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中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

OVERSEAS REGULATORY ANNOUNCEMENT

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

The announcement is attached hereof for information purpose only.

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

Hong Kong, 28 October 2023

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

Summary of Quarterly Solvency Report (Excerpts)

Pacific Anxin Agricultural Insurance Co., Ltd.

3rd Quarter of 2023

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 to be conducted after such approvals are granted, subject to approval documents or permits)
Business territories	Shanghai, Jiangsu Province, Zhejiang Province.
Contact person:	LI Mao

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I. Board chairman and management statement

The report has been approved by chairman of the board of directors of the Company. 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.

October 2023

Pacific Anxin Agricultural Insurance Company Limited

II. Basic information

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

1. Ownership structure and change

Types of shareholders	Beginning of the reporting period		Change of shares or stake				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 and entity.

2. De facto controller

The Company has no de factor 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
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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

1. Directors, supervisors and senior management

1.1 Directors

As of the end of September 2023, 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 Approval [2015] No. 143). Mr. SONG currently serves as Deputy General Manager of CPIC P/C and Dean of Tai'an Agricultural Insurance Research 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. He has been serving as Non-executive Director of the Company since July 2015 (approval document: CIRC Approval [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.

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 Approval [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. 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 also serves as General Manager of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West Operation Management Office of Shanghai Branch of China Life Insurance Company, Deputy 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.

Mr. JIANG Shengzhong, born in July 1958, holds a doctoral degree. He has been serving as Independent Director of the Company since April 2018 (approval document: CBIRC Approval [2018] No. 4). Mr. JIANG is currently a professor and PhD supervisor of Nankai University. He also serves as Director of Agricultural Insurance Center of Nankai University Finance College, President of the Education Committee of the Insurance Society of China, Executive Director of China Society for Finance and Banking, Executive Director of Tianjin Insurance Society, and Honorary Director of Council of China Insurance News. Mr. JIANG was previously Dean of Insurance Department of Nankai University.

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 CIRC Approval [2022] No. 851). Mr. ZHANG currently serves as Research Fellow of Agricultural Information Institute of the Chinese Academy of Agricultural Sciences, 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 of Agricultural Information Institute of the Chinese Academy of Agricultural Sciences, and lecturer of Shanxi University of Finance and Economics.

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 Approval [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. 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 Approval [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 the title of Accountant. She has been serving as Non-executive Director of the Company since June 2022 (approval document: CBIRC Approval [2022] No. 403). Ms. ZHOU currently serves as Manager of General Affairs Department of Agricultural Development Asset Management Center 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., etc.

1.2 Supervisors

As of the end of September 2023, the 4th Board of Supervisors of the Company has 6 supervisors:

Mr. CHEN Yuanliang, born in June 1971, holds a bachelor's degree from the Central Party School, and has been serving as Supervisor (employee representative) and Chairman of the Board of Supervisors of the Company since September 2023 (approval document: jinfu [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 Wenjuan, born in November 1983, holds a master's degree and national legal professional qualification. In December 2020, she became Employee Representative Supervisor of the Company (approval document: CBIRC [2020] No. 849). Ms. ZHANG also serves as Legal Responsible Person, Director of the Discipline Inspection Office, and General Manager of Legal Compliance Department/Risk Management Department of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Legal and Compliance Department of Anxin Agricultural Insurance Co., Ltd., Deputy General Manager (in charge) of Legal and Compliance Department of the Company, Deputy Director of the Discipline Inspection Office of the Company, Compliance Responsible Person of Shanghai Branch of the Company, and General Manager of Legal and Compliance Department of Shanghai Branch of the Company.

Mr. MIAO Huan, born in August 1983, holds a bachelor's degree. He became Supervisor of the Company in December 2021 (approval document: CBIRC Approval [2019] No. 973). Mr. MIAO currently serves as Deputy General Manager of Shanghai Huijia Venture Capital Co., Ltd. and Executive Director of Shanghai Jiading Guangwo Assets Management Co., Ltd. Mr. MIAO previously served as Business Assistant, and Business Manager of the Investment Management Department of Shanghai Jiading District State-owned Assets Management (Group) Co., Ltd., and Business Manager of Shanghai Jiading Venture Capital Management Co., Ltd.

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.

Mr. CHENG Song, born in November 1979, holds a master's degree. He became Employee Representative Supervisor of the Company in February 2022 (approval document: CBIRC [2022] No. 32). Mr. CHENG currently serves as General Manager of Finance Department and Asset Management Department of the Company. Previously, he served as Senior Manager of Accounting Center of Financial Management Department of CPIC Group, and Deputy General Manager of Financial Department of CPIC P/C.

