company will improve in internal control processes for market risk, asset liability risk management and overall coordination in market risk management.

(5).Credit risk management

The Company will further enhance execution of credit risk management, particularly the credit risk management system for funds receivables.

(6). Operational risk management

The Company will, as per latest regulatory requirements, further enhance efforts to identify operational risk exposures and loss events; conduct even more comprehensive and

in-depth assessment of risk exposures across all business lines, strengthen oversight of the implementation of corrective measures for identified issues and control measures of high-risk areas.

(7). Strategic risk management

The Company will revise Regulations on Strategic Risk Management and Policies on Management of Development Planning in accordance with requirements of the Group, and intensify efforts in implementing the new 3-year development plan; continue to strengthen strategic risk management for both insurance and investment business, and improve mechanisms for risk identification, analysis, monitoring and reporting on a daily basis.

(8). Reputational risk management

The Company will further strengthen assessment of correlation between reputational risk and other risks and develop thresholds for stress-testing.

(9). Liquidity risk management

The Company will improve the information systems for liquidity risk management. At the same time, it will further refine the way business centres and functional departments are involved in the liquidity risk management process, ensure management precision, particularly effective implementation of management philosophies and sound liquidity assessment of insurance business, investing/financing activities and significant matters.

V. Integrated risk rating (differentiated supervision)

(I) IRR results in the previous two quarters

According to regulatory feedback on IRR results, the Company was rated AAA for Q2 and Q3 2024 respectively, which met regulatory requirements in solvency, with a low level of operational risk, reputational risk, strategic risk and liquidity risk.

(II) Measures taken or to be taken for improvement

In Q4 2024, in light of Assessment Criteria for Unquantifiable Risks of Insurance Companies, the Company took key control measures for operational and strategic risk indicators which, according to the self-assessment, could be further improved. In terms of operational risk, it continued to enhance operational efficiency while maintaining current operational turnaround and quality, focusing particularly on claims turnaround, handling of insurance claims and customer complaints. With regard to strategic risk, it maintained stability in senior management turnover and business development. As for reputational risk, it conducted the 2024 annual emergency response drill for reputational risk to forestall media

crisis.

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

Liquidity risk: Liquidity risk of the Company mainly stems from claims and maturity payments on insurance contracts, daily expenditures and investment asset impairment losses. As of the end of Q4 2024, there were no circumstances which may trigger liquidity risk. The Company maintained a high proportion of highly-liquid assets, with the 5-day liquidation ratio at sound levels, which enabled it to meet various needs for liquidity. At the same time, the Company maintained a certain level of gear ratio and financing activities to ensure sufficient borrowing to ease the pressure on liquidity in the unlikely event of emergencies. Overall, the sources of liquidity outweighed needs for liquidity, indicating a low risk of liquidity gaps.

Operational risk: In terms of compliance and internal control, the Company received no administrative penalties from the regulator in Q4 2024. On the IT side, the Company's core systems were 100% usable, and there was no financial losses incurred due to system failures. As for personnel, workforce turnover was relatively low. There was no losses resulting from operational risk incidents in sales, U/W, POS, claims settlement or investment, or occurrence of insurance frauds in the quarter.

Reputational risk: The Company's media monitoring system includes the in-house system of the Group and third-party monitoring services, which can effectively monitor, on a daily basis, negative publicity of the Company and its insurance/ investment counter-parties. In daily work, the Company strictly implements various reputational risk management processes covering early-stage assessment, risk handling and post-crisis accountability. In the reporting quarter, the Company did not experience any reputational risk events on mainstream or other types (level-1 or level-2) of media.

Strategic risk: In light of its 2024-2026 Development Plan and 2024 annual business objectives, the Company defined its strategic positioning, paths of implementation and expected results. It has a clear strategic direction, with detailed plans for execution. Guided by its own strategic objectives and those of the Group, the Company will strive for breakthroughs in KPIs in the next three years to pursue high-quality development. It formulated strategic decisions based on market environment to identify, assess and manage strategic risks by means of target breakdown, business review on a regular basis, analysis of market conditions and its own strengths and weaknesses. In Q4 of 2024, there

was no breach of risk limits and no occurrence of strategic risk incidents.

VI. Management analysis and discussions

(I) Solvency Analysis

1. Actual capital

As at 31 December 2024, actual capital of the Company amounted to 4,040.3323 million yuan, a decrease of 0.4% from the previous quarter, mainly due to lower net profit and decrease in fair value of AFS financial assets in a volatile equity market.

