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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, 26 August 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. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao, Mr. LI Qiqiang, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Nonexecutive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yhi, Elizabeth and Mr. GAO Shanwen.

* *Note:* The appointment of Mr. LI Qiqiang is subject to approval by China Banking and Insurance Regulatory Commission.

Summary of Quarterly Solvency Report

Anxin Agricultural Insurance Company Limited

2nd Quarter of 2019

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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 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	292%	300%
Core solvency margin surplus (10K RMB)	107,912	109,329
Comprehensive solvency margin ratio	292%	300%
Comprehensive solvency margin surplus (10K RMB)	107,912	109,329
Latest IRR result	--	A
Premium income (10K RMB)	60,878	18,655
Net profit (10K RMB)	2,636	2,522
Net assets (10K RMB)	147,223	148,671

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	370,998	319,359
Admitted liabilities (10K RMB)	206,941	155,396
Actual capital (10K)	164,057	163,964
Tier 1 core capital (10K RMB)	164,057	163,964
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)	56,145	54,634
Required capital for quantitative risks (10K RMB)	55,231	53,745
1)Required capital for insurance risk (10K RMB)	45,040	44,786
2)Required capital for market risk (10K RMB)	5,620	6,944
3)Required capital for credit risk (10K RMB)	19,777	16,115

4)Diversification effect for quantitative risks (10K RMB)	15,205	14,101
5)Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	914	889
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 assessment (IRR)

The Company was rated A at the IRR by CBIRC for both Q1 2019 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 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 IRR data for Q1, the work of functional risk limits and risk management assessment. Formulated the work plan for 2019 SAMRA assessment. Lead departments responsible for management of major risk categories finished the review of their risk management status and follow-up remedial actions, completed the annual drill of contingency plans, in preparation of the self-assessment.

Second, the Company amended and issued its Risk Management Policy, which further enhanced the risk management responsibilities of different levels of organizations, and integrated into ERM money laundering risk, asset liability management and allocation of assets and liabilities.

Third, it completed the evaluation of the 2018 Risk Appetite Framework and relevant amendments, and in turn, finished the amendments to the Risk Appetite Statement,

Risk Tolerance and Functional Risk Limits.

Fourth, it conducted an internal audit of illegal fund-raising, and a self-assessment of insurance fraud risk. In compliance with regulatory requirements, the Company launched a company-wide publicity and education campaign against illegal fund-raising, coupled with risk screening. At the same time, it conducted the annual self-assessment of the fraud risk, which found out that there was an absence of anti-fraud system. To address this deficiency, the Company finished the feasibility study of the system, as well as the bidding and selection of, and business negotiation with vendors. Now the system development is already underway.

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)	8,170

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	949%	781%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash flow of the Company was RMB81.70 million. Net cash flow from business activities in this quarter increased by RMB299.11 million from the previous quarter to RMB150.02 million. Net cash flow from the Company's investment activities was -RMB44.21 million, a decrease of RMB199.91 million from the previous quarter. Of this, cash recovered from investments fell by RMB233.44 million. Financing activities generated -RMB24.15 million in net cash flow, down by RMB23.31 million from the previous quarter, due to payment of RMB49.00 million in shareholder's

dividend.

(2) Liquidity indicator analysis

The comprehensive current ratio within 3 months was 160%, the same as that in the previous quarter.

The liquidity coverage ratio is 949% and 781% under stress scenario 1 and 2 respectively in the next quarter. The Company's high-quality liquid assets are enough to meet short-term cash flow requirements arising from business volatility.

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 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.