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 Approval [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.

1.3 Senior management

As of the end of September 2023, the Company has 7 members of senior management:

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as General Manager of the Company since July 2021 (approval document: CBIRC [2021] No. 609). Mr. SHI also serves as Executive Director of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West 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.

Mr. ZHENG Kai, born in August 1972, holds a master's degree. He has been serving as Deputy General Manager and Board Secretary of the Company since May 2016 (approval documents: CIRC Approval [2016] No. 391, and CIRC Approval [2016] No. 383 respectively). 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 Director 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.

Ms. LI Shuhui, born in July 1972, holds a master's degree and the title 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 Approval [2019] No. 984, and CBIRC Shanghai Approval [2019] No. 983 respectively). She previously served as Deputy General Manager of Internal Audit Center/Second Division, 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, Deputy Director of District Agricultural Committee of CPC 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. WU Kaibing, born in July 1968, holds a doctoral degree and the title of Senior Auditor. He has been serving as Internal Auditing Responsible Person since October 2017 (approval document: CIRC Approval [2017] No. 1191). Mr. WU currently serves as General Manager of the Internal Audit Department (South China) of CPIC Group. He previously served as Securities Research Head 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, Senior 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 Approval [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 of head-office

Positions	Name of predecessors	Name of incumbents	Remarks
Chairman of board of supervisors, employee representative supervisor	HUANG Xiongfei	CHEN Yuanliang	Replacement upon retirement of predecessor

(III) Subsidiaries, joint ventures or associate ventures

None during the reporting period.

(IV) Breaches and administrative penalties during the reporting period

1. Administrative penalties against insurance companies and their directors, supervisors, and senior management at head-office

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. CBIRC regulatory measures against the Company

None by NAFR (former CBIRC) during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: yuan

Item	Q3 2023	Q2 2023	Next quarter estimates
Admitted assets	6,451,671,668	6,721,161,849	6,815,326,486

Admitted liabilities	3,332,351,191	3,643,640,882	3,640,657,921
Available capital	3,119,320,477	3,077,520,967	3,174,668,565
Tier-1 core capital	2,825,048,815	2,780,865,205	2,880,396,902
Tier-2 core capital	-	-	-
Tier-1 supplement capital	294,271,663	296,655,761	294,271,663
Tier-2 supplement capital	-	-	-
Minimum capital	787,943,051	837,155,853	789,381,882
Minimum capital for quantifiable risks	772,801,926	821,069,053	774,207,417
Minimum capital for life insurance risk	-	-	-
Minimum capital for non-life insurance risk	616,613,638	599,429,490	612,059,979
Minimum capital for market risk	330,913,571	332,048,718	325,553,935
Minimum capital for credit risk	307,908,267	264,300,512	322,125,205
Diversification effect for quantifiable risks	396,766,670	374,709,667	399,508,655
Loss absorption for special-type insurance contracts	-	-	-
Minimum capital for control risk	15,141,126	16,086,800	15,174,465
Supplement capital	-	-	-
Core solvency margin	2,037,105,763	1,943,709,353	2,091,015,020
Core solvency margin ratio	358.53%	332.18%	364.89%
Comprehensive solvency margin	2,331,377,426	2,240,365,114	2,385,286,682
Comprehensive solvency margin ratio	395.88%	367.62%	402.17%

(II) Regulatory indicators for liquidity risk

LCR	Q3 2023		Q2 2023	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 (under base scenario)	107.29%	103.33%	109.10%	103.47%
LCR2 (under stress scenario)– mandatory	112.60%	110.12%	100.05%	115.44%
LCR2 (under stress scenario)- self-testing	187.96%	120.94%	150.61%	116.02%

LCR3 (under stress scenario before asset disposal)-mandatory	57.82%	85.55%	61.11%	101.40%
LCR3 (under stress scenario before asset disposal)-self-testing	102.89%	100.02%	97.51%	103.87%
Retrospective adverse deviation ratio of net cash flows from operating activities	-54.03%		-3.05%	
Net cash flows YTD (unit: 10,000 yuan)	-2499.47		-622.80	
Net cash flows in 2022(unit: 10,000 yuan)	-1987.50		-1987.50	
Net cash flows in 2021 (unit: 10,000 yuan)	3041.26		3041.26	

