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中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

OVERSEAS REGULATORY ANNOUNCEMENT

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

The announcement is attached hereof for information purpose only.

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

Hong Kong, 27 April 2024

As at the date of this announcement, the Executive Directors of the Company are Mr. FU Fan and Mr. ZHAO Yonggang; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LU Qiaoling and Mr. John Robert DACEY; and the Independent Non-executive Directors are Ms. LIU Xiaodan, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I David and Mr. JIANG Xuping.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

1st 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
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I. Board chairman and management statement

The report has been approved by chairman of the board of directors. The board chairman 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. 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		Shareholder injection	Change			As at the end of the reporting period	
	Shares	Percentage (%)		Transfer from capital reserve and share dividends distribution	Share transfer	Subtotal	Shares	Percentage (%)
State	29,895	1.5	-	-	-	-	29,895	1.5
Private legal persons	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural persons	-	-	-	-	-	-	-	-
Others								
(listed companies)	1,964,914	98.5	-	-	-	-	1,964,914	98.5
Total	1,994,809	100	-	-	-	-	1,994,809	100

2. De facto controller

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

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

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

4. Shareholding by directors, supervisors and senior management

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

5. Share transfer

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

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

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

(1). Directors

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

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

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

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval

document: CIRC [2015] No. 228). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of the Board of Supervisors and Director of CPIC Life, Chairman of the Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

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

(2). Supervisors

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

CPIC Life, Board Secretary of CPIC AMC, Risk & Compliance Officer, General Manager of Risk Management Department, and Chief Risk Officer of CPIC Group.

Mr. CAO Junhua, born in March 1966, has a PhD degree. He has been serving as Supervisor of the Company since May 2021 (approval document: CBIRC [2021] No. 376). Mr. CAO currently serves as General Manager of the Internal Audit Department (East China) of the Internal Audit Centre of CPIC Group, and Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd. Previously, he served as head of Secretariat of General Office of CPIC Life, Deputy Section Chief of Board Office of CPIC Group, Assistant General Manager of CPIC P/C Suzhou Branch, Deputy General Manager of Legal & Compliance Department of CPIC P/C Suzhou Branch, head of Specialised Capacity-building Team of Internal Audit Centre of CPIC Group, Deputy General Manager (in charge), General Manager of Audit Department (North China) of Audit Centre of CPIC Group, Deputy Chief of Party Discipline Inspection Team of CPIC Group, and Internal Audit Responsible Person of CPIC AMC.

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

(3) Senior management at head-office level

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

Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as General Manager of the Company since June 2022 (approval document: CIRC [2022] No. 379). He currently serves as Director of the Company. Previously, Mr. ZENG served as Deputy Section Chief, Section Chief of Administration of Domestic Business Department, head of Research and Development Department, Deputy Manager of Domestic Business Department and Research and Development Department, Deputy Manager of General Administration for P/C Insurance, Deputy Manager of General Administration for P/C Insurance & Jiangbei Sub-branch, Manager of P/C Insurance Business Development Department, Manager of P/C Insurance Business Centre of Chongqing Branch, China Pacific Insurance Co. Ltd., Manager of P/C Insurance Business Centre & head of Supervisory Department, Assistant General Manager, Deputy General Manager and General Manager of Chongqing Branch of the Company, Director of Auto Insurance Business, Chief Operating Officer and Deputy General Manager of CPIC P/C. Previously, he worked at PICC Chongqing Branch.

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Deputy General Manager of the Company since August 2012 (approval document: CIRC P/C Insurance [2011] No. 380). Previously he served as head of Business Section of Overseas Business Department, Deputy Manager and Manager of Overseas Business Department, and Assistant General Manager of CPIC Hai'nan Branch, Deputy General Manager, General Manager of Hai'nan Branch of the Company, General Manager of the Property and Liability Insurance Department, General Manager of Shandong Branch, head of Sales (Channel Building and Cooperation), and Deputy General Manager (Agricultural Insurance) of the Company. Prior to that, Mr. SONG worked at the Hainan Branch of the Bank of Communications.

