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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, 31 October 2019

As at the date of this announcement, the Executive Director of the Company is Mr. KONG Qingwei; the Non-executive Directors of the Company are Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. LI Qiqiang, Mr. WU Junhao, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Non-executive Directors of the Company are Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. JIANG Xuping and Mr. GAO Shanwen.

Summary of Quarterly Solvency Report

Anxin Agricultural Insurance Company Limited

3rd 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

The Company has no de factor controller. China Pacific Property Insurance Co., Ltd. is the majority shareholder, 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	264%	292%
Core solvency margin surplus (10K RMB)	100,398	107,912
Comprehensive solvency margin ratio	264%	292%
Comprehensive solvency margin surplus (10K RMB)	100,398	107,912
Latest IRR result	--	A
Premium income (10K RMB)	23,077	60,878
Net profit (10K RMB)	-1,395	2,636
Net assets (10K RMB)	144,603	147,223

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	349,252	370,998
Admitted liabilities (10K RMB)	187,484	206,941
Actual capital (10K)	161,767	164,057
Tier 1 core capital (10K RMB)	161,767	164,057
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)	61,369	56,145
Required capital for quantitative risks (10K RMB)	60,370	55,231
1)Required capital for insurance risk (10K RMB)	48,486	45,040
2)Required capital for market risk (10K RMB)	5,138	5,620
3)Required capital for credit risk (10K RMB)	23,710	19,777

4)Diversification effect for quantitative risks (10K RMB)	16,964	15,205
5)Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	999	914
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 rating (IRR)

The Company was rated A at the IRR by CBIRC for both Q1 and Q2 of 2019.

VI. Risk management status

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

The Company scored 76.69 points in the last (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 Q2, the work of functional risk limits and risk management assessment. It finished the 2019 SARMRA self-assessment, which indicated continued improvement of its risk management capabilities, with marked progress in objectives & tools, credit risk and operational risk management.

Admittedly, there is still room for improvement in management of credit, reputation and insurance risks.

Second, the Company amended and issued Regulations on Management of Emergency Reporting, which clarified the division of responsibilities between departments and organizations at different levels, and determined the reporting procedure and format. The Executive Office convened a special training session for branch offices, with effective communications over items, procedures and deadlines for emergency

reporting so that branches can shoulder increased responsibility in management and reporting.

Third, it stepped up compliance and risk management of branch offices, and oversight thereof, carried out relevant training programs and examinations. In particular, it enhanced inspection and supervision of risk management at the branch office level, focusing on infrastructure management, highlighting weaknesses and coordinating for solutions. It pushed for risk control responsibilities to go downstream to key sub-branches, and an all-around improvement of their capabilities.

Fourth, in response to Shanghai headquarters of PBC requirements for risk screening and self-assessment in Q2, it submitted reports on its Q2 business operation, risk self-assessment, developments in domestic and international economic environment and their impact on the Company's business performance.

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)	-10, 102

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	149%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	705%	500%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash flow of the Company was –RMB101.02 million. Net cash flow from business activities in this quarter decreased by RMB197.35 million from the previous quarter to –RMB47.32 million. Net cash flow from the Company's investment

activities was –RMB28.57 million, an increase of RMB15.64 million from the previous quarter. Of this, cash recovered from investments grew by RMB36.87 million. Financing activities generated -RMB25.19 million in net cash flow, up by RMB1.04 million from the previous quarter. Foreign exchange movement generated a cash flow of RMB60,000.

(2) Liquidity indicator analysis

The comprehensive current ratio within 3 months was 149%, a drop from the previous quarter.

The liquidity coverage ratio is 705% and 500% 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.