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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, 31 October 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, Mr. XIE Weiqing, Ms. LU Qiaoling, Mr. CAI Qiang, John 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.**

**3rd 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
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Cell phone:	13917427405
Email:	wangyucheng-003@cpic.com.cn

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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		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 factor 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 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 Finance Responsible Person and Chief Actuary of CPIC Group, Director and Acting 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 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, 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.

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<sup>1</sup>, born in June 1965, holds a bachelor's degree, and has been serving as Executive Director of the Company since June 2023 (approval document: NFRA [2023] No. 76). Mr. ZENG previously 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, Deputy General Manager and General Manager of CPIC P/C. Previously, he worked at PICC Chongqing Branch.

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<sup>1</sup> In September 2024, as per approval of the 47th session (extraordinary) of the 7th board of directors of the Company, Mr. ZENG Yi ceased to serve as General Manager of China Pacific Property Insurance Co. Ltd.



## (2). Supervisors

Mr. ZHANG Weidong, born in October 1970, received university education. 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, Acting Internal Audit Responsible Person of CPIC Group, chairman of board of supervisors of CPIC Life, Director of CPIC Health and CPIC AMC. 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, Compliance Responsible Person, Chief Risk Officer of CPIC Group, Director of Changjiang Pension.

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 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/ 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. CHEN Hui<sup>2</sup>, born in February 1969, holds a master's degree and the designation of Accountant. He started to serve as Acting Responsible Person of the Company performing the duties of General Manager in September 2024; started to serve as Compliance Responsible Person and Chief Risk Officer of the Company (approval document: NFRA [2024] No. 213) in April 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 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). 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,

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<sup>2</sup> In September 2024, as per approval of the 47<sup>th</sup> session (extraordinary) of the 7<sup>th</sup> board of directors of the Company, Mr. ZENG Yi ceased to serve as General Manager of China Pacific Property Insurance Co. Ltd, and Mr. CHEN Hui was designated as Acting Responsible Person of the Company performing the duties of General Manager.

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 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 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.

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. 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, 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 Director of Coordinated Development of Guangdong, Hong Kong and 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. 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. 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
General Manager	ZENG Yi	-
Acting Responsible Person	-	CHEN Hui
Deputy General Manager	-	LI Chao
Assistant General Manager	TAO Lei	-
	-	HUANG Yao, YE Mingman

## (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 preceding quarter	End of the reporting quarter	Change	End of the preceding quarter	End of the reporting quarter	Change (pt)
<b>Subsidiaries</b>						
Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	-
<b>Joint ventures</b>						
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%	-
<b>Associates</b>						
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 July 1 and September 30, 2024, branch offices of the Company received 8 administrative penalties from the insurance regulator, with 2.48mn yuan in fines for branches and 0.725mn yuan in fines for individuals, totalling 3.205mn yuan. Misconduct mainly concerned falsification of brokerage business for expense-booking, failure to abide by approved or filed premium rates or policy terms & clauses, 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 Q3 2024	As at the end of Q2 2024	Estimates for next quarter under base scenario
Admitted assets	27,414,199	27,504,645	26,956,664
Admitted liabilities	20,607,766	20,825,372	20,009,688
Actual capital	6,806,434	6,679,272	6,946,976
Tier 1 core capital	5,403,641	5,237,506	5,544,184
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,402,792	1,441,766	1,402,792
Tier 2 supplement capital	-	-	-
Minimum capital	3,130,720	3,035,939	3,156,688
Minimum capital for quantifiable risks	3,179,310	3,083,058	3,209,222
Minimum capital for control risk	-48,590	-47,119	-52,535
Supplement capital	-	-	-
Core solvency margin	2,272,921	2,201,567	2,387,496
Core solvency margin ratio (%)	172.6%	172.5%	175.6%
Comprehensive solvency margin	3,675,713	3,643,333	3,790,288
Comprehensive solvency margin ratio (%)	217.4%	220.0%	220.1%