2. Minimum capital

Minimum capital of the Company as at the end of the reporting period was 1,716.2368 million yuan, up by 11% from the end of the previous quarter, mainly due to: business growth and business mix change, and re-calibration of liability assessment assumptions based on actual experience, which led to increase in minimum capital requirement for life insurance risk; increase in position under Hong Kong Stock Market Connect, which led to higher minimum capital requirement for market risk; refinement of the accounts receivable aging structure in Q4, which led to lower minimum capital for credit risk. Of this, minimum capital for insurance risk of life business was 1,329.0605 million yuan, that for non-life business was 799.6029 million yuan, that for market risk 323.4638 million yuan, that for credit risk 307.8073 million yuan, diversification effect for quantifiable risk was 867.4368 million yuan, and that for control risk was 12.9889 million yuan.

3. Solvency margin ratios

As of 31 December 2024, the Company's core solvency margin was 1,577.5625 million yuan, with a core solvency margin ratio of 192%; comprehensive solvency margin was 2,324.0955 million yuan, with a comprehensive solvency margin ratio of 235%.

(II) Liquidity risk

For the reporting quarter, net cash flow was 38 million yuan, mainly because of increased

cash received from operating activities; the difference between actual net cash flow from operating activities and the estimate was 46 million yuan, with a retrospective adverse deviation ratio of 37%, meeting regulatory requirements. As of the end of Q4, all liquidity coverage ratios under various scenarios and all liquidity indicators were in compliance with regulatory requirements.

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

Summary of Quarterly Solvency Report (Excerpts)

Pacific Anxin Agricultural Insurance Co., Ltd.

4th Quarter of 2024

Company overview and contact information

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

(I) Statement by board and management

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

(II) Voting results by directors

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

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

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

II. Basic information

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

1. Ownership structure and change

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

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

2. De facto controller

The Company has no de facto controller. China Pacific Property Insurance Co., Ltd. is the majority shareholder, holding 67.78% of the shares of the Company.

3. Shareholders and related parties as at the end of the reporting period

Names of shareholders	Types of shareholders	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period	Shares pledged or in lock-up
China Pacific Property Insurance Co., Ltd.	State-owned	73,205.68	67.78%	0
Shanghai Agricultural Development Co., Ltd.	State-owned	7,718.03	7.15%	0

Shanghai Minhang Asset Investment (Group) Co., Ltd.	State-owned	5,365.19	4.97%	0
Shanghai Nongfa Asset Management Co., Ltd.	State-owned	4,201.72	3.89%	0
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	State-owned	3,653.35	3.38%	0
Shanghai Baoshan Fiscal Investment Company	State-owned	3,150.84	2.92%	0
Shanghai Jiading Guangwo Asset Management Co., Ltd.	State-owned	2,504.59	2.32%	0
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	State-owned	2,025.88	1.88%	0
Shanghai Huinong Investment Management Co., Ltd.	State-owned	1,817.99	1.68%	0
Shanghai Qingpu Asset Management Co., Ltd.	State-owned	1,719.37	1.59%	0
Shanghai Jinshan Capital Management Group Co. Ltd.	State-owned	1,640.50	1.52%	0
Shanghai Chongming Asset Operation Co., Ltd.	State-owned	996.86	0.92%	0
Total	—	108,000.00	100.00%	0
Related party relations among shareholders	None			

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

4. Shareholding by directors, supervisors and senior management

None during the reporting period.

5. Share transfer during the reporting period

None during the reporting period.

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

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

1.1 Directors

As of the end of December 2024, the 4th Board of Directors of the Company has 9 directors in total:

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Chairman of the Company since February 2015 (approval document: CIRC [2015] No. 143). Mr. SONG currently serves as Deputy General Manager of CPIC P/C and President of Tai'an Agricultural Insurance Institute. He previously served as General Manager of CPIC P/C Hainan Branch, General Manager of Property Liability Insurance Department of CPIC P/C, General Manager of CPIC P/C Shandong Branch, and Sales Director of CPIC P/C.

Mr. MAO Xiaojun, born in March 1967, received junior college education and the designation of Accountant. He has been serving as Non-executive Director of the Company since July 2015 (approval document: CIRC[2015] No. 732). Mr. MAO currently serves as General Manager of Shanghai Shenlian Shengshi Enterprise Development Co., Ltd. He previously served as CFO of Shanghai Dalong Accounting Firm, and head of Investment Management Department of Shanghai Minhang Asset Investment Management (Group) Co., Ltd.

