

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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, 29 August 2025

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

# Summary of Quarterly Solvency Report (Excerpts)

**Pacific Anxin Agricultural Insurance Co., Ltd.**

**2nd Quarter of 2025**

## Company overview and contact information

Company name (Chinese):	太平洋安信农业保险股份有限公司
Company name (English):	Pacific Anxin Agricultural Insurance Company Limited
Legal representative:	SONG Jianguo
Registered address	3651 Gonghexin Road, Shanghai, the PRC.
Registered capital	1.08bn yuan
Business license number	00000089
Date opening for business	September 2004
Business scope	Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short-term health and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business (business which requires approval will be conducted subject to approval documents or permits)
Business territories	Shanghai, Zhejiang Province, Jiangsu Province.
Contact person:	LI Mao
Tel. number:	+86-21-66988703
Cell phone:	18817959847
Email:	limao-005@cpic.com.cn

## **CONTENTS**

I. BOARD AND MANAGEMENT STATEMENT .....	4
II. BASIC INFORMATION .....	5
III. MAIN INDICATORS .....	13
IV. RISK MANAGEMENT CAPABILITIES .....	16
V. INTEGRATED RISK RATING (DIFFERENTIATED SUPERVISION) .....	18
VI. MANAGEMENT ANALYSIS AND DISCUSSIONS .....	22

## I. Board and management statement

### (I) Statement by board and management

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

### (II) Voting results by directors

Name of directors	For	Against	Abstain
SONG Jianguo	√		
ZHENG Kai	√		
MAO Xiaojun	√		
XING Zhibin	√		
SHEN Chun	√		
ZHANG Qiao	√		
ZHOU Hua	√		
Total	7		

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

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

## II. Basic information

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

#### 1. Ownership structure and change

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

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

#### 2. De facto controller

The Company has no de 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 (unit:10,000 shares)	Shareholding percentage at the end of the reporting period	Shares pledged or in lock-up
China Pacific Property Insurance Co., Ltd.	State-owned	73,205.68	67.78%	0
Shanghai Agricultural Development Co., Ltd.	State-owned	7,718.03	7.15%	0

Names of shareholders	Types of shareholders	Shares held at the end of the reporting period (unit:10,000 shares)	Shareholding percentage at the end of the reporting period	Shares pledged or in lock-up
Shanghai Minhang Asset Investment (Group) Co., Ltd.	State-owned	5,365.19	4.97%	5,365.19 (unit:10,000 shares) in lock-up
Shanghai Nongfa Asset Management Co., Ltd.	State-owned	4,201.72	3.89%	0
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	State-owned	3,653.35	3.38%	0
Shanghai Baoshan Fiscal Investment Company	State-owned	3,150.84	2.92%	0
Shanghai Jiading Guangwo Asset Management Co., Ltd.	State-owned	2,504.59	2.32%	0
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	State-owned	2,025.88	1.88%	0
Shanghai Huinong Investment Management Co., Ltd.	State-owned	1,817.99	1.68%	0
Shanghai Qingpu Asset Management Co., Ltd.	State-owned	1,719.37	1.59%	0
Shanghai Jinshan Capital Management Group Co. Ltd.	State-owned	1,640.50	1.52%	0
Shanghai Chongming Asset Operation Co., Ltd.	State-owned	996.86	0.92%	0
Total	— —	108,000.00	100.00%	0
Related party relations among shareholders	None			

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

#### 4. Shareholding by directors, supervisors and senior management

None during the reporting period.

#### 5. Share transfer during the reporting period

None during the reporting period.

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

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

#### **1.1 Directors**

As of the end of June 2025, the 5th Board of Directors of the Company has 6 directors in total:

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

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

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

Mr. ZHOU Hua, born in August 1977, holds a doctoral degree and is a Fellow of China Association of Actuaries (FCAA, life insurance). Mr. ZHOU has been serving as Independent Director of the Company since April 2024 (approval document: NFRA [2024] No. 254). Mr. ZHOU is a professor at Central University of Finance and Economics (CUFE), dean of the university's School of Insurance, dean of China Institute of Actuarial Science. He previously served as teaching assistant, lecturer, associate professor, deputy director of the Department of Actuarial Science, and deputy dean of the School of Insurance of CUFE. Mr. ZHOU is also a director of the China Association of Actuaries and an independent director of New China Pension Co., Ltd.

