

Summary of Quarterly Solvency Report

China Pacific Property Insurance Co., Ltd.

3rd Quarter of 2020

Contents

I. BASIC INFORMATION	1
II. MAIN INDICATORS	2
III. ACTUAL CAPITAL	3
IV. REQUIRED CAPITAL	3
V. INTEGRATED RISK RATING.....	3
VI. RISK MANAGEMENT STATUS	4
VII. LIQUIDITY RISK	5
VIII. REGULATORY MEASURES TAKEN AGAINST THE COMPANY	6

I. Basic information

(I) Registered address

South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC

(II) Legal representative

GU Yue

(III) Business scope and territories

1. Business scope

Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and personal accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.

2. Business territories

The People's Republic of China (excluding Hong Kong, Macao and Taiwan)

(IV) Ownership structure and shareholders

1. Ownership structure

Equity categories	Shares or contributed amounts (10K shares)	Percentage (%)
Domestic shares held by legal entities	1,947,000	100
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-
Total	1,947,000	100

2. Top 10 shareholders

Names of shareholders	Shares held as at the end of the reporting period	Percentage of shareholding (%)
China Pacific Insurance (Group) Co., Ltd.	19,178,214,743	98.50

Shenergy Group Co., Ltd.	90,874,742	0.47
Shanghai Haiyan Investment Management Company Limited	90,620,982	0.46
Yunnan Hehe (Group) Co.,Ltd.	59,586,361	0.31
Shanghai State-owned Assets Operation Co., Ltd.	50,703,172	0.26
Total	19,470,000,000	100

(V) Controlling shareholder or de facto controller

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

(VI) Subsidiaries, joint or associate ventures

Name of companies	Number of shares (10K)	Percentage of the shareholding (%)
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	35.70
Anxin Agricultural Insurance Co., Ltd.	36,490	52.13
Shanghai Juche Information Technology Co., Ltd.	148	25.20
Zhongdao Automobile Assistance Co., Ltd	1,280	20.32
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	51.00
Shanghai Xingongying Information Technology Co. Ltd.	20	6.16
Shanghai Heji Business Management Partnerships (LP)	20,000	99.00

(VII) Contacts for solvency information disclosure

1. Contact person: CHEN Mo
2. Tel. number: +86-21-33966153

II. Main indicators

Item	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	212%	221%
Core solvency margin (10K RMB)	2,202,836	2,238,783
Comprehensive solvency margin ratio	263%	275%
Comprehensive solvency margin (10K RMB)	3,202,836	3,238,783

Latest IRR result	-	B
Premium income (10K RMB)	3,776,904	3,779,039
Net profit (10K RMB)	57,707	154,213
Net assets (10K RMB)	4,227,143	4,155,737

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	18,849,546	19,075,019
Admitted liabilities (10K RMB)	13,684,932	13,987,840
Actual capital (10K RMB)	5,164,614	5,087,179
Tier 1 core capital (10K RMB)	4,164,614	4,087,179
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	1,000,000	1,000,000
Tier 2 supplement capital (10K RMB)	-	-

IV. Required capital

Item	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	1,961,779	1,848,396
Required capital for quantitative risks (10K RMB)	1,990,441	1,875,402
1) Required capital for insurance risk (10K RMB)	1,467,797	1,367,546
2) Required capital for market risk (10K RMB)	469,566	414,433
3) Required capital for credit risk (10K RMB)	705,197	717,420
Required capital for control risk (10K RMB)	-28,662	-27,006
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

V. Integrated risk rating (IRR)

The Company was rated B in IRR for both Q1 and Q2 of 2020.

VI. Risk management status

(I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

In 2018, the former CIRC conducted Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company, and the result was 82.88 points: 16.73 points for risk management infrastructure and environment, 7.55 for risk management objectives and tools, 8.60 for insurance risk management, 8.32 for market risk management, 8.38 for credit risk management, 7.66 for operational risk management, 8.68 for strategic risk management, 8.28 for reputation risk management, and 8.68 for liquidity risk management.

(II) Measures taken to improve solvency risk management and the latest results in the reporting period

During the quarter, the Company took the following steps to further improve the risk management system and prevention of major risks.