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as Executive Director of the Company since September 2021 (approval document: CBIRC [2021] No. 680). Mr. SHI previously served as Deputy General Manager (in charge) of Shanghai Western Operation Management Office of Shanghai Branch of China Life Insurance Company, General Manager of Business Management Department, General Manager of Market Development Department, and General Manager of Product Development and Reinsurance Department of Shanghai Anxin Agricultural Insurance Co., Ltd. He also served as Assistant President, Vice President, Board Secretary, Executive Director, President (General Manager) of Anxin Agricultural Insurance Co., Ltd., as well as Deputy Marketing Director and General Manager of Strategic Account Department of CPIC Group, and General Manager of the Company.

Ms. XING Zhibin, born in June 1982, holds a bachelor's degree. She has been serving as Non-executive Director of the Company since February 2022 (approval document: CBIRC[2022] No. 32). Ms. XING currently serves as head of Assets Supervision Section of Shanghai Agricultural Development Promotion Center. She previously served as Deputy Manager of Administrative Affairs Department of Shanghai Kaibo Property Management Co., Ltd., Deputy Head of Organization and Personnel Section of Shanghai Modern Agriculture Open Training Center, and Director of General Office of Shanghai Agricultural Development Promotion Center.

Mr. ZHOU Hua, born in August 1977, holds a doctoral degree and is a Fellow of China Association of Actuaries (FCAA, life insurance). Mr. ZHOU has been serving as Independent Director of the Company since April 2024 (approval document: NFRA [2024] No. 254). Mr. ZHOU is a professor at Central University of Finance and Economics (CUFE), dean of the university's School of Insurance, dean of China

Institute of Actuarial Science. He previously served as teaching assistant, lecturer, associate professor, deputy director of the Department of Actuarial Science, and deputy dean of the School of Insurance of CUF. Mr. ZHOU is also a director of the China Association of Actuaries and an independent director of New China Pension Co., Ltd.

Mr. SHEN Chun, born in August 1971, holds a bachelor's degree. He has been serving as Independent Director of the Company since January 2019 (approval document: CBIRC[2019] No. 44). Mr. SHEN currently serves as Director of Management Committee of Excellent Law Firm, Chairman of Wusong General Branch of Baoshan Committee of China Democratic National Construction Association, member of the Standing Committee of the 9th Baoshan District Political Consultative Conference, Law Enforcement Supervisor of CPC Political and Legal Commission of Baoshan District, Legal Advisor of Government of Baoshan District. Mr. SHEN previously served as deputy head and partner of Shanghai Zhengming Law Firm.

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

Mr. CHEN Sen, born in October 1970, holds a master's degree and membership of Society of Actuaries (SOA). He has been serving as Non-executive Director of the Company since March 2019 (approval document: CBIRC [2019] No. 332). Mr. CHEN currently serves as Deputy General Manager, Finance Responsible Person, and Chief Actuary of CPIC P/C. He previously served as Senior Actuarial Analyst of Finance Department of Swiss Reinsurance Company (USA), Actuary of Analysis Department of Guy Carpenter & Company, Deputy General Manager, Chief Actuary, and Finance Responsible Person of China Property & Casualty Reinsurance Company.

Ms. ZHOU Li, born in March 1979, holds a bachelor's degree and designation of Accountant. She has been serving as Non-executive Director of the Company since June 2022 (approval document: CBIRC[2022] No. 403). Ms. ZHOU currently serves as Assistant General Manager of Asset Management Centre of Shanghai Pudong State-owned Assets Investment Management Co., Ltd. Previously, she served as Deputy Manager of Finance Department of Shanghai Agricultural Development Asset Management Center, Head of Audit Office of Shanghai Agricultural Development

Asset Management Co., Ltd., Manager of General Affairs Department of Agricultural Development Asset Management Center of Shanghai Pudong State-owned Assets Investment Management Co., Ltd.

1.2 Supervisors

As of the end of December 2024, the 4th Board of Supervisors of the Company has 5 supervisors:

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

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

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

Mr. ZHANG Xiangdong, born in April 1966, holds a bachelor's degree in medicine and

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

Mr. GUO Zongjie, born in December 1968, holds a bachelor's degree. He became Employee Representative Supervisor of the Company in December 2020 (approval document: CBIRC [2020] No. 860). Mr. GUO is currently head of the Office of the Board of Directors/Office of the Board of Supervisors, head of the Party Building Department, and Director of the Party Committee Office of the Company. Previously, he served as Director of the General Office and Party Committee Office of CPIC P/C Shandong Branch, General Manager of the Intermediary Business Department of CPIC P/C Shandong Branch, and Director of the Administrative Office and General Manager of the Development Planning Department of the Company.

