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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, 24 August 2020

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. FU Fan; the Non-executive Directors of the Company are Ms. LIANG Hong, Ms. LU Qiaoling, Mr. John Robert DACEY, Mr. HUANG Dinan, Mr. WANG Tayu, Mr. WU Junhao, Mr. ZHOU Donghui and Mr. CHEN Ran; and the Independent Non-executive Directors of the Company are Ms. LAM Tyng Yih, Elizabeth, Ms. LIU Xiaodan, Mr. WOO Ka Biu, Jackson, Mr. CHEN Jizhong, and Mr. JIANG Xuping.

* *Note:* The appointment qualifications of Ms. LIANG Hong, Ms. LU Qiaoling, Mr. John Robert DACEY, Mr. ZHOU Donghui, Mr. CHEN Ran, Ms. LIU Xiaodan and Mr. WOO Ka Biu, Jackson are subject to approval by China Banking and Insurance Regulatory Commission.

Summary of Quarterly Solvency Report

Anxin Agricultural Insurance Company Limited

2nd Quarter of 2020

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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 as per 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: +86-21-66988251
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	274%	288%
Core solvency margin surplus (10K RMB)	109,586	111,560
Comprehensive solvency margin ratio	274%	288%
Comprehensive solvency margin surplus (10K RMB)	109,586	111,560
Latest IRR result	–	A
Premium income (10K RMB)	73,241	16,949
Net profit (10K RMB)	202	2,422
Net assets (10K RMB)	152,408	152,451

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	417,754	375,810
Admitted liabilities (10K RMB)	245,286	205,014
Actual capital (10K)	172,468	170,797
Tier 1 core capital (10K RMB)	172,468	170,797
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)	62,883	59,236
Required capital for quantitative risks (10K RMB)	61,859	58,272
1)Required capital for insurance risk (10K RMB)	50,233	44,760
2)Required capital for market risk (10K RMB)	7,410	6,423
3)Required capital for credit risk (10K RMB)	21,485	24,791

4)Diversification effect for quantitative risks (10K RMB)	17,268	17,703
5)Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	1,024	964
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 of 2020 and Q4 of 2019.

VI. Risk management status

(I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 76.69 points in the last (2017) SARMRA 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 implemented Group requirements concerning integrated risk control. In line with the spirit of Group Working Meeting on Integrated Risk Control, the Company drafted implementation plan, pushed for risk control responsibilities to go downstream to branches, upgrade risk control systems, and address chronic issues and deficiencies. It enhanced coordination with the corresponding function of CPIC P/C and received a visit by the Risk Management Department of CPIC P/C for exchanges of information and views on latest regulatory developments and discussions of the work plan for the second half of the year.

Second, it upgraded the 2020 Risk Appetite Framework (RAF). Based on the evaluation of the current risk control systems and the implementation status of the RAF in capital,

earnings, liquidity and risk management, it upgraded the 2020 RAF. In light of the requirements on RAF management systems of the parent company and its own realities, it amended the Risk Upper Limits for relevant indicators, which will be released in due course.

Third, as per PBOC requirements, the Company conducted the risk screening and self-assessment of Q1 2020, with reporting on changes in solvency and reasons, major risks and mitigation, special risks and mitigation, impact of domestic and overseas economic environment and economic policies on its business operation.

Fourth, completed the filing of IRR data for Q1 2020, Risk Upper Limits, and finished the evaluation of risk management in major categories, while closely monitoring its risk status and taking timely steps to mitigate potential risks.

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)	2,455

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	128%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	758%	663%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash flow of the Company was RMB24.5504 million. Net cash flow from business activities in this quarter increased by RMB335.7222 million from the previous quarter to RMB231.6457 million. Net cash flow from the Company's investment activities was -RMB52.6959 million, a decrease of RMB51.0739 million from the previous quarter. Financing activities generated -RMB154.3973 million in net

cash flow, down by RMB290.2787 million from the previous quarter.

(2) Liquidity indicator analysis

The comprehensive current ratio within 3 months was 128%, staying largely flat compared with the previous quarter.

The liquidity coverage ratio is 758% and 663% 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 from CBIRC 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.