First, it improved risk management policies and regulations: amended the Emergency Response Contingency Plan in the light of the Administrative Measures on Financial Services of Insurance Companies and Banks in Response to Emergencies by CBIRC in order to further enhance emergency response system and rules; formulated regulations on cases which may trigger criminal proceedings, revamped management rules of Related Party Transactions(RPT) so as to further improve management of operational risk.

Second, it strengthen the risk management of key business lines through technological empowerment: issued the White Paper on driving risks of trucks in a bid to enhance risk control capability of automobile insurance; unveiled the “E-agricultural FAST” system to improve risk control capability of agricultural insurance.

Third, it conducted various self-assessments and risk screening activities: launched reviews of rectification of irregularities in shareholding and RPTs, and risk screening in key areas covering business lines, management and sales practice.

VII. Liquidity risk

(I) Liquidity risk management indicators

(1) Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	-245,687

(2) Comprehensive current ratio

Item	Within 3 months	Within 1 year	Above 1 year
Comprehensive current ratio	47.1%	37.2%	247.3%

(3) Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	430.8%	307.3%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash outflow of the Company was RMB2.46 billion. Of this, cash inflow from primary insurance premiums reached RMB39.09 billion, up 22.6%. Cash outflows from claims payout grew by 18.5% to RMB20.9 billion. As a result, net cash flow from business activities in this quarter decreased by RMB4.42 billion from the previous quarter.

Net cash inflow from the Company's investment activities was RMB400 million. Of which, cash received from disposal of investments and returns on investments amounted to RMB6.17 billion, and cash outflows in investing activities was RMB5.53 billion.

Net cash outflow from the Company's financing activities was RMB460 million, mainly as a result of repayment of debt on allocation in financial assets repurchase and interest payment.

(2) Liquidity indicator analysis

The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements. Therefore, its liquidity coverage ratio is 430.8% and 307.3% under stress scenario 1 and 2 respectively in the next quarter, enough to meet

short-term cash flow requirements arising from business volatility.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

VIII. Regulatory measures taken against the Company

(I) Regulatory measures taken against the company by CBIRC

During the reporting period, CBIRC has not taken any regulatory measures against the Company.

(II) Corrective measures taken by the Company

None.

Summary of Quarterly Solvency Report

China Pacific Life Insurance Co., Ltd.

3rd Quarter of 2020

CONTENTS

I. BASIC INFORMATION	1
II. MAIN INDICATORS.....	3
III. ACTUAL CAPITAL.....	4
IV. REQUIRED CAPITAL.....	4
V. INTEGRATED RISK RATING.....	4
VI. RISK MANAGEMENT STATUS	4
VII. LIQUIDITY RISK.....	6
VIII. REGULATORY MEASURES TAKEN AGAINST THE COMPANY	7

I. Basic information

(I) Registered address

1 Zhongshan Road(South), Huangpu District, Shanghai, the PRC

(II) Legal representative

PAN Yanhong

(III) Business scope and territories

1. Business scope

Life/health insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, personal accident insurance, etc.; reinsurance of the above said insurance; statutory life/health insurance; agency and business dealings with domestic and overseas insurers and organisations, loss adjustment, claims and other business entrusted from overseas insurance organisations; insurance funds investment as prescribed by The Insurance Law and relevant laws and regulations; international insurance activities as approved; other business as approved by the CIRC.

2. Business territories

Beijing, Shanghai, Tianjin, Chongqing, Heilongjiang Province, Jilin Province, Liaoning Province, Hebei Province, Shanxi Province, Shandong Province, Anhui Province, Jiangsu Province, Zhejiang Province, Fujian Province, Jiangxi Province, Guangdong Province, Hainan Province, Guangxi Zhuang Autonomous Region, Hunan Province, Hubei Province, Henan Province, Yunnan Province, Guizhou Province, Sichuan Province, Shaanxi Province, Gansu Province, Xinjiang Uygur Autonomous Region, Ningxia Hui Autonomous Region, Inner Mongolia Autonomous Region, Qinghai Province.