1.3 Senior management at head-office level

As of the end of December 2024, the Company has 7 members of senior management:

Mr. ZHENG Kai, born in August 1972, holds a master's degree. He has been serving as Deputy General Manager of the Company since May 2016 (approval documents: CIRC [2016] No. 391) and as party secretary and Interim Responsible Person of the Company since December 2024. Mr. ZHENG is also member of the Jing'an District Committee of CPPCC. Mr. ZHENG previously served as deputy head of Youth Work Department of Communist Youth League Shanghai Municipal Committee, Secretary-General of Shanghai Young Entrepreneurs Association, deputy head of Economic Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Exchange and Communication Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Coordination Division of Taiwan Affairs Office of Shanghai Municipal Government, and General Manager of Shanghai Urban Areas Business Centre of Anxin Agricultural Insurance Co., Ltd, Board Secretary of the Company.

Ms. LI Shuhui, born in July 1972, holds a master's degree and the designation of Senior Auditor, CPA, CIA and CCSA. She has been serving as Finance Responsible Person and Deputy General Manager of the Company since December 2019 (approval documents: CBIRC Shanghai [2019] No. 984, and CBIRC Shanghai [2019] No. 983 respectively). She previously served as Deputy General Manager of the Second

Division/Internal Audit Center, General Manager of Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Audit Responsible Person of Changjiang Pension, Supervisor of CPIC Online Services, Supervisor of Anxin Agricultural Insurance Co., Ltd, and General Manager of Finance Department and Asset Management Department of CPIC P/C, and Supervisor of CPIC P/C.

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

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

Mr. WU Kaibing, born in July 1968, holds a doctoral degree and the designation of Senior Auditor. He has been serving as Internal Audit Responsible Person since October 2017 (approval document: CIRC [2017] No. 1191). Mr. WU currently serves as General Manager of the Internal Audit Department (South China) of CPIC Group. He previously served as head of Securities Research of the Shanghai Securities Department of SDIC Hainan, Assistant President of Shanghai Kaiquan Pump (Group) Co., Ltd., Deputy Director of the Financial Audit Division of CNAO's Shanghai Resident Office, Senior Auditor of the Second Division of the Internal Audit Centre of CPIC Group, Supervising Auditor, and Deputy General Manager of the Internal Audit Business Department of Internal Audit Center of CPIC Group.

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

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

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

Position	Predecessors	Incumbents	Remarks
Supervisor	MIAO Huan	ZHANG Rongyao	Supervisor ZHANG Rongyao assumed duty on 15 Jan. 2025
Board Secretary	ZHENG Kai	-	Departed
General Manager	SHI Jian	-	ZHENG Kai served as Interim Responsible Person. With approval for his appointment qualification by NFRA (approval document: NFRA[2025] No.150), he assumed the position as General Manager of the Company on 12 March 2025.

(III) Subsidiaries, joint ventures or associate ventures

None during the reporting period.

(IV) Breaches and administrative penalties during the reporting period

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

None.

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

None.

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

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: yuan

Lines	Item	As of the end of Q4 2024	As of the end of Q3 2024	Next quarter estimates
1	Admitted assets	7,108,326,920	7,006,885,940	7,005,382,569
2	Admitted liabilities	3,955,597,541	3,839,293,234	3,798,478,884
3	Actual capital	3,152,729,379	3,167,592,707	3,206,903,685
3.1	Tier-1 core capital	2,868,075,427	2,862,149,418	2,922,249,733
3.2	Tier-2 core capital	-	-	-
3.3	Tier-1 supplement capital	284,653,951	305,443,289	284,653,951
3.4	Tier-2 supplement capital	-	-	-
4	Minimum capital	939,714,601	951,225,594	936,057,687
4.1	Minimum capital for quantifiable risks	918,899,375	932,039,260	915,323,325
4.1.1	Minimum capital for life insurance risk	-	-	-
4.1.2	Minimum capital for non-life insurance risk	760,568,719	786,029,616	750,331,436
4.1.3	Minimum capital for market risk	442,292,502	408,015,379	456,637,639
4.1.4	Minimum capital for credit risk	272,062,360	297,306,891	264,080,112
4.1.5	Diversification effect for quantifiable risks	453,924,275	455,752,707	454,023,269
4.1.6	Loss absorption for special-type insurance contracts	-	-	-
4.2	Minimum capital for control risk	20,815,225	19,186,334	20,734,362
4.3	Supplement capital	-	-	-
5	Core solvency margin	1,928,360,826	1,910,923,824	1,986,192,046
6	Core solvency margin ratio	305.21%	300.89%	312.19%