Mr. SHEN Chun, born in August 1971, holds a bachelor's degree. He has been serving as Independent Director of the Company since January 2019 (approval document: CBIRC [2019] No. 44). Mr. SHEN currently serves as Director of Management Committee of Excellent Law Firm, Chairman of Wusong General Branch of Baoshan



Committee of China Democratic National Construction Association, member of the Standing Committee of the 9th Baoshan District Political Consultative Conference, Law Enforcement Supervisor of CPC Political and Legal Commission of Baoshan District, Legal Advisor of Government of Baoshan District. Mr. SHEN previously served as deputy head and partner of Shanghai Zhengming Law Firm.

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

## 1.2 Supervisors

As of the end of June 2025, the 4th Board of Supervisors of the Company has 6 supervisors:

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

Ms. ZHANG Wen, born in November 1984, holds a bachelor's degree. She has been serving as Supervisor of the Company since July 2022 (approval document: CBIRC [2022] No. 403). Ms. ZHANG 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.

Mr. ZHANG Rongyao, born in July 1989, holds a master's degree. He started to serve as Supervisor of the Company in January 2025 (approval document: NAFR [2024] No. 885). Mr. Zhang currently is a member of the CPC Committee of Shanghai Jiading

Technology Investment (Group) Co., Ltd. and General Manager of Shanghai Huijia Venture Capital Co., Ltd. He previously served as Corporate Communications Manager of the General Management Department, Deputy Director of the Party-People Work Department, head of the Secretary & Supervision Office of the General Management Department, head of the General Office, and head of the Secretary & Supervision Office of the General Office at Shanghai Jiading State-owned Assets Operation (Group) Co., Ltd.

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

Mr. ZHANG Xiangdong, born in April 1966, holds a bachelor's degree in medicine and designation of agronomist. Mr. ZHANG has been serving as Supervisor of the Company since April 2024 (approval document: NFRA [2024] No. 237). Mr. ZHANG currently serves as Chairman of Shanghai Caoye Agricultural Development Co., Ltd., and Chairman of Shanghai Baida Supermarket Co., Ltd. He is also a special deputy to the People's Congress of Fengxian District, Shanghai, a special member of the Standing Committee of the People's Congress of Fengxian District, and Director of Tai'an Agricultural Insurance Institute. Previously, he was an employee of Shanghai Pharmaceuticals & Health Products Import & Export Corporation, and Corporate Development Manager of Amtek Group (Singapore).

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

### 1.3 Senior management at head-office level

As of the end of June 2025, the Company has 7 members of senior management:

Mr. ZHENG Kai, born in August 1972, holds a master's degree. He has been serving as General Manager of the Company since March 2025 (approval documents: NFRA

[2025] No. 150). Mr. ZHENG is also member of the Jing'an District Committee of CPPCC. Mr. ZHENG previously served as deputy head of Youth Work Department of Communist Youth League Shanghai Municipal Committee, Secretary-General of Shanghai Young Entrepreneurs Association, deputy head of Economic Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Exchange and Communication Division of Taiwan Affairs Office of Shanghai Municipal Government, head of Coordination Division of Taiwan Affairs Office of Shanghai Municipal Government, and General Manager of Shanghai Urban Areas Business Centre of Anxin Agricultural Insurance Co., Ltd, Deputy General Manager and Board Secretary of the Company.

Ms. LI Shuhui, born in July 1972, holds a master's degree and the designation of Senior Auditor, CPA, CIA and CCSA. She has been serving as Finance Responsible Person and Deputy General Manager of the Company since December 2019 (approval documents: CBIRC Shanghai [2019] No. 984, and CBIRC Shanghai [2019] No. 983 respectively). She currently also serves as Interim Board Secretary and Chief Information Officer of the Company. She previously served as Deputy General Manager of the Second Division/Internal Audit Center, General Manager of Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Audit Responsible Person of Changjiang Pension, Supervisor of CPIC Online Services, Supervisor of Anxin Agricultural Insurance Co., Ltd, and General Manager of Finance Department and Asset Management Department of CPIC P/C, and Supervisor of CPIC P/C.

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

Mr. 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.