#### (II) Liquidity risk indicators

##### 1. Regulatory indicators for liquidity risk

Items		As at the end of/ during Q3 2024	As at the end of/ during Q2 2024	
Net cash flows (RMB 10,000)	YTD	16,982	246,836	
	FY 2023	346,474	346,474	
	FY 2022	-326,022	-326,022	
Liquidity coverage ratio (%)	LCR1	Next 3 months	112.6%	116.9%
		Next 12 months	103.4%	104.5%
	LCR2	Next 3 months	360.2%	301.2%
		Next 12 months	165.9%	161.4%
	LCR3	Next 3 months	111.7%	90.5%

		Next 12 months	102.7%	104.5%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the previous 2 quarters		397.9%	141.5%
	Over the previous quarter		122.6%	397.9%

## 2. Other indicators of liquidity risk

	Items	As at the end of Q3 2024/YTD	As at the end of Q2 2024/YTD
Liabilities	Net cash flow from operating activities (RMB 10,000)	610,343	535,887
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	3.9	4.8
	Ratio of cash outflow from business of special types(%)	3.1%	2.5%
	Gross premium growth year-on-year(%)	8.0%	8.3%
Assets	Ratio of cash and liquidity management instruments(%)	2.5%	3.3%
	Quarterly average financing gear(%)	2.8%	2.7%
	Share of domestic fixed income assets with external rating of AA and below(%)	0.5%	0.5%
	Proportion of shares representing over 5% of the stake of listed companies(%)	0.0%	0.0%
	Ratio of fund receivables(%)	16.5%	17.5%
	Ratio of assets of related parties held(%)	3.6%	3.3%

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 which exceed 5% of total non-auto claim expenses of the previous year.

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

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 Q3 2024	As at the end of Q3 2024/YDT
Gross written premiums	4,676,700	15,969,534
Net profits	110,911	590,115
Total assets	22,981,726	22,981,726
Net assets	6,022,587	6,022,587
Insurance contract liabilities	13,091,305	13,091,305
Basic earnings per share (RMB yuan)	0.1	0.3
ROE (%)	1.9	10.3
ROA (%)	0.5	2.7
Investment yield (%)	0.8	2.5
Comprehensive investment yield (%)	1.3	5.0
Combined ratio (%)	101.6	98.6
Expense ratio (%)	26.9	25.9
Loss ratio (%)	74.6	72.7
Proportion of commissions & brokerage expenses (%)	10.1	8.7
Proportion of operating & administrative expenses (%)	18.2	15.5
Written premiums	4,888,079	16,384,222
Written premiums of auto insurance	2,752,123	8,281,958
Written premiums of top 5 non-auto insurance business lines	1,683,693	6,726,458
Liability insurance	595,610	1,891,441
Health insurance	299,592	1,863,619

Agricultural insurance	372,278	1,736,931
Commercial property insurance	237,805	691,222
Homeowners' insurance	178,408	543,245
Average vehicle premium of auto insurance (RMB yuan)	2,865	2,823
Written premiums by channels	4,888,079	16,384,222
Agency	3,089,161	9,202,326
Direct	1,044,433	4,837,229
Brokerage	754,484	2,344,667
Others	-	-

Notes:

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

First, in response to Typhoons Yagi and Bebinca, we held meetings before and after the disasters struck to make preparations and implement response measures, promoted disaster prevention and mitigation, and carried out claims investigation and settlement in an orderly manner. After the disasters, we reviewed our responses and further improved risk warning to safeguard achievements of high-quality business development.

Second, under the guidance of General Secretary Xi Jinping's thoughts on the work related to farmers, rural areas and agriculture, we held the Tai'an Agricultural Risk Management Forum 2024, which focused on promoting the national strategy of rural vitalization and agricultural invigoration as well as high-quality development of China's agricultural risk management and insurance. The Company and China Re jointly hosted the "Forum on Innovative Risk Management for Low Altitude Economy" at the China International Fair for Trade in Services to discuss new scenarios, new business models of low altitude economy, and to jointly boost high-quality development of insurance business for low altitude industries.

Third, strengthened IT risk management by revising and improving internal management rules on IT outsourcing to ensure rule-based IT outsourcing activities, and formulated a series of data management measures covering data security, third-party data, data filing, data labeling, security in data cooperation and sharing, etc., so as to further improve overall data security risk management.