7	Comprehensive solvency margin	2,213,014,778	2,216,367,113	2,270,845,998
8	Comprehensive solvency margin ratio	335.50%	333.00%	342.60%

(II) Regulatory indicators for liquidity risk

Liquidity coverage ratio (LCR)	Q4 2024		Q3 2024	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 (LCR under base scenario)	101.69%	103.06%	103.77%	108.53%
LCR2 (LCR under stress scenario)–mandatory	162.31%	114.17%	125.43%	125.58%
LCR2 (LCR under stress scenario)- self-testing	172.87%	123.86%	231.57%	138.57%
LCR3 (LCR under stress scenario before asset disposal)-mandatory	72.68%	83.07%	52.34%	87.87%
LCR3 (LCR under stress scenario before asset disposal)-self-testing	79.50%	94.90%	102.94%	104.04%
Retrospective adverse deviation ratio of net cash flows from operating activities	80.58%		42.78%	
Net cash flows in FY2024 (unit: 10,000 yuan)	392.94		589.22	
Net cash flows in FY2023 (unit: 10,000 yuan)	1,527.95		1,527.95	
Net cash flows in FY2022 (unit: 10,000 yuan)	-1,987.50		-1,987.50	

(III) Other indicators for liquidity risk

unit: yuan

Indicators	Item	As of the end of/ during Q4 2024	As of the end of/ during Q3 2024
1. Net cash flows from operating activities	Amount	73,438,402	129,669,793
	Cash inflow from operating activities YTD	2,294,187,507	1,706,445,869
	Cash outflow from operating activities YTD	2,220,749,105	1,576,776,076
2. Net cash flows from operating activities per 100 yuan in premiums	Amount	3.66	8.15
	Net cash flows from operating activities YTD	73,438,402	129,669,793

	Premiums YTD	2,005,144,504	1,591,389,990
3. Share of cash outflow for special types of business	Percentage	6.22%	7.81%
	Claims pay-out for business of special types	96,953,149	13,321,753
	Incurred and reported claim reserves for business of special types	30,985,448	110,602,123
	Total claims pay-out	1,876,822,827	1,275,694,632
	Total incurred and reported claim reserves	180,121,045	311,420,427
4. Written premiums growth year-on-year	Percentage	1.02%	-3.13%
	Written premiums YTD	2,005,144,504	1,591,389,990
	Written premiums YTD for the same period of previous year	1,984,901,736	1,642,859,246
5. Share of cash and liquidity management instruments	Percentage	1.89%	1.17%
	Book value of cash and liquidity management instruments as at the end of the reporting period	128,666,764	80,410,566
	Total assets as at the end of the reporting period	6,790,278,026	6,889,589,404
6. Quarterly average financial leverage ratio	Percentage	3.88%	1.61%
	Arithmetic mean of the balance of inter-bank lending, bond repurchase and other cash inflow from financing as at the end of each month during the quarter	277,333,333	113,333,333
	Total assets as at the end of the reporting period	7,140,278,026	7,039,589,404
7. Share of domestic fixed income assets rated AA and below	Percentage	0.12%	0.33%
	Book value of domestic fixed income assets rated AA and below as at the end	7,946,988	22,400,000

	of the reporting period		
	Total assets as at the end of the reporting period	6,790,278,026	6,889,589,404
8. Share of investments in listed stocks with a stake of 5% or above	Percentage	0.00%	0.00%
	Book value of investments in listed stocks with stake of 5% or above as at the end of the reporting period	0	0
	Total assets as at the end of the reporting period	7,140,278,026	7,039,589,404
9. Proportion of receivables	Percentage	17.15%	16.89%
	Premium receivables	393,908,457	556,923,995
	Reinsurance receivables	830,433,716	632,109,718
	Total assets as at the end of the reporting period	7,140,278,026	7,039,589,404
10. Proportion of related party assets held by the Company	Percentage	0.00%	0.00%
	Total investment assets of related parties held by the Company	-	-
	Total assets as at the end of the reporting period	7,140,278,026	7,039,589,404