(III) Other indicators for liquidity risk

unit: yuan

Indicators	Item	Q3 2023	Q2 2023
1. Net cash flows from operating activities	Amount	314,945,286	532,899,072
	Cash inflow from operating activities YTD	1,889,612,645	1,503,571,039
	Cash outflow from operating activities YTD	1,574,667,360	970,671,967
2. Net cash flows from operating activities per 100 yuan in premiums	Amount	19.17	42.78
	Net cash flows from operating activities YTD	314,945,286	532,899,072
	Premiums YTD	1,642,859,246	1,245,615,820
3. Share of cash outflow for special types of business	Percentage	15.93%	8.32%
	Claims pay-out for business of special types	331,939,145	84,960,195
	Incurring and reported claim reserves for business of special types	-148,130,417	-31,477,033
	Total claims pay-out	1,078,446,978	584,279,028
	Total incurred and reported claim reserves	75,744,781	58,265,045

4. Total premiums growth year-on-year	Percentage	14.76%	9.91%
	Total premiums YTD	1,642,859,246	1,245,615,820
	Total premiums YTD for the same period of previous year	1,431,585,711	1,133,339,733
5. Share of cash and liquidity management instruments	Percentage	0.94%	3.90%
	Book value of cash and liquidity management instruments at the end of the period	59,369,542	257,147,198
	Total assets as at the end of the period	6,328,745,482	6,600,296,678
6. Quarterly average financial leverage ratio	Percentage	0.77%	2.82%
	Arithmetic mean of the ending balance of inter-bank lending, bond repurchase and other cash inflow from financing at the end of each month during the quarter	50,000,000	190,666,667
	Total assets as at the end of the period	6,478,745,482	6,750,296,678
7. Share of domestic fixed income assets rated AA and below	Percentage	0.00%	0.00%
	Book value of domestic fixed income assets rated AA and below at the end of the period	0	0
	Total assets as at the end of the period	6,328,745,482	6,600,296,678
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 a stake of 5% or above at the end of the period	0	0
	Total assets as at the end of the period	6,478,745,482	6,750,296,678

9. Proportion of receivables	Percentage	13.41%	12.87%
	Premium receivables	562,778,823	650,256,347
	Reinsurance receivables	306,257,907	218,563,586
	Ending balance of total assets	6,478,745,482	6,750,296,678
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 period	6,478,745,482	6,750,296,678

(IV) Key business metrics

unit: yuan

Indicators	This quarter	As at the end of this quarter/YTD
Gross written premiums	433,120,948	1,726,873,124
Net profits	19,979,477	113,733,084
Total assets	5,606,155,519	5,606,155,519
Net assets	2,926,461,080	2,926,461,080
Insurance contract liabilities	1,995,531,378	1,995,531,378
Basic earnings per share	0.018	0.105
ROE	1.39%	3.90%
ROA	0.35%	2.11%
Investment yield	0.66%	2.72%
Comprehensive investment yield	0.73%	2.84%
Profitability indicators	--	--
Combined ratio	--	99.72%
Expense ratio	--	17.19%
Loss ratio	--	82.53%
Proportion of commission and brokerage expenses	--	1.86%

Proportion of operating and administrative expenses	--	16.13%
Scale indicators	--	--
Written premiums	397,243,426	1,642,859,246
Written premiums of auto insurance	-	-
Written premiums of top 5 non-auto insurance business lines	372,300,937	1,570,450,270
Largest non-auto business line	216,925,292	1,076,519,001
Second largest non-auto business line	74,699,051	273,301,035
Third largest non-auto business line	63,677,081	152,998,435
Fourth largest non-auto business line	12,907,356	46,415,797
Fifth largest non-auto business line	4,092,158	21,216,001
Average vehicle premium of auto insurance	-	-
Written premiums by channels	397,243,426	1,642,859,246
Agency	32,755,263	109,584,598
Direct	346,741,124	1,489,936,423
Brokerage	17,747,040	43,338,226
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

Indicators	YTD
Average investment yield in the past 3 years (%)	4.70%
Average comprehensive investment yield in the past 3 years (%)	4.68%

IV. Risk management capabilities

(I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the

former CIRC. In 2022, its written premiums amounted to 1.751bn yuan, and as of the end of 2022, total assets stood at 6.674bn 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 76.08 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 76.08 points. During the reporting period, the Company took further steps to enhance risk management. To be specific:

In terms of insurance risk, the Company further improved its insurance risk management system, formulated regulations such as Interim Rules on Risk Reduction Management with strict enforcement; continued to implement Interim Regulations on Actuarial Service for Agricultural Insurance, and reviewed relevant agricultural insurance products to ensure that the rates of existing products met regulatory requirements; continued with retrospective management of reserves, and completed assessment and analysis of reserves of the Company in the previous two years to ensure that they are adequate and reasonable; further strengthened quality management of agricultural insurance business, mobilised for early warning of flooding and typhoons, and initiated Level II Emergency Response Plans for insurance claims events.