Mr. CHEN Hui¹, born in February 1969, holds a master's degree and the title of accountant. He started to serve as Compliance Responsible Person, Chief Risk Officer of the Company (approval document: NFRA [2024] No. 213) in April of 2024. Previously, Mr. CHEN served as Assistant General Manager and Deputy General Manager of Beijing Branch of CPIC P/C , Deputy General Manager of Hebei Branch of CPIC P/C, General Manager of Human Resources Department, and Chief Human Resources Officer of CPIC P/C. Prior to that, he worked for Beijing Coal Company.

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

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

¹ In April 2024, with the approval of NAFR (approval document: NAFR [2024] No.213) and the 14th meeting of the 7th Board of Directors of CPIC P/C, Mr. CHEN Hui was appointed Compliance Responsible Person, and Chief Risk Officer of the Company.

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

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

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

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

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

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

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

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

Position	Predecessor	Incumbent
Director	WU Junhao ¹	-
Supervisor	SUN Peijian	ZHANG Weidong
Compliance responsible person, chief risk officer	ZHANG Dong	CHEN Hui ²

(III) Subsidiaries, joint ventures or associates

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

Name of companies	Number of shares (10,000)			Percentage of shareholding (%)		
	End of the	End of the	Change	End of the	End of the	Change

¹ In Feb. 2024, Mr. WU Junhao tendered a resignation in writing to the board of directors, resigning as a director of the Company due to work reasons.

² In April 2024, Mr. CHEN Hui was appointed as Compliance Responsible Person and Chief Risk Officer of the Company.

	preceding quarter	reporting quarter		preceding quarter	reporting quarter	(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%	6.09%	-
Associates						
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	2,550	-	51.00%	51.00%	-
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	1,071	-	35.70%	35.70%	-

(IV) Breaches

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

Between Jan. 1 and March 31, 2024, branch offices of the Company received 31 administrative penalties from the insurance regulator, with 3.638mn yuan in fines for branches and 0.666mn yuan in fines for individuals, totalling 4.304mn yuan. Misconduct mainly concerned falsification of brokerage business for expense-booking, false expense-booking, granting extra benefits to the insured other than those specified in insurance contracts, etc.

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

(Yes No)

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

(Yes No)

4. Did the Company receive any regulatory measures from the NAFR (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 Q1 2024	As at the end of Q4 2023	Estimates for next quarter under base scenario
Admitted assets	27,009,477	24,512,861	27,349,539
Admitted liabilities	20,529,862	18,335,324	20,792,537
Actual capital	6,479,615	6,177,537	6,557,002
Tier 1 core capital	5,051,961	4,741,482	5,129,348
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,427,654	1,436,055	1,427,654
Tier 2 supplement capital	-	-	-
Minimum capital	2,969,110	2,889,813	3,014,747
Minimum capital for quantifiable risks	3,015,192	2,934,664	3,064,919
Minimum capital for control risk	-46,082	-44,851	-50,172
Supplement capital	-	-	-
Core solvency margin	2,082,851	1,851,669	2,114,602
Core solvency margin ratio (%)	170.2%	164.1%	170.1%
Comprehensive solvency margin	3,510,505	3,287,724	3,542,256
Comprehensive solvency margin ratio (%)	218.2%	213.8%	217.5%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of/ during Q1 2024	As at the end of/ during Q4 2023
Net cash flows (RMB 10,000)	YTD	264,463	346,474
	Year 2023	346,474	-326,022
	Year 2022	-326,022	288,396
LCR (%)	LCR1	Next 3 months	117.6%
		Next 12 months	104.6%

	LCR2	Next 3 months	212.4%	219.5%
		Next 12 months	130.4%	119.3%
	LCR3	Next 3 months	60.8%	71.9%
		Next 12 months	88.1%	80.0%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the previous 2 quarters		243.0%	88.9%
	Over the previous quarter		141.5%	243.0%