(IV) Key business metrics

unit: yuan

Indicators	As at the end of/ during Q4 2024	As at the end of Q4 2024/YTD
Gross written premiums	580,424,831	2,363,764,686
Net profits	105,492,965	140,927,380
Total assets	6,116,356,628	6,116,356,628
Net assets	3,098,542,328	3,098,542,328
Insurance contract liabilities	2,339,979,241	2,339,979,241
Basic earnings per share	0.098	0.130
ROE	3.46%	4.63%
ROA	1.77%	2.40%
Investment yield	2.02%	4.17%

Comprehensive investment yield	2.71%	4.87%
Profitability indicators	--	--
1. Combined ratio	--	99.86%
2. Expense ratio	--	16.63%
3. Loss ratio	--	83.23%
4. Proportion of commission and brokerage expenses	--	1.60%
5. Proportion of operating and administrative expenses	--	15.49%
Scale indicators	--	--
1. Written premiums	413,754,514	2,005,144,504
2. Written premiums of auto insurance	-	-
3. Written premiums of top 5 non-auto insurance business lines	390,895,354	1,886,731,099
Largest non-auto business line	314,705,510	1,340,504,261
Second largest non-auto business line	44,519,845	305,377,863
Third largest non-auto business line	16,257,189	171,117,750
Fourth largest non-auto business line	12,021,271	56,339,496
Fifth largest non-auto business line	3,391,539	13,391,728
4. Average vehicle premium of auto insurance	-	-
5. Written premiums by channels	413,754,514	2,005,144,504
Agency	15,786,303	90,119,428
Direct	377,304,874	1,823,451,989
Brokerage	20,663,337	91,573,088
Others	-	-

Note: Net profits, total assets, net assets, and insurance contract liabilities listed above were based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of Finance in 2017, and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020; basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of afore-mentioned indicators.

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

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

IV. Risk management capabilities

(I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the former CIRC. In 2024, its written premiums amounted to 2.005bn yuan, and as of the end of 2024, total assets stood at 7.1402bn yuan, with 3 provincial-level branch offices. According to Article 6 of Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment, it is a Category II insurance company.

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

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

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

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 75.47 points. During the reporting period, the Company took further steps to enhance risk management. To be specific:

In respect of insurance risk, we completed the report on retrospective review of product premium rates; retrospectively reviewed the results of the Company's reserve assessment for the previous year and the year before, which showed favourable development; closely monitored the adequacy of loss adjustments for catastrophes and large claims as well as delays in case acceptance, conducted annual

reserve assessment; conducted investigation into major claims cases of ceded-in reinsurance business and enhanced monitoring of its business quality.

In terms of market risk, we formulated the Regulations on Decision-Making and Authorization of Asset Liability Management and Fund Utilization, and revised the General Principles of Asset Liability Management Regulations and Implementation Rules for Asset Liability Management to further improve ALM practices; maintained effective communication with outsourced investment managers on market risk management of investment assets to guard against adverse impact of concentrated risk exposure on net profit and net assets; carried out quantitative assessment and quarterly analysis of ALM, which, among others, measured and analysed the impact of market fluctuations on investment yields, monitored the matching of costs and returns, with projections of key indicators to meet regulatory and in-house ALM requirements.

As for credit risk, we pushed forward the development of premium receivables management tools and enhanced visualization of financial data tracking processes; reviewed priority and difficult year-end collection tasks, formulated collection plans, and supervised branches in meeting the minimum collection requirements to mitigate the default risk; continued to update credit ratings of brokers, reinsurers and cedants, and strengthened the monitoring of credit risk of reinsurance counter-parties.

On operational risk, we formulated and improved the Regulations on Operational Risk Management; pushed forward the development of the new AML system, and completed the quarterly AML self-review and promptly rectified the issues identified; organised quarterly review of anti-fraud efforts by branch offices and drafted quarterly fraud-risk analysis reports; strengthened risk control of IT outsourcing, conducted on-site inspection of key outsourcing service vendors and participated in the emergency drill for IT outsourcing vendors organized by the Group; and continued with consumer rights protection and work review.

With regard to liquidity risk, we continued to optimise cash flow projection modelling, enhanced retrospective review of net cash flows from operating activities, conducted review of cash flow budgets; tracked the status of claims, evaluated the impact of future claims pay-out on cash flows in a timely manner, so as to ensure sufficient liquidity and stable cash flows; continued to communicate with CPIC AMC to ensure an asset allocation compatible with needs for cash flows; reviewed and optimised the risk matrix of investment liquidity, continuously monitored and assessed market liquidity and interest rate movements and their impact on liquidation of its investment assets; reviewed the annual recovery status of premium receivables and strengthened special efforts in priority and difficult tasks; improved cash flow management of reinsurance, ensured rational fund allocation, and focused on the tracking and management of major outstanding receivables.