(IV) Ownership structure and shareholders :

1. Ownership structure (10k shares or 10k RMB)

Equity category	Shares as at the end of the reporting period	Percentage (%)
Domestic shares held by legal entities	842,000	100
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-
Total	842,000	100

2. Top 10 shareholders (10k shares or 10k RMB)

Name of shareholders	Shares held at the end of the reporting period	Percentage of the shareholding (%)
China Pacific Insurance (Group) Co., Ltd.	827,621.84	98.292
Shenergy Group Co., Ltd.	4,597.90	0.546
Shanghai State-Owned Assets Operation Co., Ltd.	4,576.09	0.544
Shanghai Haiyan Investment Management Company Limited	3,140.45	0.373
Yunnan Hehe (Group) Co., Ltd.	2,063.72	0.245

(V) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd. is the controlling shareholder, holding 98.292% of the shares of the Company.

(VI) Subsidiaries, joint or associate ventures

Company name	Number of shares (10k shares)			Shareholding percentage (%)		
	As at the beginning of this quarter	As at the end of this quarter	Change amount	As at the beginning of this quarter	As at the end of this quarter	Change percentage
Changjiang Pension Insurance Co., Ltd.	186,486	186,486	-	62.162	62.162	-
City Island Developments Limited	0.1	0.1	-	100	100	-
Tianjin Trophy	35,369	35,369	-	100	100	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	300,000	300,000	-	100	100	-
Pacific Health Care Management Co. Ltd.	50,000	50,000	-	100	100	-
CPIC Elderly Care Industry Development (Chengdu) Co. Ltd.	51,000	51,000	-	100	100	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	53,000	53,000	-	100	100	-
CPIC Elderly Care (Xiamen) Co. Ltd.	29,000	34,000	5,000	100	100	-
CPIC Elderly Care (Nanjing) Co. Ltd.	-	8,400	8,400	-	100	100
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	-	2,000	2,000	-	100	100
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34	34	-
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	983,500	-	70	70	-
Lianren Healthcare Big Data Technology Co. Ltd.	50,000	50,000	-	25	25	-
Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme	2,142	2,142	-	71.4	71.4	-
Ningbo Zhilin Investment Management (LP)	241,632	241,632	-	90	90	-
Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme	205	205	-	34.17	34.17	-
Changjiang Pension-Yun'nan Nengtou Infrastructure Debt Investment Scheme	3,565	3,565	-	93.82	93.82	-
Jiaxing Yishang Private Equity	95,000	95,000	-	94.72	94.72	-

Investment Partners (LP)									
CPIC AMC Yongquan Yihao Customized Product	60,000	60,000	-	100	100	-			
China Venture Capital Fund Equity Investment Plan	6,120	6,120	-	100	100	-			
Shanghai Junhe Tongyi Start-ups Industrial Equity Investment Fund Partnerships (LP)	106,500	292,300	185,800	99.97	99.97	-			
CPIC-Jiangsu Communications Holding Debt Investment Plan (Phase 1)	4,000	4,000	-	100	100	-			
CPIC – Gansu HATG Debt Investment Plan	600	600	-	100	100	-			
Guoian'An New Blue Chips & Dividend One-year Term Open-ended Hybrid Security Investment Fund	-	25,000	25,000	-	96.15	96.15			
Guolian'An Zengfu One-year Term Open-ended Bond Security Investment Fund	500,000	500,000	-	99.8	99.8	-			
Guolian'An Zengyu One-year Term Open-ended Bond Security Investment Fund	500,000	500,000	-	99.8	99.8	-			
Changjiang Pension-SDIC (Shanghai) Technology Commercialization Equity Investment Fund	-	770	770	-	100	100			
Changjiang Pension-Ansteel Infrastructural Projects Debt Investment Plan	-	900	900	-	30	30			

Note: Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme, Ningbo Zhilin Investment Management (LP), Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme, Changjiang Pension-Yun'nan Nengtou Infrastructure Debt Investment Scheme, Jiaying Yishang Private Equity Investment Partners Enterprise (LP), CPIC AMC Yongquan Yihao Customized Product, China Venture Capital Fund Equity Investment Plan, Guoian'An New Blue Chips & Dividend One-year Term Open-ended Hybrid Security Investment Fund, Guolian'An Zengfu One-year Term Open-ended Bond Security Investment Fund, Guolian'An Zengyu One-year Term Open-ended Bond Security Investment Fund, Shanghai Junhe Tongyi Start-ups Industrial Equity Investment Fund Partnerships (LP), CPIC – Jiangsu Communications Holding Debt Investment Plan (Phase 1), CPIC – Gansu HATG Debt Investment Plan, Changjiang Pension-SDIC (Shanghai) Technology Commercialization Equity Investment Fund, Changjiang Pension-Ansteel Infrastructural Projects Debt Investment Plan are structured entities.