Mr. HU Dexiong, born in August 1983, holds a master's degree. He has been serving as Assistant General Manager of the Company since March 2024 (approval document: NFRA [2024] No.99). Mr. HU previously worked with Anxin Agricultural Insurance

Company Limited, serving as Deputy Manager of the Policy Research Office of the Agricultural Insurance Department, Deputy Manager of the Branch Management Section of the Strategic Development Department, Assistant General Manager and Deputy General Manager of the Strategic Development Department, Deputy General Manager of the Agricultural Insurance Market Development Department, Deputy General Manager (in charge) and General Manager of the Product Research and Development Department. He also served as General Manager of the Development & Planning Department of the Company.

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

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

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

Position	Predecessors	Incumbents	Remarks
Director	SHI Jian	ZHENG Kai	Mr. SHI Jian ceased to serve as director of the Company on May 23, 2025 due to reelection of the board; Mr. ZHENG Kai obtained appointment qualification of a director on July 1, 2025, and began to serve as director of the Company on July 3, 2025.
Director	CHEN Sen	-	Mr. CHEN Sen ceased to serve as director of the Company on May 23, 2025 due to reelection of the board.

Position	Predecessors	Incumbents	Remarks
Director	ZHOU Li	-	Ms. ZHOU Li ceased to serve as director of the Company on May 23, 2025 due to reelection of the board

**(III) Subsidiaries, joint ventures or associate ventures**

None during the reporting period.

**(IV) Breaches and administrative penalties during the reporting period**

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

None.

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

None.

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

None during the reporting period.

### III. Main indicators

#### (I) Solvency margin ratios

unit: 10,000yuan

Lines	Item	As of the end of Q2 2025	As of the end of Q1 2025	Next quarter estimates
1	Admitted assets	732,452	727,762	719,610
2	Admitted liabilities	422,564	406,110	407,288
3	Actual capital	309,887	321,652	312,322
3.1	Tier-1 core capital	278,750	291,211	281,185
3.2	Tier-2 core capital	-	-	-
3.3	Tier-1 supplement capital	31,137	30,440	31,137
3.4	Tier-2 supplement capital	-	-	-
4	Minimum capital	99,091	95,086	101,706
4.1	Minimum capital for quantifiable risks	96,896	92,980	99,453
4.1.1	Minimum capital for life insurance risk	-	-	-
4.1.2	Minimum capital for non-life insurance risk	81,266	78,460	82,622
4.1.3	Minimum capital for market risk	45,825	42,950	47,717
4.1.4	Minimum capital for credit risk	27,836	27,077	29,112
4.1.5	Diversification effect for quantifiable risks	47,264	45,176	48,947
4.1.6	Loss absorption for special-type insurance contracts	-	-	-
4.2	Minimum capital for control risk	2,195	2,106	2,253
4.3	Supplement capital	-	-	-
5	Core solvency margin	179,659	196,125	179,479
6	Core solvency margin ratio	281.31%	306.26%	276.47%
7	Comprehensive solvency margin	210,796	226,566	210,616
8	Comprehensive solvency margin ratio	312.73%	338.27%	307.08%

## (II) Regulatory indicators for liquidity risk

Items			As at the end of/ during Q2 2025	As at the end of/ during Q1 2025
Liquidity Coverage Ratio (%)	LCR1	Next 3 months	105.4%	116.0%
		Next 12 months	110.8%	103.6%
	LCR2	Next 3 months	148.4%	196.6%
		Next 12 months	123.3%	111.9%
	LCR3	Next 3 months	67.8%	109.2%
		Next 12 months	88.3%	81.8%
Retrospective adverse deviation ratio of net cash flows from business activities			361.2%	28.1%
Net cash flows (RMB 10,000)	YTD		3,583	-988
	FY 2024		405	405
	FY 2023		1,528	1,528

## (III) Other indicators for liquidity risk

Item	As of the end of/ during Q2 2025	As of the end of/ during Q1 2025
1. Net cash flows from operating activities(10,000 yuan)	-9,557	-34,058
2. Net cash flows from operating activities per 100 yuan in premiums (yuan)	-7.7	-74.6
3. Share of cash outflow for special types of business	0.0%	0.0%
4. Written premiums growth year-on-year	1.1%	3.4%
5. Share of cash and liquidity management instruments	1.9%	3.5%
6. Quarterly average financial leverage ratio	6.6%	9.2%
7. Share of domestic fixed income assets rated AA and below	0.1%	0.1%
8. Share of investments in listed stocks with a stake of 5% or above	0.0%	0.0%
9. Proportion of receivables	17.2%	18.3%
10. Proportion of related party assets held by the Company	0.0%	0.0%

Notes:

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

2. 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.