In terms of reputational risk management, we organised on-line attendance of the Group's annual reputational risk management training by both full-time and part-time staff involved in the area, continued to enhance our awareness and capability to proactive prevent, control and mitigate reputational risk; conducted quarterly media risk screening to consolidate the foundation of reputational risk management and improve coordination in media management.

With regard to strategic risk, we formulated a three-year strategic development plan and reviewed its execution on a quarterly basis to advance the Company's strategic initiatives and development agenda. We also formulated Rules on Implementation of Green Insurance Development Strategies improve our green financial system.

(IV) Status of SARMRA self-assessment

In Q4, we completed the SARMRA self-assessment for 2024. In accordance with the Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document No. 51 [2021]), we assessed and graded the Company's solvency-aligned risk management capability from two dimensions:

soundness of rules (50%) and effectiveness of adherence (50%). Based on the Company's realities, the assessment was orchestrated by the Risk Management Department, with a lead department for each major risk category. Relevant functional departments would provide the required information, which was first assessed by the lead departments and then reviewed by the Risk Management Department. The final assessment results would be reviewed and approved by the Company's Risk and Compliance Management Committee.

The self-assessment score was 92.79 points, better than that in 2023, which indicated the Company's continued progress in risk management capabilities. In 2024, the Company continued to improve its professional capabilities in systematic compliance and risk control. First, it enhanced the risk appetite transmission mechanism to ensure that risk tolerance is effectively incorporated into business processes and operational decision-making, enabling more precise risk monitoring and control. Second, it reviewed and refined its risk management system and strengthened the emergency response mechanism; fostered a robust risk compliance culture and conducted specialised training sessions. Third, it continued to conduct risk profile assessment of branch offices and regularly monitored and managed their risk exposure. Going forward, it will optimize insurance cost control while strengthening product management; improve operational risk management, further enhance precision management of u/w for agricultural insurance and improve IT governance; strengthen liquidity risk control and enhance cash flow forecasting and monitoring.

V. Integrated risk rating (differentiated supervision)

(I) IRR results of the previous two quarters

The Company was rated AAA at the IRR (differentiated supervision) by NFRA (formerly CBIRC) for both Q2 and Q3 of 2024.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating

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

(II) Measures taken or to be taken for improvement

The Company's integrated risk rating (IRR) for Q3 2024 was AAA.

In the reporting quarter, the Company strictly abided by policies of NFRA, PBoC and other related regulatory documents, continued to monitor the key risk indicators, enhanced IT risk management, reviewed regulatory indicators for IT off-site audits, formulated and implemented the rectification plan to continuously strengthen risk management capabilities.

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

1. Operational risk

1.1 Operational risk status

In the quarter, first, the Company formulated rectification plans for various defects newly discovered in audits, carried out rectification with regular status follow-up, urged relevant parties to complete rectification according to the submitted plan; second, updated database of operational risk losses, with analysis and evaluation of such losses via risk management systems; third, amended and issued regulations including the Data Security Management Measures and Data Modification Management Measures, and ensured strict implementation of those rules to control operational risks.

1.2 Methods of operational risk assessment

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

1.3 Process of operational risk assessment

In the quarter, first, the Company conducted an assessment of IRR operational risk status, organised a review by relevant departments of operational risk in mis-selling, fraudulent claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up rectification. Second, monitored key indicators of operational risk in light of risk upper limits, management reports and remedial actions, with clear definition of ownership by departments or branch offices, and may conduct self-review if circumstances require. Third, conducted risk assessment in money laundering, insurance frauds and consumer rights protection when launching new products or new business.

1.4 Results of operational risk assessment

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

2.Strategic risk

2.1 Status of strategic risk

The strategic risk facing the Company mainly includes the following:

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

2.2 Methods of strategic risk assessment

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

2.3 Process of strategic risk assessment

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

2.4 Results of strategic risk assessment

Business development of the Company in the past 3 years has been volatile, which calls for intensified effort in market development and product innovation, particularly in areas other than Shanghai. At the same time, we will enhance performance evaluation against KPIs and take multiple measures to ensure healthy, steady premium growth and high-quality development of the Company.