2. Other indicators of liquidity risk

	Items	As at the end of Q1 2024/YTD	As at the end of Q4 2023/YTD
	Net cash flow from operating activities (RMB 10,000)	144,874	353,712
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	2.3	1.9
	Ratio of cash outflow from business of special types (%)	2.2%	3.4%
	Written premiums growth year-on-year	9.6%	11.6%
Assets	Ratio of cash and liquidity management instruments (%)	3.5%	2.6%
	Quarterly average financing gear (%)	3.2%	2.6%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.6%	0.6%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.6%	14.4%
	Ratio of assets of related parties held (%)	3.4%	3.9%

Ratio of cash outflow from business of special types: Ratio of cash outflow from business of special types = (Claim expenses of special-type business + Claim reserves of special-type business) ÷ (Overall claim expenses + Overall claim reserves) × 100%. Business of special types includes financing guarantee insurance business and non-auto business that accounts for more than 5% of overall claim expenses, and the latter refers to non-auto insurance business that incurs, due to catastrophes or major claims, estimated or actual claim expenses after reinsurance 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 Q1 2024	As at the end of Q1 2024/YDT
GWPs	6,270,103	6,270,103
Net profits	193,320	193,320
Total assets	22,301,026	22,301,026
Net assets	5,753,119	5,753,119
Insurance contract liabilities	12,449,629	12,449,629
Basic earnings per share (RMB yuan)	0.1	0.1
ROE (%)	3.4	3.4
ROA (%)	0.9	0.9
Investment yield (%)	0.8	0.8
Comprehensive investment yield (%)	1.8	1.8
Combined ratio (%)	97.5	97.5
Expense ratio (%)	25.8	25.8
Loss ratio (%)	71.7	71.7
Proportion of commissions and brokerage expenses (%)	7.8%	7.8%
Proportion of operating and administrative expenses (%)	12.6%	12.6%
Written premiums	6,273,460	6,273,460

Written premiums of auto insurance	2,806,585	2,806,585
Written premiums of top 5 non-auto insurance business lines	2,979,261	2,979,261
Liability insurance	1,205,237	1,205,237
Agricultural insurance	729,571	729,571
Health insurance	609,627	609,627
Commercial property insurance	242,540	242,540
Guarantee insurance	192,285	192,285
Average vehicle premium of auto insurance (RMB yuan)	2,744	2,744
Written premiums by channels	6,273,460	6,273,460
Agency	3,157,167	3,157,167
Direct	2,284,635	2,284,635
Brokerage	831,657	831,657
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	3.81

past 3 years (%)

Note: As per Notice on Optimising Standards for Solvency Regulation of Insurance Companies by National Financial Regulation Administration (Jingui [2023] No. 5), insurance companies shall disclose the average investment yield and average comprehensive investment yield in the past 3 years, based on the formula of:
$$[(1+(\text{comprehensive}) \text{ investment yield in the past year}) * (1+(\text{comprehensive}) \text{ investment yield in the past 2 years}) * (1+(\text{comprehensive}) \text{ investment yield in the past 3 years})]^{(1/3)} - 1$$

IV. Risk management capabilities

(I) Classification of insurance companies

As per rules on classification of insurance companies contained in Solvency Regulatory Standards No. 12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In 2023, its annual written premiums amounted to 196.019bn yuan; total assets stood at 246.344bn yuan; there are 38 provincial-level branch offices.

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

In this quarter, the Company held the 2024 Work Meeting on Risk Control & Compliance and Discipline Inspection, studied and implemented the spirit of relevant speeches by General Secretary Xi Jinping and the Central Financial Work Conference, while making arrangements for risk management in 2024; the meeting called on all branch offices and business units to give first priority to compliance and risk management in business operations, to coordinate high-quality development and discipline inspection & risk management and compliance, and to improve systematic capacity building for risk control, so as to better support the Company's sustainable and high-quality development.

