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

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

(Stock Code: 02601)

Overseas Regulatory Announcement

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

The announcement is attached hereof for information purpose only.

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

Hong Kong, 27 April 2019

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

1st Quarter of 2019

Contents

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

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 if required 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 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

China Pacific Property Insurance Co., Ltd. is the de facto controller, 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

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	300%	300%
Core solvency margin surplus (10K RMB)	109,329	105,113
Comprehensive solvency margin ratio	300%	300%
Comprehensive solvency margin surplus (10K RMB)	109,329	105,113
Latest comprehensive risks assessment	--	A
Premium income (10K RMB)	18,655	35,826
Net profit (10K RMB)	2,522	4,075
Net assets (10K RMB)	148,671	142,919

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	319,359	323,935
Admitted liabilities (10K RMB)	155,396	166,139
Actual capital (10K)	163,964	157,797
Tier 1 core capital (10K RMB)	163,964	157,797
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)	54,634	52,684
Required capital for quantitative risks (10K RMB)	53,745	51,826
1)Required capital for insurance risk (10K RMB)	44,786	45,113
2)Required capital for market risk (10K RMB)	6,944	6,510
3)Required capital for credit risk (10K RMB)	16,115	11,810
4)Diversification effect for quantitative risks (10K RMB)	14,101	11,607

5) Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	889	858
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. Comprehensive risk assessment

The Company was rated A in the Comprehensive Risk Assessment by CBIRC for both Q3 and Q4 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 (2017) SARMRA risk 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 (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 the filing of data for Q4 comprehensive risk rating, the work of functional risk limits and risk management assessment. Started the campaign to address the issue of premium receivables. In particular, it established a working group and focused on premium receivables from fiscal-subsidized business, underwriting, payment management and collection & performance measurement.

Second, conducted the annual review of products. Formulated plans of self-assessment for commercial lines products; enhanced the evaluation of the risk of frauds and money-laundering; lowered the share of certain reinsurance companies with potential credit risk in the renewal of non-marine treaties and updated information on reinsurance companies.

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)	573

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	160%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	843%	391%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash flow of the Company was RMB5.73 million. Net cash outflow from business activities in this quarter decreased by RMB4.19 million from the previous quarter to RMB149.09 million. Net cash flow from the Company's investment activities was RMB155.70 million, an increase of RMB39.10 million from the previous quarter. Of this, cash recovered from investments grew by RMB18.05 million. Financing activities generated -RMB0.85 million in net cash flow, up by RMB4.29 million from the previous quarter.

(2) Liquidity indicator analysis

The comprehensive current ratio within the next 3 months was 160%, down by 26 percentage points from the previous quarter, mainly because of maturity of RMB195 million in term deposit, and a decrease of RMB6.73 million in term deposits which will mature in the next quarter.

The liquidity coverage ratio is 843% and 391% 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 reporting 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.