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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.**  
**GAO Guofu**  
*Chairman*

Shanghai, the PRC, 29 March 2017

*As of the date of this announcement, the Executive Directors of the Company are Mr. GAO Guofu and Mr. HUO Lianhong; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Chengran, Ms. SUN Xiaoning, Mr. WU Jumin, Mr. WU Junhao, Mr. ZHENG Anguo and Ms. HA Erman; 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.*

# Summary of Quarterly Solvency Report

**Anxin Agricultural Insurance Company Limited**

**Fourth Quarter of 2016**

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## I. Basic information

### (I) Registered address

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

### (II) Legal representative

SONG Jianguo

### (III) Business scope and territories

#### 1. Business scope

Agricultural insurance; property damage insurance; liability insurance; statutory liability insurance; credit and guarantee insurance; short term health insurance and casualty insurance; countryside and farmer related property insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations;

#### 2. Business territories

Shanghai, Jiangsu Province, and Zhejiang Province.

### (IV) Ownership structure and shareholders

#### 1. Ownership structure

Equity category	Share or amount (10K shares)	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 the shareholders	Shares held at the end of the reporting period	Percentage of shareholding (%)
China Pacific Property Insurance Co., Ltd.	36,490.08	52.13%
Shanghai Fulinong Investment Company	7,718.03	11.03%
Shanghai Minhang Asset Investment Co., Ltd.	5,365.19	7.66%
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) Subsidiary, joint or associate venture:

The Company has no subsidiary, joint venture or associate during the reporting period.

## (VII) Contacts for solvency information disclosure

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	At the end of this quarter	At the end of last quarter
Core solvency margin ratio	296%	294%
Core solvency margin surplus (10K RMB)	92,029	92,296
Comprehensive solvency margin ratio	296%	294%
Comprehensive solvency margin surplus (10K RMB)	92,029	92,296
The latest comprehensive risks assessment	B	B
Premium income (10K RMB)	24,928	23,926
Net profit (10K RMB)	380	4,754
Net assets (10K RMB)	129,357	130,901

## III. Actual capital

Item	At the end of this quarter	At the end of last quarter
Admitted assets (10K RMB)	261,438	270,757
Admitted liabilities (10K RMB)	122,528	130,802
Actual capital (10K)	138,910	139,955
Tier 1 core capital (10K RMB)	138,910	139,955
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	At the end of this quarter	At the end of last quarter
Required capital (10K RMB)	46,882	47,659
Required capital for quantitative risks (10K RMB)	46,777	47,659
1)Required capital for insurance risk (10K RMB)	37,520	40,573
2)Required capital for market risk (10K RMB)	15,361	10,873
3)Required capital for credit risk (10K RMB)	4,359	6,427

4)Diversification effect for quantitative risks (10K RMB)	10,462	10,214
5)Loss Absorption effect for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	105	-
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 received B rating in the differentiated risk assessment for the third quarter of 2016.

The Company received B rating in the comprehensive risk assessment for the fourth quarter of 2016.

## VI. Risk management

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

In the fourth quarter of 2016, the Company scored 79.55 points in the on-site SARMRA risk assessment conducted by the CIRC. To be specific, we received 17.81 points for risk management infrastructure and environment, 7.57 points for risk management objectives and tools, 8.22 points for insurance risk management, 8.01 points for market risk management, 7.4 points for credit risk management, 7.06 points for operational risk management, 7.87 points for strategic risk management, 7.35 points for reputation risk management, and 8.27 points for liquidity risk management.

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

In Q4, the Company's Working Group on Compliance and Risk Management held its fourth meeting for 2016, during which the participants heard reports on the evaluation of the risks associated with Internet-based insurance, reports on the implementation of the "Two enhances and two suppresses" initiative, and reports on market risk assessment. The meeting also reviewed the Monitoring and Analysis Report on Risk Appetite for Q3, and deployed solutions to tackle risk incidents and the widening valuation of agricultural subsidy-related bad debts and re-insurance bad debts.

To promote the learning of C-ROSS among employees, enhance capability for risk prevention, cultivate professionals for solvency management, and accelerate

IT-enabled risk management system, the Company organized special training on C-ROSS, which covered Solvency II rules and risk and compliance related regulations. A test was organized for all employees on November 18, which was also attended by the President Office. Through repeated learning and testing, the Company made great efforts to ensure that all employees are familiar with the C-ROSS requirements.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Item	At the end of this quarter
Net cash flow (10K RMB)	7,992

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	724%

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	212%	151%

### (II) Liquidity risk analysis and countermeasures

As an agricultural insurer, the Company mainly faces two kinds of liquidity risks: First, slow collection of agricultural insurance receivables. The agricultural insurance premiums account for 65% of the Company's total premiums, and fiscal subsidies make up about 70% of the agricultural insurance premiums. In accordance with the Shanghai Municipality Administrative Rules for Municipal Subsidies for Agricultural Insurance Premiums 2016-2018, the fiscal subsidies are to be allocated in the current year and settled the following year. Therefore, this time lag has a certain impact on the Company's cash flow. The Company has been actively communicating with the agricultural and financial governmental authorities to better determine the specific timeline for each subsidy, so that the subsidies can be received as soon as possible.

The second is agricultural insurance risks associated with major disasters. The Company's agricultural insurance business is concentrated in Shanghai. Due to the concentration of the geographical coverage and the nature of agricultural insurance, the occurrence of a

major disaster would lead to enormous claims payment by the Company in a very short time. In response, the Company took various measures to closely track the possibilities of disasters in the second and third quarters (peak season for typhoon) for better early warning and disaster prevention and mitigation; in case of a catastrophe, the Company will implement contingency plans, deliver fast claims survey and schedule funds to ensure smooth and stable cash flow for the Company.

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

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

The Company did not receive any regulatory punishment from the CIRC in the fourth quarter 2016.

#### **(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.