3. 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.

#### (IV) Key business metrics

unit: 10,000yuan

Indicators	As at the end of/ during Q2 2025	As at the end of Q2 2025/YTD
Gross written premiums	88,997	139,339
Net profit	6,031	9,885
Total assets	616,064	616,064
Net assets	300,891	300,891
Insurance contract liabilities	205,697	205,697
Basic earnings per share (yuan)	0.06	0.09
ROE	2.0%	3.2%
ROA	1.0%	1.6%
Investment yield	1.3%	2.1%
Comprehensive investment yield	1.2%	2.2%
Profitability indicators		
1. Combined ratio	--	99.9%
2. Expense ratio	--	18.9%
3. Loss ratio	--	81.0%
4. Proportion of commission and brokerage expenses	--	2.3%
5. Proportion of operating and administrative expenses	--	11.9%
Scale indicators		
1. Written premiums	78,222	123,861
2. Written premiums of auto insurance	-	-



3. Written premiums of top 5 non-auto insurance business lines	74,944	118,648
Largest non-auto business line	60,912	89,949
Second largest non-auto business line	5,981	12,954
Third largest non-auto business line	6,222	10,451
Fourth largest non-auto business line	1,411	4,500
Fifth largest non-auto business line	418	794
4. Average vehicle premium of auto insurance	-	-
5. Written premiums by channels	78,222	123,861
Agency	2,114	6,266
Direct	73,341	111,965
Brokerage	2,767	5,630
Others	-	-

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

2. Net profit, 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 aforementioned indicators.

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

Average investment yield in the past 3 years	3.81%
Average comprehensive investment yield in the past 3 years	3.67%

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) Company category**

The Company was incorporated in Shanghai in September 2004 as per approval of the former CIRC. In 2024, its written premiums amounted to 2.005bn yuan, and as of the end of 2024, total assets stood at 7.140bn yuan, with 3 provincial-level branch offices.

According to Article 6 of Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment, it is a Category II insurance company.

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

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

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

During the reporting period, the Company took further steps to enhance risk management. To be specific:

In respect of insurance risk, we completed an ad hoc assessment report for major products; retrospectively reviewed the results of the Company's reserve assessment for the previous year and the year before, which showed favourable developments and confirmed adequate reserve provisions; engaged a third-party institution to review the Company's 2024 reserve assessment results, which validated our assessment; proceeded with optimisation of the reinsurance system and enhanced management of inward reinsurance business.

In terms of market risk, we carried out quantitative assessment and quarterly analysis of ALM, which, among others, measured and analysed the impact of market fluctuations on investment yields, monitored the matching of costs and returns, with projections of key indicators to meet regulatory and in-house ALM requirements.

As for credit risk, we reviewed the lists of delinquent and overdue accounts and developed collection plans; performed examination of co-insurance claims recoveries and key delinquent accounts on a case-by-case basis; and regularly updated credit ratings information of brokers, reinsurers, and cedants to effectively monitor potential credit risk and issue early-warning.

On the side of operational risk, we revised the Operating Procedures for Customer Money Laundering Risk Ratings and Customer Classification Management, and the Operating Procedures for Large-Sum and Suspicious Transaction Reporting to enhance the Company's AML framework; launched a new AML system, completed quarterly AML self-review, with timely rectification based on identified issues; organised quarterly analysis of anti-fraud work by branches and drafted the Quarterly Fraud Risk Analysis Report; completed the 2024 Special Risk Assessment on Information Technology Outsourcing; continued with consumer rights protection management, formulated annual work programme and optimised KPI protocols to ensure effective review of consumer protection.

With regard to the strategic risk, we completed the quarterly analysis report on the

implementation of the Company's development plan for Q1 2025, and submitted it to the Board of Directors and Board of Supervisors; monitored ESG risks to help ensure sustainable, high-quality development of the Company.

For reputational risk management, we circulated Weekly Risk Alert Reports among relevant personnel to help detect and mitigate potential risks; conducted quarterly review of potential risk triggers to cement the foundation of reputational risk management and improve coordination in public opinion management.