For market risk, we maintained communication with investment managers on market risk management to prevent adverse impact on the Company's net profit and net assets as a result of concentrated market risk exposure; carried out quantitative assessment of asset-liability management and quarterly analyses, in which we measured and analysed the impact on the return of the assets held due to market fluctuations, monitored the Company's cost-benefit ratio, and made forecasts on key indicators to achieve the goals, both external and internal, of asset-liability management.

As for credit risk, we continued to track and analyse the status of credit risk of the Company's fixed income assets, and as of the end of Q3, the overall status was good, with credit risk under control; completed quarterly fiscal subsidy collection and year-end planning for collection of important and difficult receivables, particularly focusing on cases with relatively high default risk; formulated assessment methods for premium receivables in the second half of the year to facilitate annual collection; reviewed the list of reinsurance partners to update their credit ratings and status.

On the side of operational risk, we further enhanced review and management of relevant regulations. The Company formulated Data Quality Management Rules, Data Management Standards and Provisions on Monitoring and Evaluation of Insurance Consumer Complaints Handling; carried out "Anti-fraud in Action Month" to raise public awareness via a series of publicity activities and dissemination of pamphlets; organised quarterly self-review by subsidiaries and branches of anti-fraud work in their respective areas of operation, and compiled quarterly reports on fraud risk analyses; carried out assessment and inspection of anti-money laundering for the year 2023, with sampling of certain branches for on-site inspection, and conducted an all-around evaluation of AML work of head-office departments.

As for liquidity risk, the Company continued to optimise cash flow projection modelling, enhanced retrospective review of net cash flows from operating activities, conducted review of cash flow budgets and analysed causes for adverse variance, 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; finalised management process of fiscal subsidies and needs for IT systems, advanced system development; launched dashboard of receivables management; completed collection of fiscal subsidies and year-end planning for collection of long-standing arrears.

In respect of reputational risk, we conducted a series of PR activities via our official corporate WeChat account, such as the “July 8 Insurance Publicity Day”, “Financial Literacy Month”, etc., with extensive coverage of our “order price insurance for frog-raising in rice paddies” in Fuyang District, Hangzhou on TV and newspapers, further improving the brand image of the Company.

For strategic risk, we evaluated execution status of the quarterly development plan to promote the implementation of the Company's overall strategies and the realisation of our development goals.

(IV) Status of SARMRA self-assessment

The Company initiated the 2023 SARMRA self-assessment in this quarter. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the Risk Management Department of the Company coordinated the assessment, and was joined by other relevant departments for detailed self-assessment of each major risk category. The assessment will be completed in the fourth quarter.

V. Integrated risk rating (differentiated supervision)

(I) The last two IRR results

The Company was rated AAA at the IRR (differentiated supervision) by CBIRC for both Q1 and Q2 of 2023.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [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 the last quarter was AAA.

In the third quarter, first, the Company performed well in quantifiable risks, with steady improvement in unquantifiable risks such as reputational risk, liquidity risk, operational risk and strategic risk. But certain metrics of the insurance business need enhancing. The senior management took this seriously, convened meetings to communicate the results, made plans for remedial actions, and enhanced frequency of monitoring of metrics so as to be more pro-active in risk management; second, as per regulatory findings, it strengthened management of receivables, formulated targets and KPI plans, continued to track business development and enhanced underwriting management.

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

1. Operational risk

1.1 Operational risk status

In this quarter, first, the Company formulated rectification plans for various defects newly discovered in audits, carried out rectification with regular progress follow-up,

urged relevant parties to complete rectification on time according to the plan. Second, we carried out annual AML assessment and inspection including on-site audits of branch offices and comprehensive evaluation of head-office departments, strengthened AML case studies to ensure that their AML responsibilities were effectively carried out. Third, conducted self-assessment of internal control via risk identification and assessment, and control effectiveness testing, which detected no significant risk. Fourth, revised and issued Policies on Management of Related-party Transactions to prevent risk in related-party transactions. Fifth, IRR results of Q2 2023 indicated a stable overall status. The Company will continue to improve on certain metrics of the insurance business and brief the management regularly on the progress of rectification.

1.2 Methods of operational risk assessment

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

1.3 Process of operational risk assessment

In this quarter, first, the Company conducted an assessment of IRR operational risk status, organised the screening by relevant departments of operational risk in mis-selling, frauds in claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up rectification and ad hoc meetings to boost implementation. Second, it monitored key indicators of operational risk in tandem with risk upper limits, management reports on operational risk and rectification of gaps, with clear ownership by departments or branch offices, and may conduct self-review if circumstances require.

