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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*

Shanghai, the PRC, 27 October 2018

*As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; the Non-executive Directors of the Company are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao and Mr. CHEN Xuanmin; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.*

\* *Note:* The appointment qualification of Mr. Huang Dinan is subject to approval by China Banking and Insurance Regulatory Commission.

# Summary of Quarterly Solvency Report

**Anxin Agricultural Insurance Company Limited**

**3rd Quarter of 2018**

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## 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 insurance and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business; insurance funds investment as approved by 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 Assets 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

China Pacific Property Insurance Co., Ltd. is the controlling 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: 021-66988251
3. Email: [huxl@aaic.com.cn](mailto: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	267%	288%
Core solvency margin surplus (10K RMB)	96,556	98,674
Comprehensive solvency margin ratio	267%	288%
Comprehensive solvency margin surplus (10K RMB)	96,556	98,674
Latest comprehensive risks assessment	--	A
Premium income (10K RMB)	20,943	51,945
Net profit (10K RMB)	3,055	4,225
Net assets (10K RMB)	139,565	137,158

## III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	325,976	326,909
Admitted liabilities (10K RMB)	171,624	175,643
Actual capital (10K)	154,352	151,266
Tier 1 core capital (10K RMB)	154,352	151,266
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)	57,796	52,592
Required capital for quantitative risks (10K RMB)	56,855	51,736
1)Required capital for insurance risk (10K RMB)	50,869	46,419
2)Required capital for market risk (10K RMB)	7,219	7,254
3)Required capital for credit risk (10K RMB)	9,574	7,428
4)Diversification effect for quantitative risks (10K RMB)	10,807	9,366

5) Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	941	856
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)	-	-

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## V. Comprehensive risk assessment

The Company was rated A in the Comprehensive Risk Assessment by CBIRC for both Q1 and Q2 2018.

## VI. Risk management status

### (I) The latest CBIRC solvency risk management assessment of the Company

The Company scored 76.69 points in the latest SARMRA risk assessment conducted by the CIRC. 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 (if any) 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 completed SAMRA self-assessment. As per prudent evaluations of lead departments for major risk categories and the review of its Chief Risk Officer, the Company scored 87.70 points. To be specific, it received 19.00 points for risk management infrastructure and environment, 8.27 points for risk management objectives and tools, 8.53 points for insurance risk management, 9.58 points for market risk management, 7.90 points for credit risk management, 7.74 points for operational risk management, 9.18 points for strategic risk management, 8.58 points for reputation risk management, and 8.91 points for liquidity risk management. Second, it conducted a risk assessment specifically of innovative index and price-linked products, covering their overall business performance, expected loss ratio, maximum losses and reinsurance arrangements.

Third, it specifically conducted a review of fund management, drafted rectification plans based on the findings, and formulated rules on fund budgeting, fund risk control and cash receipts & payment.

## 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)	-3106

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	100%

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	443%	349%

### (II) Liquidity risk analysis and mitigation

#### (1) Cash flows

In this quarter, net cash flow of the Company was –RMB31.14 million. Net cash flow from business activities in this quarter decreased by RMB47.11 million from the previous quarter to RMB108.88 million. Of this, cash inflow from primary insurance premiums decreased by RMB66.90 million.

Net cash flow from the Company’s investment activities was –RMB144.27 million, down by RMB80.47 million from the previous quarter. Financing activities generated RMB4.24 million in net cash flow, up by RMB53.24 million from the previous quarter, mainly due to reclassification of financial assets sold under repurchase as cash flows from financing activities, instead of investment activities.

#### (2) Liquidity indicator analysis

The comprehensive current ratio within the next 3 months was 100.40%, a drop of 44.28 percentage points from the previous quarter, mainly because of increased allocation in long-dated assets and reduced maturity of assets in the next 3 months.

The liquidity coverage ratio is 442.53% and 348.80% under stress scenario 1 and 2 respectively in the next quarter, enough to meet short-term cash flow requirements.

### **VIII. Regulatory measures taken against the Company**

#### **(I) Regulatory measures taken against the Company by CBIRC**

The Company received no penalties during the 3rd quarter.

#### **(II) Corrective measures taken by the Company**

Going forward, the Company will pay continued attention to internal control and address the root causes of various issues, so as to improve its overall risk management capabilities.