With regard to liquidity risk, we continued to optimise cash flow projection modelling, enhanced retrospective review of net cash flows from operating activities, conducted review of cash flow budgets; tracked the status of claims, evaluated the impact of future claims pay-out on cash flows in a timely manner, so as to ensure sufficient liquidity and stable cash flows; continued to communicate with CPIC AMC to ensure an asset allocation compatible with needs for cash flows; reviewed and optimised the risk matrix of investment liquidity, continuously monitored and assessed market liquidity and interest rate movements and their impact on liquidation of investment assets; enhanced annual performance appraisal on accounts receivables and stepped up collection of arrears, continued to improve fund turnover and risk control; pushed for recoveries of variable, pure profit commissions from preceding years and strengthened cash flow management from reinsurance.

#### **(IV) Status of SARMRA self-assessment**

Not applicable during the reporting period.

### **V. Integrated risk rating (differentiated supervision)**

#### **(I) IRR results of the previous two quarters**

The Company was rated AA at the IRR (differentiated supervision) by NFRA (formerly CBIRC) for both Q4 of 2024 and Q1 of 2025. It has briefed the board on IRR results, with follow-up analysis.

#### **(II) Measures taken or to be taken for improvement**

The Company's integrated risk rating (IRR) for Q1 2025 was AA.

In the reporting quarter, the Company strengthened its operational risk management, enhanced its regulatory data submission supervision mechanisms, and established a regulatory data submission oversight platform to improve regulatory data governance and ensure the timeliness and accuracy of reporting; optimised the IT governance framework, refined the IT control system, and improved the organisational setup for information security and data management functions; continuously monitored key indicators, pushed forward corrective actions, and further enhanced its risk management capabilities in strict compliance with requirements of the NFRA and the PBOC, as well as other industry regulations.

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

#### **1. Operational risk**

##### **1.1 Operational risk status**

In the quarter, the Company strictly complied with regulatory requirements, proceeded steadily with the identification, assessment, control and mitigation of operational risk, with the risk staying within acceptable levels. First, it formulated rectification plans for various defects newly discovered in audits, carried out rectification with regular status follow-up, urged relevant parties to complete rectification according to the submitted plan; second, updated database of operational risk losses, with analysis and evaluation of such losses via risk management systems; third, amended and issued policies including Regulations on Management of Special Cases and Rules on Management of Major Cases, and ensured their strict implementation to control operational risks.

##### **1.2 Methods of operational risk assessment**

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

##### **1.3 Process of operational risk assessment**

In the quarter, first, the Company conducted an assessment of IRR operational risk status, organised a review by relevant departments of operational risk in mis-selling, fraudulent claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up rectification. Second, monitored key indicators of operational risk in light of risk upper limits, management reports and remedial actions, with clear definition of their ownership by departments or branch offices. Third, conducted quarterly risk self-assessment in money laundering and insurance frauds. Fourth, in the event of major changes, carried out impact assessment.

##### **1.4 Results of operational risk assessment**

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

#### **2.Strategic risk**

##### **2.1 Status of strategic risk**

The strategic risk facing the Company mainly includes the following:

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

## 2.2 Methods of strategic risk assessment

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

## 2.3 Process of strategic risk assessment

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

## 2.4 Results of strategic risk assessment

A risk review of the 2025 Report on Business Strategic Plan indicated that the report is in line with the risk appetite of the Company and complies with its risk tolerance.

The Company will continue to step up business development and product innovation, with a focus on urban agriculture. It will explore a standardised model for urban agricultural insurance business via policy & need analysis, duplication of product innovations, dynamic risk management and ecosystem collaboration, adopt a step-by-step approach and drive business growth that is profitable, sustainable and resilient.

## 3.Reputational risk

### 3.1 Status of reputational risk

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

### 3.2 Methods of reputation risk assessment

During the quarter, first, we monitored online media through the Group's monitoring platform, with statistical analysis of sensitive words; second, organised efforts by the spokesperson and brand specialists to implement the Group's brand management policies and to share and handle media information in a timely manner; third, the Company issued the "Risk Early-warning" weekly reports with early-warning alerts to senior management and part-time reputational risk management staff to effectively prevent potential risks. We also conducted a company-wide screening of potential reputational risks, further enhanced reputational risk management capabilities, promoted the establishment of a full-process, closed-loop risk management system, so as to create a favourable environment for the Company's sustainable, healthy and stable development.