(VII) Contacts for solvency information disclosure

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II. Main Indicators

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	242%	242%
Core solvency margin (10K RMB)	21,636,554	21,504,289
Comprehensive solvency margin ratio	242%	242%
Comprehensive solvency margin (10K RMB)	21,636,554	21,504,289
Latest IRR result		A
Premium income (10K RMB)	4,758,987	4,671,235
Net profit (10K RMB)	438,199	432,414
Net assets (10K RMB)	8,426,190	8,026,167

III. Actual Capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	144,166,226	139,307,482
Admitted liabilities (10K RMB)	107,243,466	102,707,178
Actual capital (10K)	36,922,760	36,600,304
Tier 1 core capital (10K RMB)	36,922,760	36,600,304
Tier 2 core capital (10K RMB)	–	–
Tier 1 supplement capital (10K RMB)	–	–
Tier 2 supplement capital (10K RMB)	–	–

IV. Required Capital

Items	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	15,286,207	15,096,014
Required capital for quantitative risk (10K RMB)	15,521,355	15,328,237
1) Required capital for insurance risk (10K RMB)	4,679,589	4,545,116
2) Required capital for market risk (10K RMB)	15,530,644	15,443,892
3) Required capital for credit risk (10K RMB)	3,216,980	3,229,173
4) Diversification effect for quantitative risks (10K RMB)	4,093,901	4,051,382
5) Loss absorption effect for special-type insurance contracts (10K RMB)	3,811,957	3,838,561
Required capital for control risk (10K RMB)	(235,149)	(232,223)
Supplement capital (10K RMB)	–	–
1) Counter-cyclical supplement capital (10K RMB)	–	–
2) Supplement capital of D-SIIs (10K RMB)	–	–
3) Supplement capital of G-SIIs (10K RMB)	–	–
4) Other supplement capital (10K RMB)	–	–

V. Integrated risk rating (IRR)

The Company received an A rating for both Q1 and Q2 of 2020, according to feedbacks from the regulator on the IRR results.

VI. Risk management status

(I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company's SARMRA score for 2017 was 83.03 points. To be specific, it received 16.12 points for risk management infrastructure and environment, 8.82 points for risk management objectives and tools, 8.36 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.38 points for operational risk management, 8.96 points for strategic risk management, 8.33 points for reputation risk management, and 8.06 points for liquidity risk management.

In 2018 and 2019, the regulator conducted no SARMRA assessment of the Company.

(II) Measures taken to improve solvency risk management and the latest status in the reporting period

The Company attaches great importance to risk management. Although exempt from SARMRA assessment in 2018 and 2019, it continued to identify gaps in solvency risk management systems and took effective remedial actions based on an analysis of findings in relation to the regulatory assessment of its peers as well as those of its own internal audits. Below is a summary of what was done in Q3 2020.

First, as per C-ROSS Phase II risk management requirements, it continued to improve relevant risk management systems and polices.

Second, it intensified research into transmission of Risk Appetites and Risk Upper Limits, promoted establishment of limits on product development and investment pool SAA so as to ensure stringent risk control for both assets and liabilities.

Third, it completed SARMRA self-assessment, enhanced IRR system-building and deficiency correction and pushed forward the risk screening and rectification of irregularities throughout the entire organisation.

Fourth, it strengthened the risk control system for business operation, made continuous effort to address the problem of “false business and false structure of the agency force”, with intensified early warning, look-through supervision and accountability, in order to improve the professional capability in risk control.

In Q4 of 2020, the Company intends to focus on the following areas for its solvency risk management.

First, continue to improve the risk control system for business operation, conduct research into policy loans and business quality, carry out risk identification and screening based on in-house data, and optimise the Company’s risk management.

Second, as per latest regulatory requirements and progress of Group Risk Control Integration Project, push forward in an all-around way the review of and amendment to 2020 risk management systems and policies and relevant KPIs.