First, formulated and released key tasks of annual risk management. In light of sustainable, high-quality development objectives and the 3 key requirements of "forestalling major risks, deepening integration and enhancing capabilities" of the Group, we implemented the guidelines of "being proactive, precise, sustainable and addressing root causes" in an all-around manner. Building on achievements in the integrated risk control system which is intertwined with front-line business, we pushed forward in-depth integration of the three lines of defence, empowered branch offices and personnel at all levels, maintained a leading position in risk management expertise, and fostered a corporate culture to safeguard sustainable and high-quality development of the Company.

Second, continued to optimise risk management system and processes. Given our risk management realities, we reviewed and revised the “1+7+N” risk management system, which includes rules such as Measures for Enterprise Risk Management as well as management and implementation rules for each risk category; assessed the risk appetite framework for 2023 with updates for 2024; and initiated the review and revision of the master contingency plan and sub-plans of the Company.

Third, conducted risk screening to prevent and mitigate risks. We carried out quarterly and annual screening of reputational risks to ensure pro-active, forward-looking and effective risk management; organised a special review of information reporting on emergencies to further improve emergency response; and as per requirements of the People's Bank of China, we carried out monthly risk monitoring, and submitted reports on significant matters whenever necessary to mitigate potential risks.

Fourth, we carried out “March 15th” financial consumer rights protection education and publicity activities as per requirements of NAFR and the Group. To ensure effectiveness of the activity, we centered on the consumer protection system, and chose topics that were highly relevant for daily life of consumers, and worked out a special implementation programme, so as to raise public awareness of risks and their financial literacy.

(III) Results of last solvency risk management valuation

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

(IV) Status of SARMRA self-assessment

Not applicable during the reporting period.

V. Information on IRR (differentiated supervision)

(I) Results of IRR in the previous 2 quarters

The Company was rated AA at the IRR for both Q3 and Q4 of 2023.

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

(II) Status of various risks of the Company

1. Operational risk

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

First, we pushed for implementation of Measures for Operational Risk Management of Banks and Insurance Institutions, completed the study of the regulations in Q1, and started drafting internal rules on operational risk management.

Second, established and improved the new system of case prevention, formulated and issued Measures for Risk Control Relating to Criminal Cases, set out priorities of case prevention for this year, organised and carried out self-assessment.

Third, promoted the upgrading and transformation of the "Discerning Eye" platform, completed and deployed simulation and assessment tools for individual business, group business, agricultural business and operation, completed preparation for full switch of the "Discerning Eye" new interface, put in place and implemented mechanisms for uploading and removal of modules and indicators, carried out regular assessment of deficiencies and "turnaround" of indicators, and promoted rapid and standardised iteration of remote monitoring indicators.

Fourth, as per Group requirements, we convened a video conference for certain branch offices to optimise system performance and processes, and promote the development of anti-forgery labelling for contracts.

Fifth, in terms of risk management in IT outsourcing, CPIC P/C had a total of 44 IT service providers as at the end of Q1 2024. According to evaluation results in Q1, those vendors were all rated "healthy", with overall risks well under control.

Sixth, as for anti-money laundering (AML) management, we completed a self-assessment for 2023 and submitted the results to the regulators in accordance with the Notice on Regulatory Assessment of Money Laundering Risks of Legal Entities for the Year 2023 released by Shanghai Branch of the People's Bank of China.

Seventh, we proceeded with the backward migration of the AML management system. In customer identification, we enhanced data quality of non-natural person customers to meet the AML collection standards; for abnormal transaction monitoring, we optimised the logic of interfacing between upstream and downstream systems, and assessed and improved the self-defined monitoring standards for suspicious transactions.

2. Strategic risk

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

First, the Company carried out an all-around evaluation of the status of execution of the 2021-2023 Development Plan, as well as the 2023 Annual Development Plan, formulated a draft report, which mainly reviewed the strategic risks it faces in talent management, business strategy management, investment strategy management, and overseas development strategy management. In light of regulatory requirements and its own policies, the report will be submitted to the regulator pending board approval.