### 3.3 Process of reputational risk assessment

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

### 3.4 Results of reputational risk assessment

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

## 4. Liquidity risk

### 4.1 Status of liquidity risk

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

As a specialised agricultural insurance firm, it mainly faces liquidity risk in the following areas:

First is the time lag in settlement of agricultural insurance premium receivables by governments. The subsidy for agricultural insurance would normally be accrued in advance and settled in the next year. Thus, the time lag has an impact the Company's cash flows. To address this, it vigorously conducted communications with government agencies in charge of agriculture and finance at various levels, seeking to optimise the process of fiscal subsidy transfers so that it could receive the fund at an early date and mitigate the risk arising from receivables.

Second is the catastrophe risk. The insurance business of the Company is mainly in the Yangtze River Delta, which is an area vulnerable to natural disasters like typhoons. As such, the Company formulates contingency plans for claims payment, assess its impact on cash flows, ensures coordination with cash flows from investment and financing activities so as to ensure the sufficiency and security of liquidity.

Moreover, the Company stays focused on ALM, closely follows liquidity indicators such as the share of securities sold under repurchase and the share of liquid assets to ensure an asset allocation and availability of financing instruments that can match needs for cash flows in the short- and medium-term term.

As at the end of Q2 2025, LCR under the base scenario (LCR1) for the next 12 months and LCR under the stress scenario (LCR2) for the next 12 months were both above 100%, indicating a sound status in liquidity risk.

### 4.2 Methods of liquidity risk assessment

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

### 4.3 Process for liquidity risk assessment

On a quarterly basis, the Finance Department formulates comprehensive budgets

for operating and investment activities in light of the strategic and business plans of the Company, projects cash flows on a rolling basis to evaluate their impact on liquidity.

#### **4.4 Results of liquidity risk assessment**

Assessment based on regulatory indicators and cash flow stress testing indicated sufficient liquidity to meet needs of the Company.

### **VI. Management analysis and discussions**

#### **(I) Changes to solvency margin ratios and reasons**

As of the end of the quarter, the comprehensive and core solvency margin ratios of the Company was 312.73% and 281.31% respectively, still in a strong position, though down by 25.5pt and 25.0pt respectively from the preceding quarter.

Actual capital was 3.099bn yuan, a decrease of 118mn yuan from the previous quarter, mainly due to declared profit distribution in the quarter.

Minimum capital stood at 991mn yuan, an increase of 40mn yuan from the preceding quarter. Of this, minimum capital for insurance risk rose by 28mn yuan, largely due to increase in outstanding claims reserves, which in turn led to higher minimum capital requirement for premium and reserve risk; minimum capital for market risk rose by 29mn yuan, mainly due to decline in interest rates and increased allocation in equity securities, which in turn led to higher capital requirement for interest rate risk and equity price risk; that for credit risk increased by 8mn yuan; risk diversification effect rose by 21mn yuan.

#### **(II) Changes to liquidity risk indicators and reasons**

As of the end of the reporting quarter, cash and cash equivalents stood at 114.49mn yuan, an increase of 45.70mn yuan from 68.79mn yuan in the previous quarter. The increase was mainly due to higher cash inflows received as premiums under primary insurance contracts during the quarter.

LCRs of the next 3 months and next 12 months under base scenarios (LCR1) were 105.4% and 110.8%, respectively.

LCR2s, or LCRs of the next 3 months and next 12 months under stress scenario (mandatory) were 148.4% and 123.3%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 177.4% and 136.0%, respectively.

LCR3s, or LCRs of the next 3 months and next 12 months under stress scenarios before asset disposal (mandatory) were 67.8% and 88.3%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios before

asset disposal (self-testing) were 82.9% and 101.7%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting quarter and the previous quarter were 361.2% and 28.1% respectively.

Net cash flow YTD was 35.83mn yuan. That for the previous fiscal year was 4.05mn yuan, and that for the year earlier was 15.28mn yuan.

### **(III) Change to IRR and reasons**

The Company was rated AA at the IRR (differentiated supervision) for both Q4 2024 and Q1 2025 by NFRA.