3.Reputational risk

3.1 Status of reputational risk

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

3.2 Methods of reputation risk assessment

As per Solvency Regulatory Standards of Insurance Companies No.11, first, we monitored online media through the Group's monitoring platform; second, our spokesperson and brand specialists joined the Group's brand management team so that they can share and handle media information in a timely manner; third, the Company issued the "Risk Early-warning" weekly reports to senior management and part-time reputational risk management staff to promptly identify and prevent potential risks. We also conducted a company-wide screening of potential reputational risks, further enhanced reputational risk management capabilities, promoted the establishment of a full-process, closed-loop risk management system, so as to create a favourable environment for the Company's sustainable, healthy and stable development.

3.3 Process of reputational risk assessment

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

3.4 Results of reputational risk assessment

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

4. Liquidity risk

4.1 Status of liquidity risk

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

As a specialised agricultural insurance firm, it mainly faces two types of liquidity risk.

First is the time lag in settlement of agricultural insurance premium receivables by governments. As per Provisions on Fiscal Subsidies of Agricultural Insurance Premiums of Shanghai Municipal Government, the subsidy for agricultural insurance would be accrued in advance and settled in the next year. Thus, the time lag has an impact the Company's cash flows. To address this, it vigorously conducted communications with government agencies in charge of agriculture and finance at various levels, seeking to optimise the process of fiscal subsidy transfers so that it could receive the fund at an early date.

Second is agricultural insurance catastrophe risk. The agricultural insurance business of the Company is concentrated in the Yangtze River Delta, and given this geographical concentration and the characteristics of the business line, in

the events of natural catastrophes, the Company needs to ensure prompt claims payment, assess the impact of advance claims payment on its cash flows to ensure sufficient liquidity and normal and stable cash flows.

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

As at the end of Q4 2024, LCR under the base scenario (LCR1) for the next 12 months and LCR under the stress scenario (LCR2) for the next 12 months were both above 100%, indicating a sound status in liquidity risk.

4.2 Methods of liquidity risk assessment

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

4.3 Process for liquidity risk assessment

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

4.4 Results of liquidity risk assessment

All regulatory indicators and results of cash flow stress testing pointed to sufficient liquidity to meet needs of the Company.

VI. Management analysis and discussions

(I) Changes to solvency margin ratios and reasons

As of the end of the quarter, the comprehensive and core solvency margin ratios of the Company was 335.50% and 305.21% respectively, maintaining a strong position, up by 2.5pt and 4.3pt respectively from the preceding quarter.

Actual capital was 3.153bn yuan, a decrease of 15mn yuan from the previous quarter, mainly due to a net profit of 137mn yuan for the quarter, a decrease of 140mn yuan in catastrophe reserve for agricultural insurance, a decrease of 13mn in other comprehensive income and a decrease of 1mn yuan in non-admitted assets.

Minimum capital stood at 940mn yuan, a decrease of 12mn yuan from the preceding quarter. Of this, minimum capital for insurance risk fell by 25mn yuan, largely due to decline of rolling 12-month premium income, which in turn led to lower minimum capital requirement for premium risk; minimum capital for market risk climbed by 34mn yuan, mainly due to decline of interest rates and changes to asset allocation, which in turn led to changes in capital requirement for various asset classes; that for credit risk fell by 25mn yuan, mainly because of decrease in premium receivables, which means lower capital requirement for counter-party default risk; risk diversification effect dropped by 2mn yuan.

(II) Changes to liquidity risk indicators and reasons

As of the end of the reporting quarter, cash and cash equivalents stood at 78.6668mn yuan, a decrease of 1.7438mn yuan from 80.4106mn yuan in the previous quarter. The decline was mainly due to higher cash outflow paid as claims under primary insurance contracts during the quarter.

LCRs of the next 3 months and next 12 months under base scenarios (LCR1) were 101.69% and 103.06%, respectively.

LCR2s, or LCRs of the next 3 months and next 12 months under stress scenario (mandatory) were 162.31% and 114.17%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 172.87% and 123.86%, respectively.

LCR3s, or LCRs of the next 3 months and next 12 months under stress scenarios before asset disposal (mandatory) were 72.68% and 83.07%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios before asset disposal (self-testing) were 79.50% and 94.90%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting and the previous quarters were 80.58% and 42.78% respectively, close to estimates overall.

Net cash flow YTD was 3.9294mn yuan. That for the previous fiscal year was 15.2795mn yuan, and that for the year earlier was -19.8750mn yuan.

(III) Change to IRR and reasons

The Company was rated AAA at the IRR (differentiated supervision) by National Administration of Financial Regulation (former CBIRC) for both Q2 and Q3 of 2024.

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