Third, in line with the C-ROSS Phase II progress, organise studies of regulatory policies and documents, conduct gap analysis, and push for rectification across departments based on findings of the 2020 SARMRA self-assessment.

VII. Liquidity Risk

(I) Liquidity risk management indicators

1. Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	10,001,657

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	103%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio		
-Company level	1821%	1818%

(II) Liquidity risk analysis and mitigation

Liquidity risk is projected to be largely manageable in the next quarter. The Company has taken the following measures to pro-actively mitigate potential liquidity risk:

1. Introduce cash budgeting management which enables a planned coordination of cash surplus/ shortage. Cash budgeting management includes: cash in the treasury at the beginning of the period, projected cash inflows during the period and cash needed in the period. The mechanism enables the Company to know when there will be a shortage of cash, and how to address the issue; or when there will be cash surplus so that plans can be made for necessary investment.
2. Continue to boost business mix restructuring, formulate effective financial policies to boost the growth of profitable business, and in particular, protection and long-term regular pay business; at the same time optimise the mix of universal life business, adjust the sales strategy of participating insurance business from bancassurance, and control the surrender risk of unit-linked business.
3. Optimise asset mix, balance between asset liquidity and investment yield; keep a healthy gearing ratio and ensure long-term debt repayment capability; maintain healthy short-term debt repayment capability and enhance monitoring of the current ratio and quick ratio.
4. Closely follow the development of business surrenders, with review and analysis thereof on a regular basis; ensure rational asset allocation based on cash flows of the Company.
5. The impact on liquidity has been duly considered before the Company makes business plans, sells new products or withdraws products from the market, develops or adjusts distribution channels, formulates policyholders' dividend policy for participating

insurance business and determines crediting rate for universal life insurance, conducts other insurance business activities such as policy surrenders, payment of benefits and claims and policy loans. The impact is reflected in the cash flow stress testing. The Company will ensure effective ALM based on the actual situation to mitigate the liquidity risk.

6. Closely monitor major events that might lead to liquidity risks, such as irregular concentration of surrenders, expected major maturity payments or survival benefit pay-outs, major claims events, severe investment losses, financial crisis incurred by major counter-parties, significant changes to the Company's credit-ratings, severe adverse publicity of the Company, and the loss of key distributional channels and other material events.

VIII. Regulatory Measures Taken Against the Company

(I) Regulatory measures taken against the Company by CBIRC

The Company head-office received no administrative penalties from CBIRC in Q3 2020.

(II) Corrective measures taken by the Company

The Company will continue to enhance internal control, address the root-causes of risk issues, strengthen its overall compliance and risk management capabilities.

Summary of Quarterly Solvency Report

CPIC Allianz Health Insurance Co., Ltd.

3rd Quarter of 2020

Contents

I. BASIC INFORMATION	1
II. MAIN INDICATORS	2
III. ACTUAL CAPITAL	2
IV. REQUIRED CAPITAL	2
V. INTEGRATED RISK RATING	3
VI. RISK MANAGEMENT STATUS	3
VII. LIQUIDITY RISK	4
VIII. REGULATORY MEASURES TAKEN AGAINST THE COMPANY	5

I. Basic information

(I) Registered address: 13th Floor, Building No. 1, 1229 Century Avenue, China
(Shanghai) Pilot Free Trade Zone, Shanghai, the PRC

(II) Legal representative: SUN Peijian

(III) Business scope and territories

1. Business scope:

Health and personal accident insurance denominated in RMB yuan and foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance; health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.

2. Business territories:

Shanghai, Beijing, Guangdong Province, Sichuan Province

(IV) Ownership structure and shareholders:

1. Ownership structure

Equity category	Number of shares or contributed amounts (10K shares)	Percentage (%)
Domestic shares held by legal entities	130,986.70	77.05
Domestic shares held by natural persons	–	–
Foreign shares	39,013.30	22.95
Others	–	–
Total	170,000.00	100.00

2. Top 10 shareholders

Name of shareholders	Shares held or amounts contributed as at the end of the reporting period (10K shares)	Percentage of the shareholding (%)
1.China Pacific Insurance (Group) Co., Ltd.	130,986.70	77.05
2. Allianz Group	39,013.30	22.95

(V) Controlling shareholder or de facto controller:

China Pacific Insurance (Group) Co., Ltd.