Second, it strengthened the management of strategic risks in terms of talent management, business management, investment management and overseas operation management; regularly collected and analysed information and strengthened the monitoring of strategic risks through a wide range of indicators such as premium growth, combined ratio, solvency margin ratio, IRR rating and corporate governance evaluation;

Third, it assessed the overall situation of strategic risk management in a timely, all-round and objective manner, reviewed assessment and management of strategic risks and incorporated them into the overall risk management and assessment report to senior management.

Next, the Company will closely follow changes in economic environment and developments in government policies, and adjust its strategic planning when necessary while taking into account its own development needs, so as to ensure that its business activities are carried out within the framework of the plan and its business objectives are met.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents, with the risk overall under control. As per Interim Regulations on Reputational Risk Management by Banking and Insurance Institutions, Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd. and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd., as well as other applicable regulatory rules and Group policies, the Company completed a special report on reputational risk management in 2023, initiated amendments to relevant risk management rules and policies, convened the 4th quarterly work meeting of 2023 of the Reputational Risk Management Working Group to cascade down relevant management actions. Going forward, when conducting business and PR activities, it will further enhance risk screening and prevention, step up fast response and coordination when the risk emerges and conduct review and optimisation after the completion of risk-handling, accumulate the “asset” of reputation and strengthen early-stage intervention and

closed-loop management of reputational risk, in a bid to forestall the risk more pro-actively.

4. Liquidity risk

To mitigate the liquidity risk, the Company coordinates cash flows from operating, investment and financing activities, pays special attention to large cash outflows arising from major claims, reinsurance bills, taxes, expenses and fixed assets, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q1, in anticipation of large pay-outs like quarterly prepayment of contribution into the Mandatory Insurance Security Fund, quarterly prepayment of income tax, reinsurance outgo and purchase & construction of fixed assets, the Company made appropriate arrangement of funds, giving priority to large claims payment for non-auto business while handling needs for liquidity or applications for payment of branch offices in a timely manner. The Company will continue to monitor changes to its liquidity status and enhance risk management capabilities while considering various needs for liquidity.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

The overall risk status of the Company remains stable, with solvency margin ratios stable and solid, and 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

By the end of Q1 2024, the comprehensive and core solvency margin ratios of the Company stood at 218.2% and 170.2% respectively, up by 4.5pt and 6.1pt respectively from the end of the previous quarter. Of this, actual capital rose by 3.02bn yuan from the previous quarter, mainly due to impact of net profits and other comprehensive income.

Minimum capital increased by 340mn yuan from the previous quarter to 22.64bn yuan. Of this, minimum capital for reserve risk increased by 540mn yuan, mainly because of higher retained premiums from short-term A&H, liability insurance and agricultural insurance in the previous 12 months. Minimum capital for reserve risk increased, due to growth of claims reserve for liability insurance and commercial property insurance. Minimum capital for catastrophe risk dropped, mainly as a result of lower SA for typhoons and flooding in commercial property insurance.

Minimum capital for market risk rose by 520mn from the preceding quarter, largely due to increased risk exposure of bond securities investments, which led to higher capital requirement for interest rate risk.

Minimum capital for credit risk climbed by 470mn from the preceding quarter, largely due to increased risk exposure of premium receivables and outward reinsurance assets, which raised minimum capital requirement for default risk by transaction counter-parties.

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

3. Analysis of changes to liquidity risk indicators

(1) Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e., LCR1 and LCR2 in the next 3 months and 12 months under the base and stress scenarios respectively were above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from operating activities in the past 2 quarters consistently not lower than the regulatory minimum of -30%. On a YTD basis, net cash inflows of the Company amounted to 2.64bn yuan. Of this, net cash inflow from operating activities was 1.45bn yuan; net cash outflow from investment activities 4.44bn yuan; net cash inflow from financing activities 5.64bn yuan.

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