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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, 25 March 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

4th 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 (subject to approval by regulators if required by relevant ws 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 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%	267%
Core solvency margin surplus (10K RMB)	105,113	96,556
Comprehensive solvency margin ratio	300%	267%
Comprehensive solvency margin surplus (10K RMB)	105,113	96,556
Latest comprehensive risks assessment	A	A
Premium income (10K RMB)	35,826	20,943
Net profit (10K RMB)	4,075	3,055
Net assets (10K RMB)	142,919	139,565

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	323,935	325,976
Admitted liabilities (10K RMB)	166,139	171,624
Actual capital (10K)	157,797	154,352
Tier 1 core capital (10K RMB)	157,797	154,352
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)	52,684	57,796
Required capital for quantitative risks (10K RMB)	51,826	56,855
1)Required capital for insurance risk (10K RMB)	45,113	50,869
2)Required capital for market risk (10K RMB)	6,510	7,219
3)Required capital for credit risk (10K RMB)	11,810	9,574

4)Diversification effect for quantitative risks (10K RMB)	11,607	10,807
5)Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	858	941
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 Q3 comprehensive risk rating, the work of functional risk limits and risk management assessment, with management recommendation for the risk of premium receivables.

Second, completed the review of risk management and internal control. Based on findings of the previous self-review, it conducted a sample testing of measures to rectify internal control issues, and finished the annual review of risk and compliance.

Third, completed the upgrading and launch of loss data base. Defined the operational requirements for data monitoring of the data base, in respect of losses, business lines, cause of risks, type of losses and severity.

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)	-3343

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	186%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	770%	663%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash flow of the Company was -RMB33.43 million. Net cash outflow from business activities in this quarter decreased by RMB253.77 million from the previous quarter to RMB144.89 million. Of this, cash outflow from primary insurance claims pay-outs increased by RMB199.44 million.

Net cash flow from the Company's investment activities was RMB116.60 million, up by RMB260.87 million from the previous quarter. Financing activities generated -RMB5.13 million in net cash flow, down by RMB9.38 million from the previous quarter.

(2) Liquidity indicator analysis

The comprehensive current ratio within the next 3 months was 186%, up 86 percentage points from the previous quarter, mainly because of maturity of RMB195 million in term deposit in the next 3 months.

The liquidity coverage ratio is 770% and 663% 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 4th 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.