(VI) Subsidiaries, joint or associate ventures:

Company name	Number of shares held (10k shares)	Percentage of the shareholding (%)
Shanghai Proton & Heavy Ion Hospital	10,000	20

(VII) Contacts for solvency information disclosure

1. Contact person: CHANG Zhi
2. Telephone number: +86-21-33963458

II. Main indicators

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	129%	124%
Core solvency margin (10K RMB)	26, 558. 44	22, 283. 26
Comprehensive solvency margin ratio	129%	124%
Comprehensive solvency margin (10K RMB)	26, 558. 44	22, 283. 26
Latest IRR result	-	A
Premium income (10K RMB)	147, 919. 54	346, 754. 82
Net profit (10K RMB)	4, 923. 92	-755. 76
Net assets (10K RMB)	128, 346. 16	123, 393. 52

III. Actual capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	995, 304. 22	988, 915. 90
Admitted liabilities (10K RMB)	876, 133. 18	874, 738. 13
Actual capital (10K RMB)	119, 171. 05	114, 177. 77
Tier 1 core capital (10K RMB)	119, 171. 05	114, 177. 77
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	-	-
Tier 2 supplement capital (10K RMB)	-	-

IV. Required capital

Items	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	92, 612. 61	91, 894. 51
Required capital for quantitative risks (10K RMB)	92, 133. 51	91, 419. 13

1) Required capital for insurance risk (10K RMB)	80,350.11	80,576.89
2) Required capital for market risk (10K RMB)	19,288.75	18,151.37
3) Required capital for credit risk (10K RMB)	10,161.37	9,176.53
Required capital for control risk (10K RMB)	479.09	475.38
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

V. Integrated risk rating (IRR)

The Company received an A rating for both Q1 and Q2 of 2020 at the IRR.

VI. Risk management status

(I). The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

In 2017, the Company received 78.96 points in the regulatory SARMRA assessment. The same score, as per regulatory notice, was used as the result for 2020 SARMRA assessment. To be specific, 78.96 consisted of 14.07 points for risk management infrastructure and environment, 7.54 points for risk management objectives and tools, 8.02 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.36 points for operational risk management, 8.08 points for strategic risk management, 8.22 points for reputation risk management, and 8.68 points for liquidity risk management.

(II). Measures taken to improve solvency risk management and the latest results in the reporting period.

During the reporting period, the Company, as per regulatory requirements such as Insurance Company Solvency Regulatory Standards No. 11: Solvency Aligned Risk Management Requirements and Assessment, and based on its own risk profiles and risk status, continued to improve the solvency risk management systems. In soundness of regulations, it initiated the 5th updating of the solvency risk management system,

further optimised the definition of responsibilities and management processes of risk management rules based on adjustment of Group risk management policies, 2019 Internal Audit Report on Effectiveness of Solvency Risk Management Systems and result of its SARMRA self-assessment. In adherence effectiveness, it pushed for implementation of the 7 categories of risk management processes, conducted daily monitoring of 7 major risks. The board of directors reviewed the 2020 Interim Risk Management Report, and the management took remedial actions regarding the breach of certain Risk Upper Limits.

In Q3, the Company conducted effective risk management activity, continued to improve risk management systems and processes and ensured effective control of risks.

VII. Liquidity risk

(I) Liquidity risk management indicators

1. Net cash flow

Items	During/as at the end of this quarter
Net cash flow (10K RMB)	-106,476.63

2. Comprehensive current ratio

Items	Within 3 months	Within 1 year	1-3 years	3-5 years	Above 5 years
Comprehensive current ratio (%)	108	73	269	39,875	-

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio (%)	3,053	2,950

(II) Liquidity risk analysis and countermeasures

Indicators of the Company's liquidity risk, such as the net cash flow in the foreseeable future, the comprehensive current ratio of various durations, and the liquidity coverage ratio under stress scenarios, are all in normal range. Therefore, its liquidity is enough to meet short-term cash flow requirements arising from business volatility.