1.4 Results of operational risk assessment

The review indicated no serious flaws in operational risk.

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 strategies 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 strategic planning of the Company and the risk in implementation of its strategic planning, 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 oversight of implementation status of plans made at the year beginning, and communicated the gaps 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.

3.Reputational risk

3.1 Status of reputational risk

In the reporting quarter, the Company conducted screening of its reputational risk, which showed that the risk was under control, and there was no major risk in media publicity.

3.2 Methods of reputation risk assessment

As per Solvency Regulatory Standards of Insurance Companies No.11, firstly, we monitored online media through the Group's monitoring platform; secondly, 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; thirdly, 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, continued to promote the establishment of a closed-loop entire-process reputational 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, reputational risk of the Company was under control, and there were no incidents which may trigger reputational risk.

4. Liquidity risk

4.1 Status of liquidity risk

The Company derives liquidity mainly from cash received from 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. The Company's main business is agricultural insurance, which accounted for 66% of total premiums, and of this, fiscal subsidies represented about 32% of agricultural insurance premiums. As per Provisions on Fiscal Subsidies of Agricultural Insurance Premiums of Shanghai Municipal Government, the subsidy would be accrued in advance and settled in the next year. Thus, the time lag may 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 risks. 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, the occurrence of natural catastrophes could lead to huge outflows of cash for claims payments within a short period of time. In response, the Company put in place mechanisms to closely monitor likelihood of disasters, issue early warning and prepare for relief and damage-reduction effort; in the event of natural catastrophes, the Company will initiate the contingency plan, conduct claims investigation in a timely manner, coordinate funds planning to ensure normal and stable cash flows.

Moreover, the Company continued communication with CPIC AMC to ensure an asset allocation compatible with the needs for matching of 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 Q3, 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

Conducted calculation of liquidity coverage ratios, retrospective adverse deviation ratios of net cash flows from operating activities, 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 the impact on its liquidity.

4.4 Results of liquidity risk assessment

The assessment indicated that all regulatory indicators of liquidity risk and cash flow stress testing pointed to sufficient liquidity to meet needs of the Company.

VI. Management analysis and discussions

(I) Change to solvency and reasons

As of the end of the quarter, the comprehensive and core solvency margin ratios of the Company was 395.88% and 358.53% respectively, maintaining a strong position and up by 28.3pt and 26.4pt respectively from the preceding quarter.

Of this, available capital was 3.119bn yuan, an increase of 42mn yuan from the previous quarter, mainly due to net profits of the quarter of 28mn yuan, an increase of 8mn yuan in agricultural insurance reserve for catastrophes, an increase of 3mn yuan in other comprehensive income and a decrease of 2mn yuan in non-admitted assets.

Minimum capital was 788mn yuan, decreasing by 49mn yuan from the preceding quarter. Mainly due to, in accordance with the "Notice on Optimizing the Regulatory Standards for the Solvency of Insurance Companies" (Jingui (2023) No. 5), the adjustment in measurement of the minimum capital, the reserve risk

backtracking deviation rate applies to the characteristic factor of -0.05, while the capitalization of the risk minimum capital applies to the characteristic factor of -0.1. The company's overall minimum capital decreased from the previous quarter.

(II) Change to liquidity risk indicators and reasons

As of the end of the reporting quarter, cash and cash equivalents was 34.3695mn, down by 18.7857mn from 53.1552mn in the previous quarter. The decrease was mainly due to increased cash outflow for investment, which in turn reduced net cash flows from investment activities.

LCRs of the next 3 months and next 12 months under base scenarios (LCR1) were 107.29% and 103.33%, respectively.

LCR2s, or LCRs of the next 3 months and next 12 months under stress scenario (mandatory) were 112.60% and 110.12%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 187.96% and 120.94%, respectively.

LCR3s, or LCRs of the next 3 months and next 12 months under stress scenarios before asset disposal (mandatory) were 57.82% and 85.55%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios before asset disposal (self-testing) were 102.89% and 100.02%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting and the previous quarters were -54.03% and -3.05%, respectively, mainly due to large discrepancies between estimated amounts and actual amounts in net funds received for reinsurance and claims pay-out under primary insurance contracts.

The net cash flow YTD was -24.9947mn yuan. The net cash flow for the previous fiscal year was -19.8750mn yuan, and that for the year earlier was 30.4126mn yuan.

(III) Change to IRR and reasons

The Company was rated AAA at the IRR (differentiated supervision) by National Financial Regulation Administration (former CBIRC) for both Q1 and Q2 of 2023.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [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.