

*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.**  
**KONG Qingwei**  
*Chairman*

Shanghai, the PRC, 27 August 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, Mr. ZHU Kebing, 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**

**2nd Quarter of 2018**

## **Contents**

I. BASIC INFORMATION .....	<b>1</b>
II. KEY INDICATORS .....	<b>2</b>
III. ACTUAL CAPITAL .....	<b>2</b>
IV. REQUIRED CAPITAL .....	<b>2</b>
V. COMPREHENSIVE RISK ASSESSMENT .....	<b>3</b>
VI. RISK MANAGEMENT STATUS.....	<b>3</b>
VII. LIQUIDITY RISK.....	<b>4</b>
VIII. REGULATORY MEASURES TAKEN AGAINST THE COMPANY .....	<b>5</b>

## 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 at the end of the reporting period (%)
China Pacific Property Insurance Co., Ltd.	36,490.08	52.13%
Shanghai Agricultural Investment Company	7,718.03	11.03%
Shanghai Minhang Asset Investment (Group) 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 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](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	288%	310%
Core solvency margin surplus (10K RMB)	98,674	102,976
Comprehensive solvency margin ratio	288%	310%
Comprehensive solvency margin surplus (10K RMB)	98,674	102,976
Latest comprehensive risks assessment	--	A
Premium income (10K RMB)	51,945	16,180
Net profit (10K RMB)	4,225	2,317
Net assets (10K RMB)	137,158	139,374

## III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	326,909	289,708
Admitted liabilities (10K RMB)	175,643	137,806
Actual capital (10K)	151,266	151,902
Tier 1 core capital (10K RMB)	151,266	151,902
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)	52,592	48,927
Required capital for quantitative risks (10K RMB)	51,736	48,130
1)Required capital for insurance risk (10K RMB)	46,419	42,665
2)Required capital for market risk (10K RMB)	7,254	8,127
3)Required capital for credit risk (10K RMB)	7,428	6,322

4)Diversification effect for quantitative risks (10K RMB)	9,366	8,984
5)Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	856	797
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 differentiated regulatory assessment by CBIRC for Q4 2017 and A in the comprehensive assessment for Q1 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 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 conducted SAMRA self-assessment, defining lead departments for major risk categories, making rectifications and closing loopholes based on a review of regulatory rules and requirements.

Second, it started an amendment to risk management policies and released Regulations on Risk Management Reporting.

Third, evaluated risk limits for 2017 and released those for 2018.

Fourth, conducted drills of emergency contingency plans, focusing on mass petitions, mass surrenders, malfunctioning of core IT systems, major investment losses and bad debt from receivables.

## 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)	4330

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	145%

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	665%	534%

### (II) Liquidity risk analysis and mitigation

#### (1) Cash flows

In this quarter, net cash flow of the Company was RMB43.30 million. Of this, cash inflow from primary insurance premiums increased by RMB 223.69 million. Cash outflows from claims payout decreased by RMB29.12 million. As a result, net cash flow from business activities in this quarter increased by RMB240.07 million from the previous quarter to RMB156.00 million.

Net cash outflow from the Company's investment activities was RMB63.80 million, down by RMB119.89 million from the previous quarter, mainly due to increased cash payments under financial assets to be re-sold.

Fund raising generated RMB49.00 million in net cash outflow in this quarter, down by RMB49.00 million from the previous quarter, mainly as a result of shareholder dividend payout.

#### (2) Liquidity indicator analysis

The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements. Its comprehensive liquidity ratio within one year fell to 112.35%, down by 23.36% from the previous quarter. Therefore, it will be prudent in allocating in assets with maturity of over one year in the next quarter. its liquidity coverage ratio will be 664.82% and 534.44% 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 CIRC**

The Company received no penalties during the 2<sup>nd</sup> 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.