To mitigate liquidity risk, the Company strictly abides by regulatory requirements on solvency cash flow projections while considering impact of business development and changes of market environment, enhances daily cash flow management, coordinates cash flows from business, investment and financing activities and evaluates the effectiveness of liquidity risk management systems and policies on a regular basis.

VIII. Regulatory measures taken against the Company

(I) Regulatory measures taken against the Company by CBIRC

CBIRC has not taken any regulatory measures against the Company during the reporting period.

(II) Corrective measures taken by the Company

None.

Summary of Quarterly Solvency Report

Anxin Agricultural Insurance Company Limited

3rd Quarter of 2020

Contents

I. BASIC INFORMATION	1
II. MAIN INDICATORS	2
III. ACTUAL CAPITAL	3
IV. REQUIRED CAPITAL	3
V. INTEGRATED RISK RATING	3
VI. RISK MANAGEMENT STATUS.....	3
VII. LIQUIDITY RISK.....	4
VIII. REGULATORY MEASURES TAKEN AGAINST THE COMPANY	6

I. Basic information

(I) Registered address

Agricultural Insurance Building, 3651 Gonghexin Road, Shanghai, the PRC.

(II) Legal representative

SONG Jianguo

(III) Business scope and territories

1. 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 (subject to approval by regulators as per relevant laws and regulations);

2. Business territories

Shanghai, Jiangsu Province, Zhejiang Province.

(IV) Ownership structure and shareholders

1. Ownership structure (10k shares or 10k RMB)

Equity category	Shares or contributed amounts	Percentage (%)
Domestic shares held by legal entities	70,000	100
Domestic shares held by natural persons	-	
Foreign shares	-	
Others	-	
Total	70,000	100

2. Top 10 shareholders (10k shares or 10k RMB)

Names of shareholders	Shares held or amounts contributed at the end of the reporting period	Percentage of shareholding (%)
China Pacific Property Insurance Co., Ltd.	36,490.08	52.13%

Shanghai Agricultural Development Co., Ltd.	7,718.03	11.03%
Shanghai Minhang Asset Investment Co., Ltd.	5,365.19	7.67%
Shanghai Nongfa Asset Management Center	4,201.72	6.00%
Shanghai Baoshan Fiscal Investment Company	3,150.84	4.50%
Shanghai Jiading Guangwo Asset Management Co., Ltd.	2,504.59	3.58%
Shanghai Fengxian District State Asset Operation Co., Ltd.	2,368.95	3.38%
Shanghai Songjiang State Asset Investment Management Co., Ltd.	2,025.88	2.89%
Shanghai Huinong Investment Management Co., Ltd.	1,817.99	2.60%
Shanghai Qingpu Asset Management Co., Ltd.	1,719.37	2.46%

(V) Controlling shareholder or de facto controller

The Company has no de facto controller. China Pacific Property Insurance Co., Ltd. is the majority shareholder, holding 52.13% of the shares of the Company.

(VI) Subsidiaries, joint or associate ventures

None during the reporting period

(VII) Contact person information

1. Contact person: HU Xiaolu
2. Tel. number: +86-21-66988251
3. Email: huxl@aaic.com.cn

II. Main indicators

Item	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	262%	274%
Core solvency margin surplus (10K RMB)	107, 781	109, 586
Comprehensive solvency margin ratio	262%	274%
Comprehensive solvency margin surplus (10K RMB)	107, 781	109, 586
Latest IRR result	--	A
Premium income (10K RMB)	23, 616	73, 241
Net profit (10K RMB)	1, 023	202
Net assets (10K RMB)	153, 654	152, 408

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	404, 646	417, 754
Admitted liabilities (10K RMB)	230, 296	245, 286
Actual capital (10K)	174, 351	172, 468
Tier 1 core capital (10K RMB)	174, 351	172, 468
Tier 2 core capital (10K RMB)	0	0
Tier 1 supplement capital (10K RMB)	0	0
Tier 2 supplement capital (10K RMB)	0	0

IV. Required capital

Item	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	66, 570	62, 883
Required capital for quantitative risks (10K RMB)	65, 486	61, 859
1) Required capital for insurance risk (10K RMB)	52, 427	50, 233
2) Required capital for market risk (10K RMB)	10, 786	7, 410
3) Required capital for credit risk (10K RMB)	21, 151	21, 485
4) Diversification effect for quantitative risks (10K RMB)	18, 878	17, 268
5) Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	1, 084	1, 024
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

V. Integrated risk rating (IRR)

The Company was rated A at the IRR by CBIRC for both Q1 and Q2 of 2020.