Fourth, carried out the 2024 Training on Emergency Response Contingency Plan and Sub-Plans (2024) of CPIC P&C for all employees to meet regulatory and Group requirements, which aimed to ensure an orderly response in the event of emergencies, and familiarize all staff with emergency response measures to improve their capability and awareness. We also organised the 2024 Reputational Risk Management Training

& Drills to improve pro-active, day-to-day reputational risk management in a systematic way to better empower the front line.

Fifth, our practice in aquaculture insurance service was selected as a successful example under the theme of “Paradigm Shift in Insurance: from Risk Mitigation to Risk Resilience” by the UN Food and Agriculture Organisation (FAO) in 2024, an indication of the attention and recognition we received from international organisations for our exploration in aquaculture insurance. Our “CPIC P/C IoT Platform Risk Reduction Project” was selected as an exemplary case of business innovation at the China International Fair for Trade in Services (CIFTIS) 2024, a recognition of our contribution in the field of trade in services and our unrelenting pursuit of new service models.

### **(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 Q1 and Q2 of 2024.

As per regulatory requirements, it briefed the board on regulatory communications 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, revised internal rules on operational risk management in accordance with the regulatory Provisions on Management of Operational Risk of Banking and Insurance Institutions.

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, in compliance with requirements of SASAC and the Group, we launched a special campaign on overseas risks for 2024, organised a self-review and rectification by relevant corporate departments and CPIC Hong Kong, with an interim progress report submitted the Group.

Fourth, 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.

Fifth, in terms of work in anti-money laundering (AML), in Q3 we continued with communications and follow-ups on key tasks of this year, and proceeded with relocation of the AML system.

Sixth, as for IT risk, analysis of our IT risk indicators in Q3 showed that project delays were acceptable, core IT systems ran stably with good IT services; data security and IT outsourcing suppliers were both in a healthy status; there was no risk events in new technology application, and therefore the overall IT risk is 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. The main work done in this quarter includes:

Strengthened strategic risk management in terms of talent management, business management, investment management and overseas operation management; assessed the overall situation of strategic risk management in a timely, all-round and objective manner, reviewed status of strategic risk management and incorporated it into the overall risk management and assessment report to be submitted to senior management.

In Q3 2024, to implement decisions of the central government on the “5 Financial Priorities”, i.e., technology finance, green finance, inclusive finance, pension finance and digital finance, and in response to requirements of the regulator and the Group, the Company formulated the Action Programme on 5 Financial

Priorities to facilitate the implementation of the strategy in a systematic, all-around manner.

Next, the Company will closely follow changes in the market environment and developments in government policies, 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 amended the contingency plan for major reputational risk events, conducted quarterly risk screening and analysis, convened the 2nd quarterly work meeting of the Reputational Risk Management Working Group in 2024 to cascade 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 Q3, the Company made funds available to meet needs of large pay-outs like quarterly prepayment of contribution into the Mandatory Insurance Security Fund, quarterly payment of income tax, reinsurance outgo, purchase & construction of fixed assets and payment of shareholder dividend. It paid special attention to large claims payment arising from typhoons and other natural disasters and made preparations in advance, while handling needs for liquidity or applications for payment of both corporate headquarters and 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 Q3 2024, the comprehensive and core solvency margin ratios of the Company stood at 217.4% and 172.6% respectively, down by 2.6pt and up by 0.1pt respectively from the end of the previous quarter. Of this, actual capital rose by 1.27bn yuan from the previous quarter, mainly due to impact of net profits and other comprehensive income.

Minimum capital for insurance risk increased by 1.18bn yuan from the preceding quarter to 24.05bn yuan. Of this, that for premium and reserve risk rose by 1.28bn yuan, mainly because of, first, higher retained premiums from motor insurance and commercial property insurance in the previous 12 months; and second, increased change in the combined ratio of motor insurance in the past 6 months and higher combined ratio of commercial property insurance, which increased the applicable factor used in calculation of required capital for premiums. Minimum capital for reserve risk also increased, due to growth of outstanding claims reserve for agricultural insurance and motor insurance.

Minimum capital for market risk rose by 980mn from 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 980mn from the preceding quarter, largely due to decreased risk exposure of premium receivables, 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 inflows of the Company amounted to 170mn yuan. Of this, net cash inflow from operating activities was 6.10bn yuan; net cash outflow from investment activities 6.64bn yuan; net cash inflow from financing activities 720mn 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.