VI. Risk management status

(I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 76.69 points in the last (2017) SARMRA assessment conducted by the CBIRC. To be specific, it received 17.81 points for risk management infrastructure and environment, 7.06 points for risk management objectives and tools, 7.01 points for insurance risk management, 7.57 points for market risk management, 6.79 points for credit risk management, 7.38 points for operational risk management,

8.12 points for strategic risk management, 7.15 points for reputation risk management, and 7.81 points for liquidity risk management.

(II) Measures taken to improve solvency risk management and the latest results in the reporting period

The Company continued to take measures to step up its risk management in this quarter.

First, it amended Provisions on Risk Appetite Framework(RAF) of Anxin Agricultural Insurance Company Limited in order to improve the Company's management procedures for RAF. The amendment was based on Provisional Regulations on Risk Management of Insurance Companies and Standards on Solvency Supervision of Insurance Companies by CBIRC and Risk Management Policies of Anxin Agricultural Insurance Company Limited, and in view of latest amendments to the RAF management systems of its parent company as well as its own realities.

Second, it released the 2020 Risk Appetite Framework. In light of the requirements on RAF management systems of the parent company and its own realities, it updated the Risk Appetite Statement, Risk Tolerance and the 2020 Risk Upper Limits.

Third, as per PBoC requirements, the Company conducted the risk screening and self-assessment for the first half of 2020, with reporting on changes in solvency and reasons, major risks and mitigation, special risks and mitigation, impact of domestic and overseas economic environment and economic policies on its business operation.

Fourth, completed the filing of IRR data for Q2 2020, Risk Upper Limits, and finished the evaluation of risk management in major categories, while closely monitoring its risk status and taking timely steps to mitigate potential risks.

VII. Liquidity risk

(I) Liquidity risk management indicators

1. Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	-2,815

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	110%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	1190%	1001%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash flow of the Company was -RMB28 million. Net cash flow from business activities in this quarter decreased by RMB118 million from the previous quarter to RMB114 million. Net cash flow from the Company's investment activities was -RMB70 million, a decrease of RMB18 million from the previous quarter. Financing activities generated -RMB71 million in net cash flow, up by RMB83 million from the previous quarter.

(2) Liquidity indicator analysis

As of the end of the reporting period, cash and cash equivalents amounted to RMB65 million, a decrease of RMB28 million from RMB93 million of the previous quarter, mainly because of increased outflow of cash for investment.

The comprehensive current ratio within 3 months and 1 year was 110.31% and 105.29% respectively, down by 18.18 and 6.24 percentage points respectively compared with the previous quarter. Of this, cash inflows on assets are projected to decrease by RMB223 million and RMB340 million respectively from the previous quarter. This is mainly due to impact of asset allocation, as cash inflows on bond securities holdings within 3 months and 1 year are projected to fall both by RMB180 million. As of the end of the reporting period, cash flows from securities for trading purpose within 3 months and 1 year declined both by RMB209 million from the previous quarter; projected cash flows on current liabilities in the next 3 months are expected to stay flat versus the previous quarter. The comprehensive current ratio beyond 1 year was 261.37%, up by 3.6 percentage points, enough to meet long-term cash flow requirements arising from business volatility.

The liquidity coverage ratio is 1189.90% and 1001.47% under stress scenario 1 and 2

respectively in the next quarter, up by 432.10 and 338.63 percentage points respectively from the previous quarter. Of this, high-quality liquid assets increased by RMB143 million, and net cash outflows decreased by RMB39 million and RMB40 million from the previous quarter under the 2 stress scenarios respectively.

VIII. Regulatory measures taken against the Company

(I) Regulatory measures taken against the Company by CBIRC

The Company received no penalties from CBIRC during the reporting quarter.

(II) Corrective measures taken by the Company

Going forward, the Company will continue to pay close attention to risk issues high on the regulator's agenda and internal control, address the root causes of the issues, so as to improve its overall risk management capabilities.